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Tourism Destination Competitiveness: A Supply and Demand Perspective

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Abstract

Over the past three decades, destination competitiveness has gained prominence as a significant topic of tourism research due to its recognition as a critical factor for the success of tourism destinations (Buhalis, 2000; Enright & Newton, 2004). As a result, a myriad of scholars have dedicated themselves to the investigation of the competitive position of different destinations in an attempt to fully understand the factors that lead to enhanced and sustained competitiveness (e.g. Crouch, 2010; Crouch & Ritchie, 1999; 2012; Dwyer & Kim, 2003; Heath, 2003). Despite the progress made in understanding and explaining this complex phenomenon, the measurement of destination competitiveness remains characterized by inconsistency and over-compartmentalization with little signs of consensus in terms of a common approach (Bahar & Kozak, 2007; Miličević, Mihalič & Sever, 2017). What is measured and how, varies greatly and consequently there is little comparability between studies which hinders theory development. In general, studies on destination competitiveness measurement take either a supply or demand approach. Those adopting a supply approach normally survey different stakeholder groups on the supply side (e.g. local authorities, businesses, residents) while those taking a demand approach survey tourists to evaluate a destination's competitiveness.

Inspired by the principles of stakeholder theory (Freeman, 1984), the main argument of this research posits that instead of the dichotomous choice between a demand and a supply approach, the measurement of destination competitiveness can and should be performed using a combination of both. Such an approach ensures the simultaneous inclusion of all relevant destination stakeholders: on the one hand those responsible for the production of the tourism product and, on the, other those responsible for the consumption of the tourism product. Consequently, the broad aim of this research was to investigate destination competitiveness from a holistic stakeholder perspective that includes both supply and demand.

A mixed method design was adopted to address the overall aim and specific research objectives. This research began with a qualitative phase to gain a better understanding of the different conceptions of destination competitiveness according to destination stakeholders. The research then followed with a quantitative phase that explored the differences between supply- and demand- side stakeholders in their perceived assessment of destination competitiveness. Finally, this research proposed and employed an evaluative framework for destination competitiveness that combines the

demand and supply perspectives as an alternative to traditional measurement approaches: the *Supply-Demand Analysis of Competitiveness*.

Overall, the findings reveal that destination stakeholders conceptualise and assess destination competitiveness differently. Specifically, it was found that there are three distinct and hierarchically related conceptions of destination competitiveness: destination competitiveness as perception of a destination, destination competitiveness as performance, and destination competitiveness as a long-term process. Furthermore, findings show significant differences in the measurement of destination competitiveness between supply- and demand- side stakeholders. These findings emphasize the need for destination competitiveness to be measured in a holistic way utilizing a combined approach to measurement. Accordingly, the findings suggest that the *Supply-Demand Analysis of Competitiveness* can be a useful framework for destinations and researchers who aim to understand and assess the competitive position of a destination.

Declaration by author

This thesis is composed of my original work, and contains no material previously published or written by another person except where due reference has been made in the text. I have clearly stated the contribution by others to jointly-authored works that I have included in my thesis.

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a) Peer-reviewed journal articles:

Abreu Novais, M., Ruhanen, L., & Arcodia, C. (2015). Destination competitiveness: what we know, what we know but shouldn't and what we don't know but should. *Current Issues in Tourism*, 19(6), 492-512.

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Contributions by others to the thesis

Both my advisors, A/Prof Lisa Ruhanen and A/Prof Charles Arcodia have contributed to the conception and design of the project, critical revision and edition of the multiple drafts included in this thesis.

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None.

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CHAPTER 1: INTRODUCTION

Introduction

When one thinks of successful tourism destinations, places such as Paris, London, or New York immediately come to mind. But what is it that makes these places so strong as tourism destinations? It is from the attempt to discover the formula behind the sustained success of some destinations that destination competitiveness emerged as a popular research topic. Indeed, since the 1980s, a number of scholars have embraced this issue in an attempt to identify the elements that contribute to make a destination more competitive as well as to determine how destinations compete and perform against each other (e.g. Bahar & Kozak, 2007; Crouch, 2010; Crouch & Ritchie, 1999; 2000; Dwyer & Kim, 2003; Heath, 2003). Significant advances in the topic have been made with numerous definitions, models and theoretical frameworks proposed (Dwyer & Kim, 2003; Goffi, 2013; Heath, 2003; Mazanec, Wöber & Zins, 2007; Ritchie & Crouch, 2003; Wang, Hsu & Swanson, 2012). Despite the progress made in understanding and explaining this complex phenomenon, the increasing efforts towards its measurement are characterized by inconsistency and over-compartmentalization showing little sign of consensus on a common approach (Bahar & Kozak, 2007; Miličević et al., 2017). Furthermore, as noted in the literature, very few evaluative frameworks have been developed (Hudson, Ritchie & Timur, 2004), which provides an obstacle to theoretical advancement.

In order to understand how a destination can sustain or improve its competitive position, it is fundamental to first measure its competitiveness. The task of assessing destination competitiveness however, has been labelled as complex and time consuming (Buckley, Pass & Prescott, 1998; Hallmann, Müller & Feiler, 2014). There are three main reasons for such claims. Firstly, the debate over the nature of the destination product itself has been perceived as hindering attempts at measuring the competitive position of destinations (Gursoy, Baloglu & Chi, 2009). The blurred and debatable conceptualizations of what constitutes the tourism product, tourism destination and tourism sector makes it harder to define and measure competitiveness. Secondly, destination competitiveness is, in a similar manner to the broader concept of competitiveness, a very complex construct (Gursoy et al., 2009; Gooroochurn & Sugiyarto, 2005; Li, Song, Cao & Wu, 2013). Its definition is marked by controversy and confusion (Botti & Peypoch, 2013), triggering a multiplicity of perspectives on the topic. Finally, some of the most established models are equally complex and multifaceted. Although such complexity is required to fully grasp the fragmented (Baggio, 2007; Wang & Fesenmaier, 2007; Kasim, 2006) and interrelated (Hudson et al., 2004)

nature of the tourism sector, these models are challenging to practically apply in assessing destination competitiveness (Kunst, 2009; Mazanec et al., 2007).

Despite the aforementioned challenges, destination competitiveness has grown to be an important topic in tourism research (Enright & Newton, 2004, 2005; Gooroochurn & Sugiyarto, 2005). The pronounced academic interest is essentially explained by the exponential increase in competition among destinations witnessed in recent decades (Assaker, Hallak, Vinzi & O'Connor, 2013; Hong-Bumm, 1998), both at a national and international level (Dwyer, Edwards, Mistilis, Roman & Scott, 2009). The so often mentioned allure of tourism, which is explained by the use of tourism as a powerful source for economic development (Archer, Cooper & Ruhanen, 2005; Crouch & Ritchie, 2003; Kayar & Kozak, 2010;) and for socio-cultural benefits (Crouch & Ritchie, 2003; Besculides, Lee & McCormick, 2012), has led to more and more countries progressively channelling resources into the development of the tourism sector (Hong-Bumm, 1998). This tendency towards the intensification of competition has been further fuelled by the transition from mass tourism to a 'new age of tourism' (Fayos-Solá, 1996), forcing destinations to increase the attention and resources allocated to the tourism sector in order to develop dedicated tourism products based on the specific needs and interests of tourists (Assaker et al., 2013). Finally, recent years have witnessed an increasingly saturated (Gomezelj & Mihalič, 2008) and chaotic market (Gursoy et al., 2009) as well as a more volatile context at all levels – politically, financially, economically and environmentally (Ringbeck & Pietsch, 2013). All these factors have contributed to the escalating competition between destinations, which in turn has raised the pertinent question of how any city, region or country can sustain its competitiveness as a tourism destination (Assaf & Josiassen, 2012).

The panoply of existing efforts on destination competitiveness measurement vary on a number of factors including theoretical perspectives, methods, tools, specific indicators and populations approached (Bahar & Kozak, 2007). Within the various factors that can be used to categorize existing measurement research, studies can be divided into two groups according to the approach taken: those adopting a supply approach by surveying stakeholder groups on the supply side of tourism such as businesses, local authorities and local residents, and those taking a demand perspective and approaching tourists to perform the evaluation.

Inspired by the principles of stakeholder theory (Freeman, 1984), the main argument of this study posits that instead of the dichotomy between a demand and a supply approach, the measurement of destination competitiveness can and should be performed using combination of both. Such an approach ensures the simultaneous inclusion all relevant destination stakeholders: on the one hand,

those responsible for the production of the tourism product and, on the other, those responsible for its consumption.

Justification and research purpose and objectives

This study emerges from a combination of four elements that evolved from a comprehensive review of the literature: the increasing importance of destination competitiveness for tourism destinations given the changing nature of tourism, the recognition of the current over-compartmentalized state of the literature on destination competitiveness measurement, the identification of a dichotomous choice in most measurement studies between a demand and a supply approach, and the consequent acknowledgment of the need for systematic and practical tools to assess this complex construct. In addition to these gaps, the argument put forward in this study is that destination competitiveness should be a holistic measure incorporating all relevant destination stakeholders. Consequently, the overall aim of this research was to investigate destination competitiveness from a holistic destination stakeholder perspective that includes both demand and supply sides.

Specifically, this research has three related objectives:

- To investigate the conceptualizations of destination competitiveness from the perspective of destination stakeholders.
- To propose and test a holistic and practical framework for the measurement of destination competitiveness that includes the perspectives of stakeholders from both supply and demand sides.
- To analyse the extent to which supply- and demand-side destination stakeholders assess the competitiveness of a destination differently.

Each of these three objectives contributes to the investigation of the topic of destination competitiveness from a holistic stakeholder perspective. Such a holistic perspective is fundamental given the known co-creation of the tourism product and experiences (Suntikul & Jachna, 2016). By understanding the different ways in which the term is conceptualised, by investigating the extent to which supply- and demand-side destination stakeholders vary in terms of how they evaluate destination competitiveness, and by proposing an evaluative framework that aims at measuring destination competitiveness from the perspective of both supply- and demand- side stakeholders, this study aims to explore the differences in the two perspectives and explore how the potential differences can be used to guide future decisions for destinations looking for enhancing their

competitive position. This topic is of fundamental importance given the aforementioned escalation of competition between destinations and the consequential need of destinations to understand, assess and improve their competitiveness

Significance of the research

The significance of this research extends to both the research and practice communities. From a theoretical perspective, the contributions are twofold. Firstly, the outcomes of this study contribute to the theoretical discussion of what constitutes destination competitiveness by offering a definition based on the perspectives of different destination stakeholders. Despite the various definitions proposed by tourism scholars there is still a recognized controversy and confusion in the discussion (Botti & Peypoch, 2013). Furthermore, although current definitions are useful, it is also important to fully understand how destination stakeholders, those affecting and affected by destination competitiveness, conceptualise the term. Arguably the destination competitiveness concept should acknowledge and reflect these views.

Being a complex (Crouch & Ritchie, 2003) and multi-layered (Li et al., 2013) phenomenon, research on destination competitiveness should include approaches that capture its complexity. The phenomenographic approach chosen for the qualitative stage of this study allows for the capturing of the different ways in which destination stakeholders conceptualise the term thus offering a more comprehensive understanding of the construct. Furthermore, considering phenomenography is recognized for its ability to unveil new features and nuances of the studied phenomenon (Limberg, 2008), as well as to expose the hidden relationship between the conceptions and experience (Francis, 1996), this study advances destination competitiveness theory.

Secondly, this study addresses an existing literature gap that results from apparent dichotomy between demand and supply perspectives in the measurement of destination competitiveness (Bahar & Kozak, 2007). Studies taking a supply perspective neglect those stakeholder groups on the demand side of tourism while those taking a demand approach overlook the stakeholder groups on the supply side. Accordingly, most empirical studies to date (Andrades-Caldito, Sánchez-Rivero & Pulido-Fernández, 2014; Cracolici, Nijkamp & Rietveld, 2008; Hsu, Wolfe, & Kang, 2004; Kozak & Rimmington, 1999; Enright & Newton, 2004; Gomezelj & Mihalič, 2008; Hallmann & Roth, 2012; Hudson et al., 2004; Lee & King, 2006; 2009; Omerzel, 2006; 2011; Yoon, 2002; Zehrer & Hallmann, 2015) take a perspective that reduces the fullness of the measurement in terms of destination stakeholders involved. This research gap has in fact been acknowledged earlier by scholars such as Enright and Newton (2004) who had identified the possibility of inconsistencies

across the two perspectives. Additionally, Dwyer et al. (2004) and Formica (2002) saw the need for the combination of perspectives, Zeher and Hallman (2015) advocated for an exploration of the gaps, while Mihalič (2013) pointed to the apparent discrepancies between the perspectives adopted by various studies. Notwithstanding these observations, only a few studies have addressed both perspectives when measuring destination competitiveness; notable among these were Bahar and Kozak (2007) and Zehrer et al (2016). Both studies confirmed the discrepancies but the implications of these findings were not analysed. Consequently, it was important for this study to investigate both the demand and supply-side perspectives and emphasise the potential differences and their implications. Accordingly, this study proposes an evaluative framework that combines both supply and demand perspectives thus involving destination stakeholders responsible for both the production and consumption of the tourism product. As such, the *Supply-Demand Analysis of Competitiveness* offers a more holistic account of destination competitiveness and contributes to the consolidation of knowledge on the topic.

From a practical perspective, this research has both generic and specific managerial implications. The outcomes of this study can assist tourism planners and managers who must juggle the interests and demands of various stakeholders. Investigating the topic from a stakeholder perspective has the potential to increase the awareness of destination managers in relation to the differences across stakeholder groups in terms of conceptions and evaluations of competitiveness. Furthermore, using stakeholder assessment of destination competitiveness improves the sensitivity of destination managers to the stakeholders' needs and increases the likelihood of their support (Taylor, 2008). As such, this study has the potential to contribute to more effective monitoring and improvement of relationships between destination managers and other stakeholders.

Still at a broad level, this study offers a number of advantages for destinations through the development of an evaluative framework for the measurement of destination competitiveness that can be easily understood and operationalized. In an increasingly saturated international market, successful destination management requires a thorough understanding of how measurement can be enhanced and sustained (Goffi, 2013). As such, a straightforward evaluative framework can be extremely valuable as it can yield important insights into the strengths and weaknesses of destinations, as well as an in-depth understanding of its internal and external environment. Furthermore, while this research is developed in the context of tourism destination competitiveness, the usefulness of this evaluative framework has the potential to be extended to other industries and organizations. A *Supply-Demand Analysis of Competitiveness* is an extremely useful tool for any organizational unit in need of assessing its performance from a simultaneous demand and supply

perspective. It can be used either for diagnostic or monitoring analysis. Minimizing the supply-demand gaps will maximize an organization's competitiveness potential. In this sense, the potential of such a contribution is of great significance.

The application of the framework uses Lisbon, Portugal, as a case, and so this study provides Portuguese authorities with a detailed assessment of the competitiveness of Lisbon as a tourism destination. This diagnostic analysis not only identifies the specific elements of measurement that require improvement, but also those where supply-demand gaps need to be reduced. These gaps correspond to the elements where stakeholders from the demand and supply side do not agree in regards to the destination's performance. It is argued in this study that if stakeholders from both the supply and demand sides agree on the destination's elements that perform better or worse, the potential of competitiveness of that destination is maximized. As such, the identification of these gaps is a further contribution of the study.

Theoretical background

Different theoretical fields and positions underpin the present research. To begin with, this study is influenced by two trade theories, namely theory of comparative advantage (Ricardo, 1891) and theory of competitive advantage (Porter, 1985). These theories, which underpin the study of competitiveness generally, enable the in-depth understanding of the phenomenon of competition and its connections and application to the tourism context. In addition, stakeholder theory (Freeman, 1984) influences the assumption taken in this study that destination stakeholders' play an important role in the success of a destination and therefore should be included in the assessment of destination competitiveness. This section presents an overview of the theoretical fields that underpin this research. A thorough review of the existent knowledge specifically on destination competitiveness is presented in the following chapter which is the first paper included in this thesis.

Trade theory: comparative advantage and competitive advantage

The theory of comparative advantage was developed by David Ricardo in the early stages of the nineteenth century by expanding on the theory of mercantilism and Adam Smith's (1776) theory of absolute advantage. While the concept of absolute advantage is a result of the identification of the world's lowest cost producer, comparative advantage is based on the opportunity cost of producing a certain good in terms of other goods. This theory is illustrated in Ricardo's simple example using Portugal and England producing two goods - wine and cloth. In the example, Portugal is more efficient than England at producing both as it produces cloth for half of the price that England does

and wine for a fifth of the price. This means that it has the absolute advantage in the production of both goods. However, considering Portugal can produce wine more cheaply than it can produce cloth, it will be advantageous for both countries if Portugal devotes all its resources to producing wine and England concentrates on cloth. In this example, Portugal has the comparative advantage of the production of wine while England of cloth. As a result of specialization, both countries together produce more cloth and wine and can then trade Portuguese wine for English cloth. As can be seen from the example, countries that might not have an absolute advantage of the production of any good will have a comparative advantage in the production of at least one. This assessment of the opportunity costs across countries encourages specialization and consequently trade.

David Ricardo explained the principle of comparative advantage in a model of two goods, one factor of production (labour) and two countries as seen in the above example. The theory is based on a set of strict assumptions which include perfect competition, constant returns to scale, known and stable international market prices; and the inexistence of uncertainty regarding the prices and fixed characteristics of commodities (Hosseini, 2005; Smit, 2010). With the evolution of trade theory, the classical theory of comparative advantage underwent modifications to overcome these simplified and even unrealistic assumptions. However, the central analytical principle of the theory – the emphasis on comparative cost – has not been abandoned (Warr, 1994).

Despite the strict assumptions, the construct of comparative advantage is still considered a fundamental element in trade theory (Neary, 2003; Waheeduzzaman & Ryans, 1996). Trade theorists stress the importance of this concept as a guiding principle for optimal resource allocation and a justification for specialization and the gains from international trade (Warr, 1994; Krugman, 1994; 1996; Siggel, 2006; Smit, 2010). The main insight of this neoclassical theory is that international trade allows the total economic welfare to increase and all countries to flourish when they specialize in those products or activities in which they have a comparative advantage (De Grauwe, 2010; Ritchie & Crouch, 2003). This means that competition and trade is not a zero-sum game but a positive sum one (Pitelis, 2009b).

While the principle of comparative advantage has general acceptance amongst economists, it is not as well regarded among non-economists (Neary, 2003; 2006). For instance, business scholars contend that the principle of comparative advantage fails to capture the determinants of economic success in the modern world economy where competition is dynamic and evolving, and where innovation and technology assume a central role (Porter, 1985; Warr, 1994). The theory of competitive advantage, which places more emphasis on value-added activities than on resources,

has rapidly gained prominence as an alternative explanation for trade patterns and economic success.

While the fundamental concept of competitive advantage can be traced back to early scholars (Chamberlin, 1933; Selznick, 1954; Hofer & Schendel, 1978), it was Michael Porter's seminal work during the 1970s and 1980s that popularized the term. Porter (1985) explains that competitive advantage emerges from the "value a firm is able to create for its buyers that exceed the firm's cost of creating it" (p.3). Here value is "what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price" (Porter, 1985, p.3). This perspective of the concept focuses mainly on customers and comparative value (Bredrup, 1995) and distinguishes two basic types of competitive advantage: cost leadership (by being the lowest cost producer) and differentiation (by offering unique benefits). Furthermore, it explains that achieving a competitive advantage results in higher performance. In this sense, competitive advantage is the outcome and the objective of strategy rather than just an element that is used within strategy (Reed & DeFillippi, 1990).

Both these theories play an important role in the study of competitiveness in general and in the specific context of tourism as they help explain trade. Most destination competitiveness frameworks and models have been influenced by such theories and in fact, as is discussed later, both terms have been used as synonyms for the term competitiveness. In the specific case of tourism, Crouch and Ritchie (1999) offer a straightforward description of comparative advantage and competitive advantage in tourism that is inspired by Porter's work. The authors describe comparative advantage as the "endowment resources of the destination" and competitive advantage as the "successful deployment of those resources" (Crouch & Ritchie, 1999, p. 142). This distinction has been adopted by other tourism scholars (Cracolici & Nijkamp, 2009; Dwyer & Kim, 2003) although it is not seen as straightforward by economics and business scholars in general (Neary, 2003).

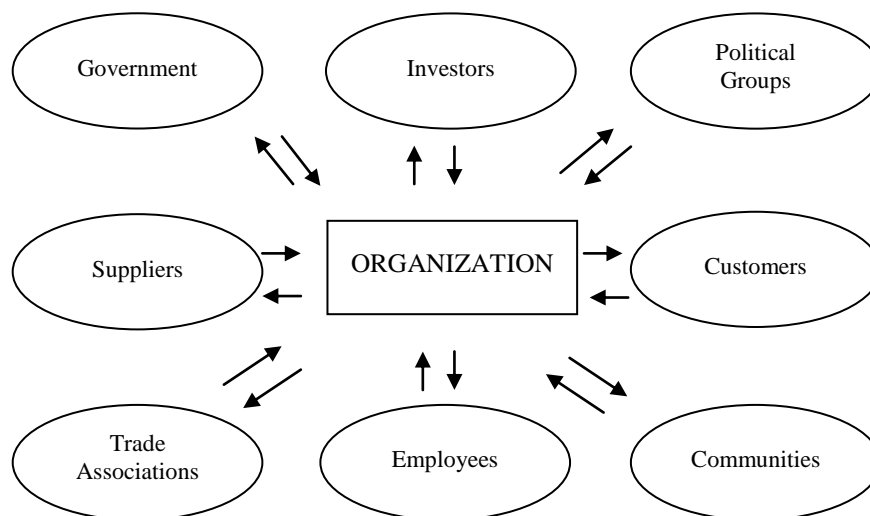
Stakeholder Theory

Stakeholder theory is a theory of organizational management that aims to identify and explain an organization's relationship and responsibility to its constituents (Dempsey, 2009). First introduced by Ansoff (1965), and taking form with Freeman's (1984) seminal work, this perspective emerged in a context of increasing concern with the social and environmental impacts of corporations. Concomitantly, stakeholder theory was applied as an alternative to the traditional and primarily profit oriented approach by challenging the notion that the only relevant perspective is that of the shareholder (Sheehan & Ritchie, 2005). In this sense, this perspective is seen as a platform that

offers the tools required to manage and balance parties with divergent interests and needs (Timur & Getz, 2008).

Jones and Wicks (1999) efficiently summarize the four essential premises of stakeholder theory. Firstly, the organization is characterized by its relationships, explicit and implicit, with various groups or individuals that affect and are affected by its decisions (Freeman, 1984). These numerous actors often have incongruent purposes and interests (Donaldson & Preston, 1995). Secondly, this theory is concerned with the processes and outcomes of such relationships (Jones & Wicks, 1999). These relationships are illustrated in Figure 1 which is based on Freeman's (1984) existing model of the 'stakeholder theory of an organization' (Donaldson & Preston, 1995; Kochan & Rubinstein, 2000). Thirdly, in theory, all individuals or groups with legitimate interests have intrinsic value, and there is no priority or dominance of one set of stakeholders over another (Donaldson & Preston, 1995). Finally, the theory focuses on managerial decision making – it recommends attitudes, structures and practices for managers to put into place to encourage a stakeholder focused management function (Donaldson & Preston, 1995).

Figure 1 Stakeholder Theoretical Model for the organization



(Adapted from Donaldson & Preston, 1995:69)

One of the most common and controversial issues related to stakeholder theory is the definition and identification of stakeholders (Laplume, Sonpar & Litz, 2008). Overall, there are two perspectives on what constitutes a stakeholder. One of the broadest perspectives in the literature is Freeman's (1984, p. 46) who defined a stakeholder as "any group or individual who can affect or is affected by the achievement of the organization's objectives" and so includes shareholders, creditors,

employees, customers, local communities, suppliers, governmental bodies and even terrorists, blackmailers and the environment (Jensen, 2001). In contrast, Clarkson (1995) provides a narrower definition. He states that “voluntary stakeholders bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm. Involuntary stakeholders are placed at risk as a result of a firm’s activities” (p.5). Clarkson further claims that there is no stake or stakeholder without the element of risk. In the particular context of tourism, Freeman’s (1984) definition assumes a dominant position (García-Rosell, Haanpää, Kylänen, & Markuksela 2007).

Stakeholder theory has influenced the study of organizational competitiveness and performance. By arguing that the purpose of the firm is to coordinate stakeholders’ interests (Donaldson & Preston, 1995, citing Evan & Freeman, 1993) and that its survival and success depends on the ability to deliver value to different stakeholder groups (Campbell, 1997), this perspective suggests that organizational performance should be assessed against the expectations of a variety of stakeholders (Hubbard, 2009). Applied to the context of tourism destinations, stakeholder theory implies that the support of destination stakeholders is fundamental for the destination’s success. Indeed, the importance of considering the interests of the different stakeholders for the destination’s long term returns has been extensively recognised (Buhalis, 2000; Formica & Kothari, 2008; Fyall & Garrod, 2005; Sautter & Leisen, 1999). Additionally, it can be deduced from the application of stakeholder theory to the tourism context that the performance of a tourism destination, in a similar way to an organization, should be assessed against the expectations of relevant stakeholders. If destination competitiveness should be assessed against stakeholder measures, those more suitable for performing that assessment are the actual stakeholders. In order to do so, it is fundamental to firstly understand how these stakeholders perceive destination competitiveness and then how they evaluate such a construct.

Overall, all three aforementioned theories influence the current research. The theories of comparative advantage and competitive advantage provide the basis for the study of competitiveness. Stakeholder theory, on the other hand, offers a useful lens to investigate the assessment of destination competitiveness and underpins the basic premise of this study - that destination stakeholders should have an active role in the assessment of destination competitiveness.

Competitiveness and Tourism Destination Competitiveness

The present section provides a review of the themes that underpin the study. In order to address and justify the research aim and objectives, a critical analysis of the destination competitiveness literature is presented. This review begins with the discussion of the origins and evolution of the competitiveness construct followed by a brief reflection of the application of the term in the service sector in general and in the tourism sector in particular. As previously mentioned, the mapping of the current knowledge on destination competitiveness literature is presented in the next chapter of this thesis.

Origins and evolution of the competitiveness construct

Competitiveness has become an extremely widespread topic in economic policy (Aiginger, 2006), and a major concern of governments and industries in every nation (Porter, 1985) due to its gradual recognition as a prominent driver of national prosperity (Hong, 2009; Krugman, 1996; Newall, 1992; Scott & Lodge, 1985). Despite the considerable interest from governments, managers and the general community in the forces that lead to the competitiveness of firms, industries and nations, competitiveness has not attracted much scholarly interest until recently (Siggel, 2006). This lack of attention in the early stages of the economic literature, combined with the sudden and exponential growth of studies addressing the topic without rigorously defining it, has led to a certain degree of ambiguity in the discussion. There is a wide range of dimensions, interpretations and usages of the term resulting in the lack of unanimity around its definition (Aiginger, 2006; Siggel, 2006).

Competitiveness finds its origins at the firm level and slowly shifted from the analysis of firms to that of places and countries (Siggel, 2006). At a micro level, the definition of competitiveness is straightforward (Reinert, 1995). The concept is viewed as synonymous with “producing more and better quality goods and services that are marketed successfully to consumers” (Newall, 1992, p.94) or described as the “ability to retain the competitive position of an organization by satisfying the expectations of customers and shareholders while constantly eliminating the threats and exploiting the opportunities which arise in the competitive environment” (Feurer & Chaharbaghi, 1994, p. 51). In this sense, competitiveness can only be maintained and enhanced through the continuing improvement in the offerings and capabilities of an organization (Kim, 2012).

The competitiveness concept expanded to the macro level and while far more common, is similarly characterized by debate and controversy (Buckley, Pass & Prescott, 1988; Pitelis, 2009a). The construct at this level is less well-established in economic theory (Siggel, 2006) and for that reason is deemed to have a much more problematic definition (Aiginger, 2006; Lee & Peterson, 2000).

Consequently, the term has been the target of strong criticism by economists who see it as a diffuse (Lall, 2003), evasive (Aiginger, 2006), elusive (Krugman, 1994), vague (Aiginger, 2006), ambiguous, (Siggel, 2006) and meaningless (Krugman, 1994) concept. The reason behind this severe condemnation, as explained by Krugman (1994), is that the analogy between a firm and a nation cannot be established. The bottom line of firms is well defined but that of countries is not. A firm that is not competitive will cease to exist unless it improves its performance; a country, on the other hand, will never cease to exist due to poor economic performance (Krugman, 1994).

Regardless of the strong criticisms, competitiveness at a macro level is widely acclaimed in the political and business spheres (De Grauwe, 2010) and is seen as having a legitimate place in academic literature (Reinert, 1995; Siggel, 2006). Consequently, there have been significant efforts both inside and outside the academia to define it. For instance, the European Commission (1994) defines competitiveness as “the capacity of businesses, industries, regions, nations or super-national associations exposed, and remaining exposed, to international competition to secure a relatively high return on the factors of production and relatively high employment levels on a sustainable basis” (p.17). This approach corresponds to an aggregate of the microeconomic concept as it argues that a nation is competitive if it harbours a large number of internationally competitive businesses and industries (Siggel, 2006). Similar approaches have been used by Dollar and Woff (1993) and Hatsopoulos, Krugman and Summers (1988). Alternatively, the World Economic Forum, which every year publishes the World Competitiveness Index, defines competitiveness as “the set of institutions, policies and factors that determine the level of productivity of a country” (Sala-i-Martin, Blanke, Hanouz, Geiger & Mia, 2010, p.1). According to this perspective, competitiveness is a composite of a large number of attributes that measures the nation’s business climate and its index attempts to identify the conditions in which countries can achieve and maintain sustainable levels of productivity growth (De Grauwe, 2010). Another approach to the term has been efficiently summarized by Aiginger (2006), who defines competitiveness as “the ability of a country to create welfare” (p. 161). In this sense, competitiveness is associated with the qualities that enable a high standard of living of the population of a particular nation (Delgado, Ketels, Porter & Sterns, 2012).

A major advancement in macro competitiveness theory was Porter’s *The Competitive Advantage of the Nations* (1990). In this seminal work that popularized the discussion of competitiveness, Porter shows an alternative to the traditional meaning of competitiveness given by neo-classical economists; he emphasizes the importance of productivity by asserting that “the only meaningful concept of competitiveness at the national level is national productivity” (Porter, 1990, p.6). He uses this definition of competitiveness to understand the drivers of sustainable economic prosperity

at a given location (Ketels, 2006). In this major work Porter introduced his now famous diamond framework of nation competitiveness where four determinants of national advantage for a particular industry are explained: factor conditions, which correspond to the inputs to an industry; demand conditions; related and supporting industries; and firm strategy, structure and rivalry. Moreover, two additional external factors, government and chance events are seen as significant as they have the power to influence any of the four main drivers. Porter's work has attracted strong interest within the business, political and academic communities and has been regarded by many as a seminal contribution to the understanding of competitiveness (Aiginger, 2006; Ketels, 2006; Neary, 2006; Tsai, Song & Wong, 2009).

Overall, and despite the variety of definitions proposed in academic and policy circles, in the discussion surrounding competitiveness at a macro level two aspects have been emphasized, namely national economic performance measured in terms of GDP per capita (or productivity) and trade performance (Lee & Peterson, 2010). Furthermore, all definitions incorporate common elements of productivity, efficiency and profitability and mention the ultimate objective of competitiveness is to increase standards of living (Kim, 2012). The prominence of these elements suggests that competitiveness borrows important insights from well-established economic theories and calls for an understanding of the basics of such theories.

Competitiveness, the service sector and tourism

The study of competitiveness emerged and has largely remained within the areas of manufacturing and the trade of physical goods. Nevertheless, the service sector accounts for an increasing portion of total employment and GDP across many countries (Machuca, Gonzalez-Zamora & Aguilar-Escobar, 2007; Seyoum, 2007); it particularly dominates the economies of industrialized countries (Porter, 1990). Furthermore, even in the trade of goods, the importance of services has become increasingly evident with firms competing on the basis of services and not on the basis of physical products as there is little to differentiate competing products (Grönroos, 2000; Kandampully, 2002). Notwithstanding the prominence of services, the existing literature has provided limited contribution to the understanding of competitiveness in this sector (Ritchie & Crouch, 2003; Porter, 1990; Sapir, 1982; Seyoum, 2007).

It is fundamental to understand the distinction between the service sector and the manufacturing sector in terms of competition. Although there is no precise and consensual definition of services, there is a general agreement regarding the key characteristics that distinguish trade in services from trade in goods (Seyoum, 2007): intangibility, heterogeneity, inseparability of production and

consumption, and perishability (Zeithaml & Bitner, 1996). Another particular feature of services is the interaction between producer and consumer (Ochel, 2002). These particularities significantly affect the nature of competition and therefore competitiveness in the sector. Rather than arising from cost and price advantages, which one finds in the manufacturing sector, competitiveness in the service sector arises from the relationship between producer and consumer. Pricing strategies are deemed to be more easily matched by rivals and for that reason service firms should focus on differentiation of service as a competitive strategy (Athanasopoulos, 2000; He, Chan & Tse, 2008). Further, they should aim to constantly satisfy the unmet needs of different market segments as well as reducing the uncertainty regarding the quality of service (Illeris, 1996; Ochel, 2002).

The notion of competitiveness is also applicable in tourism as consumers have a range of destinations from which to choose (Woodside & Lysonsk, 1989). In fact, destination choice constitutes one of the first and most important decisions made by tourists (Cizmar & Webber, 2000). In an increasingly saturated and overly segmented tourism market, competitiveness is, in a similar way to other industries, vital (Bougias, 2009; Hong, 2009). Indeed, the past two decades have witnessed a gradual recognition of the importance of destination competitiveness and its determinants (Webster & Ivanov, 2014). Existing literature has highlighted the need for a global perspective to understand the key determinants of market competitiveness that allow tourism destinations to compete effectively in order to sustain its growth (Hassan, 2000; Ritchie, Crouch & Hudson, 2000). Such increased awareness has resulted in a number of studies focusing on the competitiveness of tourism destinations (Ahmed & Krohn, 1990; Bordas, 1994; Crouch & Ritchie, 1999; Dwyer, Dragičević, Armenski, Mihalič, & Knežević Cvelbar, 2016; Dwyer, Livaic & Mellor, 2003; Dwyer, Mellor, Livaic, Edwards, & Kim, 2004; Enright & Newton, 2004; Go & Govers, 2000; Goffi, 2013; Hassan, 2000; Kozak, 2002; Kozak, Kim & Chon, 2017; Kozak & Rimmington, 1999; Mihalič, 2000; Ritchie & Crouch, 1993; Woodside & Carr, 1988). This growing body of knowledge now covers a wide range of topics including definitions and theoretical models, particular aspects of destination competitiveness (e.g. price competitiveness, destination management, impact of competitiveness) and the measurement of destination competitiveness.

Literature gaps and development of research questions

A review of the existing literature reveals a number of gaps that served as the foundations for the development of the research questions for this study. Firstly, an analysis of the current knowledge on the topic reveals a significant diversity in approaches taken to understand the construct of competitiveness either in its original context of economics or in the particular context of tourism.

This multiplicity of approaches has resulted in a lack of consensus regarding the definition and scope of the phenomenon (Azzopardi, 2011; Botti & Peypoch, 2013; Mazanec et al., 2007). Furthermore, existing definitions do not consider the perspective of the various destination stakeholders involved or the possibility of destination stakeholders conceptualizing the phenomenon differently. In an attempt to define destination competitiveness from the perspective of the different destination stakeholders involved in the tourism system, the first research question is:

RQ 1: How do different destination stakeholders conceptualise destination competitiveness?

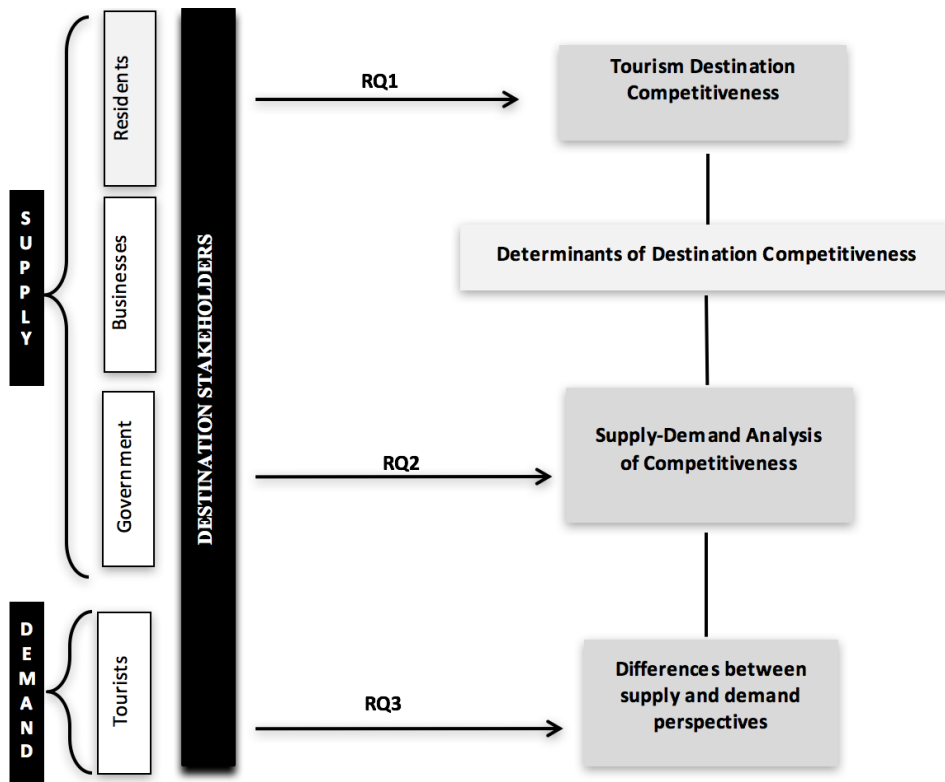
The second identified gap stems from scholarly efforts to measure destination competitiveness. As previously discussed, existing measurement efforts take either a supply or demand approach by surveying supply-side stakeholders or tourists. This dichotomy faced in the existing body of research represents two knowledge gaps. The first relates to the differences between the two perspectives: it is not well-understood if and how the assessment of the competitiveness of a destination differs according to supply-side stakeholders and demand-side stakeholders. Secondly, it is not understood how the two perspectives can be used in conjunction, and in such a way that enables a more holistic view of the competitive position of a destination in a given moment and how the potential differences can be explored to guide future actions for destinations. In this context, and keeping in mind the stakeholder approach that underpins this study, the following two research questions emerge:

RQ 2: How can destination competitiveness be measured in a way that combines the perspectives of both supply- and demand-side destination stakeholders?

RQ 3: To what extent do supply- and demand-side destination stakeholders assess the competitiveness of a destination differently?

Given the identified gaps in the literature, Figure 2 illustrates the conceptual framework that underpins this study. This framework involves both the conceptualization and measurement of destination competitiveness.

Figure 2 Research Framework



Methodology

This section provides an overview of the research methodology guiding this study. It begins with the presentation of the philosophical underpinnings inspiring the researcher and guiding the current study. It then follows with a description of the multi-phase research design adopted, an outline of the research context and unit of analysis, and with a discussion and justification of the specific methods for data collection and data analysis. Lastly, this section addresses issues of validity and reliability and ethical considerations.

Philosophical underpinnings

Any study is shaped by the researcher’s posture in the world and his/her philosophical beliefs regarding ontology, epistemology and methodology (Creswell & Plano Clark, 2001; Jennings, 2010). These four elements are often labelled the main components of paradigms, (Denzin and Lincoln, 2008) which can be defined as shared systems of beliefs and values that influence the kinds of knowledge researchers seek, how that research should be undertaken and how collected evidence should be interpreted (Morgan, 2007). Paradigms thus include the assumptions and

concepts that orient thinking and research (Bogdan & Biklen, 1998) and are related to the philosophical intent or motivation for conducting a certain study (Cohen & Manion, 2000).

The current study is grounded in the pragmatism paradigm. Pragmatism, which emerged as an alternative to the forced dichotomous choice between positivism/postpositivism and constructivism/interpretivism (Creswell & Plano Clark, 2007), is not committed to a particular philosophy or reality (Mackenzie & Knipe, 2006). Instead, it is anti-dualist (Rorty, 1999) and places the focus in the research problem by applying all approaches required to fully understand it (Creswell, 2003; Miller, 2006). Accordingly, pragmatism, instead of dismissing other approaches based on incompatible assumptions, searches for points of connection between them (Morgan, 2007). Researchers influenced by it do not need to be ‘prisoners’ of a particular research method or technique (Robson, 1993).

Ontologically, pragmatism accepts that there are simultaneously singular and multiple realities (Creswell & Plano Clark, 2011) or, in other words, there is both an objective reality as well as people’s perceptions of it (Barnes, 2012). As further explained Yvonne Feilzer (2010), pragmatists’ worldview is closely related to Dewey’s (1925) notion of “‘existential reality’”, an experiential world with various layers with some of them objective or subjective, while others a combination of the two. Epistemologically, pragmatists argue most researchers fall within the intersubjective category as it is not possible to be completely objective or subjective (Barnes, 2012). Given this multi-layered character of reality, pragmatism argues that research approaches should be combined in a way that offers the best possible answer to the research question (Johnson & Onwuegbuzie, 2006). The bottom line of this shared system of beliefs is that it aims at solving important and practical problems in the “real world” (Yvonne Feilzer, 2010).

The pragmatic paradigm influences the way this study was undertaken. By allowing the convergence of philosophies and methods and the combination of elements from different paradigms (Guba & Lincoln, 2005), pragmatism enhances the potential of this study in terms of knowledge acquired about the studied phenomenon. Destination competitiveness is a complex and multi-layered phenomenon and as such can be better-understood using different approaches. The first stage of the research sought to identify and categorize the different ways of conceptualizing destination competitiveness. Recognizing that this is a socially constructed concept and aimed at describing the qualitatively different ways in which different stakeholders conceptualise and experience destination competitiveness; this research adopted a qualitative approach, specifically phenomenographic analysis. During the second stage, this research sought to explain reality and

make generalizations. Believing that aspects of destination competitiveness are real and knowable, this research aimed to discover the differences between stakeholders in terms of perceived performance of destination competitiveness indicators, as well as identifying the competitive position of a specific destination - that of Lisbon, Portugal. The ultimate objective of this phase was to make generalizations about differences across stakeholders and to develop an objective evaluative framework for destination competitiveness that helps explain reality.

Research design

Based on the proposed research questions and the philosophical underpinnings guiding the researcher, this study adopted a mixed method research design. Mixed methods research, which is characterized by a combination or integration of different research methods (Creswell et al., 2003; Hu-Wei, 2006), emerged as a result of the fervent and long-lasting debate between the advantages and disadvantages of qualitative versus quantitative research (Feilzer, 2010). This so-called ‘paradigms war’ (Biesta, 2010; Feilzer, 2010) that has characterized social research over the past decades has originated in three major schools of thought according to the extent to which each group believes the two approaches co-exist and can be combined: purists, situationalists and pragmatists (Onwuegbuzie & Leech, 2005). Accordingly, purists postulate that quantitative and qualitative methods stem from different ontologic, epistemologic and axiological assumptions about the nature of research and are therefore incompatible; situationalists accept that both methods have value and the appropriate method is based on the situation or the research question; pragmatists believe that qualitative and quantitative methods are not really separated and advocate for the integration of both in the same study (Onwuegbuzie & Leech, 2005) This study has adopted the latter.

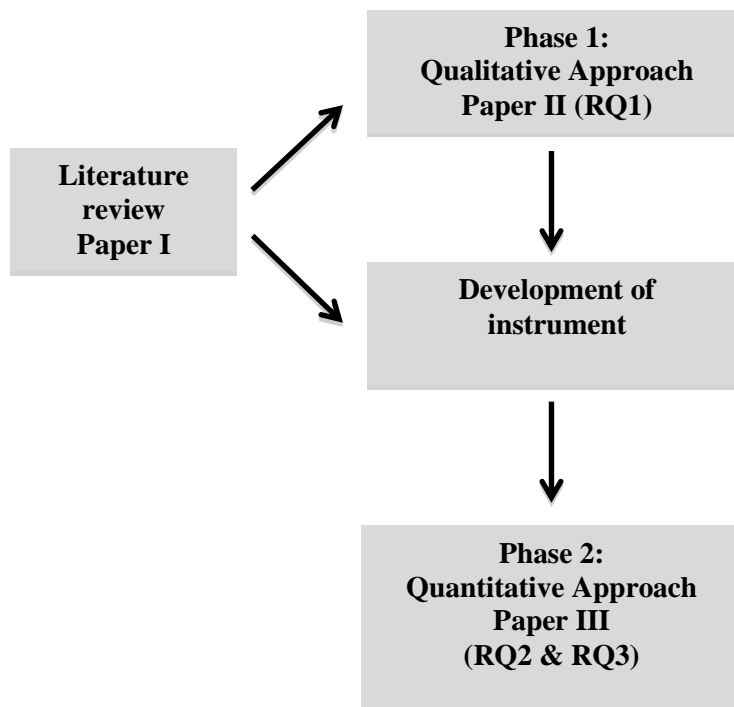
This study adopts a mixed-method approach by employing both qualitative and quantitative methods at different stages of the research and by collecting different sets of data that are analysed using different tools and techniques. This choice of approach was based on Morse’s (1991) description of the situations for which mixed-methods are most appropriate: when the nature of the phenomenon may not be suited to quantitative measures; when there is a need to explore and further describe the phenomenon and to develop theory; and when there is a recognized notion that the available theory may be inappropriate or biased (p.120). As demonstrated in the previous sections, destination competitiveness is a complex and multi-layered phenomenon comprised of elements of both qualitative and quantitative nature; thus a mixed-method approach to its investigation allows for a more holistic investigation of the phenomenon. In addition, there is a recognized absence of

knowledge about the conceptualization of this phenomenon from the perspective of different destination stakeholders. Furthermore, amongst the destination competitiveness literature there is a documented bias towards either the supply or demand side and a recognized need for a combination of approaches (Bahar & Kozak, 2007). In this sense, a multi-method approach allows for the further exploration and development of theory in regards to the blending of the demand and supply perspectives. This combination of methods also enhances the validity of the study (Denzin & Lincoln, 1994) by reducing personal and methodological bias (Miles & Huberman, 1994).

Specifically, this research adopted a fully mixed sequential dominant status design according to Leech and Onwuegbuzie's (2009) typology of mixed-methods designs. This particular design involves the combination of qualitative and quantitative methods within one or more or across stages of the research process (p. 7). This joint use of diverse methods can occur at one or more stages and either the quantitative or qualitative elements assume a dominant position. In the particular case of this research the qualitative phase precedes the quantitative phase and the latter assumes the dominant role.

Figure 3 illustrates the design adopted and the different phases of the study. The research began with a qualitative phase to gain a better understanding of the different conceptualizations of destination competitiveness across destination stakeholders. This initial stage was designed to respond to the first research question and to set the context for the subsequent questions. A particular qualitative lens – phenomenography – was adopted for this stage. Accordingly, data was collected from different tourism stakeholders of a particular destination – Portugal - in the form of interviews. These interviews took place in Portugal during the first months of 2015 and they were simultaneously semi-structured and open, as per phenomenographic tradition. A detailed description of the research design for this stage is presented in chapter three of this thesis. The second phase of the study was operationalized by the development and implementation of a survey designed to investigate the potential differences between supply- and demand-side destination stakeholders in regards to their assessment of the importance and performance of destination competitiveness indicators. The development of the instrument was underpinned by a thorough review of the existing literature in conjunction with the results of the qualitative stage. This stage simultaneously involved the development and testing of an evaluative framework of destination competitiveness. This phase responded to the second and third research questions. Here, the quantitative findings were presented to elaborate and extend the qualitative findings (Creswell, 2003; Hanson, Creswell, Clark, Petska & Creswell, 2005).

Figure 3 Research design



Unit of analysis, population and research setting

Before describing and discussing in detail each phase of the study, it is important to introduce the unit of analysis, the population that the study is investigating, and the setting in which the research takes place. The unit of analysis of this study is the tourism destination. The destination is the central element of the tourism system (Kozak & Rimmington, 1999) and can be defined as an amalgam of individual tourism products and experiences (Murphy, Pritchard & Smith, 2000) or as a package of tourism facilities and services (Hu & Ritchie, 1993) composed of multi-dimensional attributes that combined form a total experience of the area visited (Hu & Ritchie, 1993; Murphy et al., 2000). In this sense, the tourism product incorporates the entire destination experience (Ritchie & Crouch, 2003) or, put differently, the destination is the tourism product (Bieger, 1998).

As Buhalis (2000) notes, “destinations have been increasingly recognized as a perceptual concept that can be interpreted subjectively by consumers depending on a number of factors such as travel itinerary, cultural background, purpose of visit and past experience” (p.97). For the purpose of this study, however, a tourism destination is conceptualised as a “defined geographical region, which is understood by its visitors as a unique entity, with a political and legislative framework for tourism

marketing and planning” (Buhalis, 2000, p.98). Accordingly, destinations have to manage their resources properly according to their tourist potential (Cracolici & Nijkamp, 2009). These well-defined geographical areas can have different dimensions such as a country, a region or a city (Hall, 2007). This study examines destinations at the country level. This choice stems from the evidence in the literature that tourists have homogeneous perceptions of different regions within the same country (Kozak, Baloğlu & Bahar, 2010; Mill & Morisson, 2002).

The target population of this study consists of tourism destination stakeholders. The definition and identification of stakeholders, as mentioned in the literature review, is not an easy task (Vos, 2003). This study adopts the dominant definition of stakeholder (Freeman, 1984) in the specific context of tourism. As such, following Byrd and Gutske (2006) this study identifies four main stakeholder groups: tourists, local residents, government and businesses (Byrd & Gustke, 2006).

The setting of the study is Portugal. Ranking 14th in the 2017 *Travel & Tourism Competitiveness Index* (World Economic Forum, 2017), Portugal is a prominent destination in the world market. Tourism represents one of the main sectors of the Portuguese economy with the sector having a direct contribution to total GDP of 6.4% and a total contribution of 16.6% in 2016 (World Travel & Tourism Council, 2017). Furthermore, tourism is one of the most important sources of national employment with 8.1% of the working population being employed in the sector with this number increasing to 19.6% if it includes the jobs indirectly supported by tourism (World Travel & Tourism Council, 2017). As such, tourism is a priority economic sector for Portugal. Despite its prominent position, Portugal has recently lost market share in the international market and at the same time is highly dependent on four outbound markets – United Kingdom, Spain, Germany and France – and on the performance of three particular regions - Algarve, Lisboa and Madeira. Furthermore, as a tourism destination, Portugal is still affected by a high degree of seasonality and constraints in terms of air connections. With the strong growth in the world tourism market, Portugal has an ambitious but realistic strategic vision, which includes increasing the competitiveness of its tourism offering (PENT, 2007).

Although the framework is tested in the specific context of Lisbon, the first stage of the research also includes a broader discussion about Portugal. This choice is justified in chapter 4 of this thesis.

Validity and reliability

Because of the two types of data and analysis used, the validity and reliability of the two stages of the study are addressed separately. The following two tables summarize the validity and reliability issues identified in the literature for quantitative and qualitative research and the specific procedures

adopted to justify the data, results and their interpretation: Table 3.1 refers to the criteria that are consistent with the assumptions of a qualitative approach and the specific strategies adopted in order to apply these criteria while table 3.2 summarizes the validity and reliability issues identified in the literature for quantitative studies and the specific procedures employed.

Table 1 Validity and Reliability of the qualitative phase

Author	Criteria	How the criteria were applied
Lincoln & Guba, 2000	Methodological rigor	All phases: the study applied the guidelines for conducting a phenomenographic study.
Kvale, 1995; Sandberg, 2005	Communicative validity	Pre-data collection: delivery of a full brief on the project (in the participation information sheet) and the subsequent reinforcement of that information at the beginning of the interview During data collection: use of open questions allows for the lived experience of the participants to be communicated and the follow-up questions will reinforce that opportunity to expand on personal experience. During data analysis: transcripts analysed striving for a coherent interpretation between parts and the whole.
Kvale, 1995; Sandberg, 2005	Pragmatic validity	During data collection: the use of follow up questions will allow the researcher to question the interviewee on examples so that the real experiences can emerge.
Sandberg, 2005	Transgressive validity	During data analysis: Differences and contradictions will be actively sought out in the transcripts and taken into account in the analysis.

Table 2 Validity and Reliability for quantitative phase

Author	Criteria	How the criteria were applied
Creswell & Clark, 2011	Face validity	Use of a pilot study.
Creswell & Clark, 2011	Content validity	Research's advisers as consultants in the evaluation of content validity and clarity of the items.
Creswell & Clark, 2011; Wainer & Braun, 1998	Construct validity	A pilot study carried out to ensure the questions measure the intended attributes. The instrument developed based on the existing literature.

Ethical considerations

There are no ethical issues associated with the research. The study follows the University of Queensland's guidelines for research ethics and the necessary ethical approvals for the study were sought and approved. These relate to the establishment of procedures for the informed consent of research participants, the protection of participant anonymity as well as the appropriate management of data to ensure confidentiality. Participation in the study was completely voluntary with participants being informed of that in verbal and written form along with being given the chance to terminate their involvement at any time (Payne & Payne, 2004). In addition, for the qualitative stage, a separate participate information sheet (Appendix 1) and a consent form (Appendix 2) was provided to participants who were asked to sign and return it to the researcher before the start of the interview. Participants were also clearly informed about the purpose of the study and expected duration of the interview/survey before its commencement. Finally, the researcher has protected participant anonymity and confidentiality by de-identifying the data (Creswell, 2009) and ensured its secure storage.

Structure of the Thesis

The thesis is structured as a thesis by papers. The thesis starts with the present chapter, which introduces the research, summarizes the research background, explains the research objectives and questions and presents an overview of the methodology. This chapter is followed by three papers: one conceptual and two empirical (chapters 2, 3 and 4 respectively). The first paper (chapter 2) presents the review of the existing literature that was conducted to underpin this research. In this paper, the existing literature on the conceptualizations and measurement is analysed and gaps in current knowledge are identified and discussed.

The second paper (chapter 3) reports the findings of the first empirical study included in this thesis, which investigated the conceptualizations of destination competitiveness from the perspective of destination stakeholders. Taking a qualitative approach, and using- phenomenography specifically, this paper presents and analyses the different understandings of destination competitiveness. The discussion addresses the first research question of this study.

The third paper (chapter 4) presents the findings of the second study included in this thesis. It investigated how supply- and demand- side stakeholders assess the competitive position of a destination and explores the differences between these two perspectives. In order to do so, the paper proposes and tests a measurement framework - *The Supply-Demand Analysis of Competitiveness*. As such, this paper addresses the second and third research questions of the study. Finally, the

thesis concludes with a general discussion and conclusion which brings together the findings of the three papers and discusses the contributions to and advancement of knowledge. The following table demonstrates how the different papers incorporated in the thesis relate to the different stages of the research.

Table 3 Structure of the three papers presented in the Thesis

Paper	Objective	Approach	Sample
Paper 1	To map the existing literature on the conceptualizations and measurement of destination competitiveness and identify the gaps in existing knowledge.	Review of the Literature	N/A
Paper 2	To investigate the conceptualizations of destination competitiveness from the perspective of destination stakeholders	Qualitative Phenomenography	35 destination stakeholders
Paper 3	To develop and propose an evaluative framework for destination competitiveness measurement from a stakeholder perspective that includes both supply and demand sides. To analyse the extent to which supply- and demand-side destination stakeholders assess the competitiveness of a destination differently.	Quantitative The Supply-Demand Analysis of Competitiveness Statistical measurement of differences	2183 destination stakeholders

CHAPTER 2: Destination competitiveness: what we know, what we know but shouldn't and what we don't know but should

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Abstract

Two decades after the seminal work of Crouch and Ritchie (1999), which triggered an avalanche of research on the topic, there is an extensive and still-growing body of literature on destination competitiveness. Research on competitiveness, in the context of tourism destinations and even in its parent field of economics, has been characterized by controversy and strong criticism.

Given the complexity of the phenomenon, the multiplicity of perspectives taken on it and the current stage of knowledge, there is a clear need for a reflective audit that enables a careful consideration on the knowledge acquired with past research as well as a well-thought-out identification of the needs for future research. Only such meticulous process will ensure the progress of this field of enquiry.

The wide-spread acknowledgement of the importance of competitiveness for a destination's long term success in addition to the constant comments that it is still a topic not well understood, suggests that research on it still has a long future ahead. This article embraces this challenging task by documenting, examining and critically assessing the existing literature on three dimensions: definitions, theoretical models, and measurement. In addition, existing gaps are identified and research propositions are presented to guide future research.

Key words: destination competitiveness, competitiveness determinants, measurement.

Introduction

The competitiveness of tourism destinations has been increasingly recognized as a critical factor for destinations' survival and success, triggering a significant increase in the research focusing on this topic. For the past two decades, a growing number of tourism scholars have dedicated themselves to the investigation of the competitive position of different destinations in an attempt to fully understand the factors that lead to enhanced and sustained competitiveness (e.g. Crouch, 2010; Crouch & Ritchie, 1999; 2000; Dwyer & Kim, 2003; Heath, 2003).

While the increased attention devoted to the topic and the subsequent knowledge advancement are indisputable, recent years have witnessed a call for reflection on the current body of knowledge (Hall, 2007). This has been largely driven by the extensive debate regarding definitions, parameters and measurement of the concept (Bahar & Kozak, 2007; Croes & Rivera, 2010). While the importance of the concept is well accepted, the criticisms and scepticism that have plagued discussions of destination competitiveness since its early stages, justify the need for a thorough analysis and reflection of the topic. The purpose of this article then is to offer a reflective evaluation of the current state of destination competitiveness literature. The analysis of the body of knowledge covers three main aspects of the destination competitiveness literature: definitions of the concept, theoretical models and frameworks, and empirical studies that attempt to measure this complex construct. This paper maps the literature around these three aspects, identifying existing gaps and areas of further research and exploration.

Defining destination competitiveness

The first challenge faced by those exploring the topic of destination competitiveness is its definition. Definitions are important as they contribute to formulating hypotheses (Mazanec et al., 2007) and attribute meanings and assumptions that affect any subsequent investigation of the topic. As such they are of critical importance in every field of inquiry.

While the notion of competitiveness originally emerged in the field of economics, its application in a tourism context has resulted in a set of new debates around the conceptualization of the term. Destination competitiveness, like competitiveness more generally, is a complex and multifaceted concept (Cracolici & Nijkamp, 2009; Li et al., 2013). For this reason, a large number of variables have been linked to the term (Heath, 2003) and various definitional elements and perspectives have been proposed. This multiplicity of approaches (see table 1) depicts the variety in definitional

statements and illustrates that agreement on a definition has remained elusive (Azzopardi, 2011; Botti & Peypoch, 2013; Mazanec et al., 2007).

A critical examination of the aforementioned definitions as well as the broader academic discourse surrounding the concept reveal that a common thread in these definitions is linked to 'ability'. This is in fact the term used in most definitions and implies the idea of being in some way superior to competitors. Further analysis reveals that three common dimensions emerge from existing definitional statements. The first of these pertains to the economic dimension of the term. As noted by Li et al. (2013), the central facet of competitiveness is economics and definitions include, to some extent, some reference or implied assumption regarding it. Excerpts of statements evidencing this include 'price differentials coupled with exchange rates movements, productivity levels of various components of the tourist industry' (Dwyer, Forsyth & Rao, 2000, p.9), 'objectively measured variables such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry' (Heath, 2003, p.9) and 'ability to increase tourism expenditure' (Crouch and Ritchie, 2012, p.vii). Furthermore, as Li et al. (2013) assert, a destination can only be regarded as competitive when it is able to convert their advantageous position into economic returns.

Embedded within the economic dimension of the term is the notion of wealth of the local population. Different authors (Bahar & Kozak, 2007; Buhalis, 2000; Crouch & Ritchie, 1999; Dwyer & Kim, 2003; Heath, 2003) have viewed the economic prosperity of the destination as the ultimate goal of tourism competitiveness. As described by Dwyer and Kim (2003, p.372) the aim of competitiveness 'is to maintain and increase the real income of its citizens, usually reflected in the standard of living of the country'; or as Crouch and Ritchie (1999 p.137) emphasise, competitiveness refers to the 'ability of a destination to provide a high standard of living for the residents of that destination'. In fact this notion of competitiveness as an antecedent to the economic welfare of the population is considered to be one of the few areas where consensus has been reached amongst researchers (Mazanec et al., 2007).

The second element identified in many definitions of competitiveness is the notion of attractiveness and satisfaction (Crouch & Ritchie, 2003; Enright & Newton, 2004; Ritchie & Crouch, 1993), referring to the ability of a destination to increasingly attract and satisfy potential tourists. This dimension often appears in an implicit form as seen in D'Hautesserre's (2000, p. 23) definition as 'the ability of a destination to maintain its market position and share and/or to improve upon them through time' or more explicitly as suggested by Crouch and Ritchie (1999) and Dwyer and Kim

(2003) that destinations need to strive for an overall appeal and offer a tourism experience that is superior to competing destinations. Furthermore, it is important to acknowledge that a popular approach to the study of destination competitiveness extends on previous studies focusing on destination image and/or attractiveness. As such, the attractiveness of a destination is generally recognized as solid basis for competitiveness (e.g., Cracolici et al., 2008).

Table 4 Definitional statements of destination competitiveness

Author / Year	Definitional statements
Crouch & Ritchie (1999)	<i>Destinations must ensure that their overall attractiveness and the integrity of the experiences they deliver to visitors must equal or surpass that of many alternative destinations open to potential visitors.</i>
D'Hautesserre (2000)	<i>The ability of a destination to maintain the market position and share and/or improve upon them over time.</i>
Dwyer et al. (2000)	<i>Tourism 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 attractions or otherwise of a destination.</i>
Hassan (2000)	<i>Ability to create and integrate value added products that sustain resources while maintaining market position relative to other competitors.</i>
Ritchie & Crouch (2003)	<i>Ability to increase tourism 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'</i>
Dwyer & Kim (2003)	<i>Linked to the ability of a destination to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered to be important by tourists.</i>
Enright & Newton (2004)	<i>A destination is competitive if it can attract and satisfy potential tourists.</i>
Bahar & Kozak (2007)	<i>The most competitive destination in the long term is the one which creates well-being for its residents.</i>
Azzopardi (2011)	<i>The ability of the destination to identify and exploit comparative advantages and create and enhance competitive advantages to attract visitors to a destination by offering them a unique overall experience for a fair price that satisfies the profit requirement of the industry and its constituent elements, as well as the economic prosperity objective of the residents, without jeopardizing the inalienable aspirations of future generations.</i>
Croes (2011)	<i>Competitiveness is related to the ability of the destination to create and nurture a high-quality product.</i>

The third and final element identified in most definitions of destination competitiveness concerns sustainability. Despite the predominance of the economic dimension in the general study and measurement of destination competitiveness, there is growing pressure to consider the environmental and social aspects of the destination (Ruhanen, 2007). This can be observed, for instance, in the following definitional excerpts: ‘preserving the natural capital of the destination for future generations’ (Ritchie & Crouch, 2003, p.2), ‘create and integrate value-added products that sustain its resources’ (Hassan, 2000, p. 239) and ‘when referring to tourism destinations competitiveness should also include the sustainability of local resources for ensuring the maintenance of long-term success as well as the achievement of equitable returns-on-resources utilized to satisfy all stakeholders’ (Buhalis, 2000, p. 106). While the concern with sustainability has been mainly focused on destination resources and the environment, Crouch and Ritchie (1999) point out that the competitiveness of a destination must be sustainable economically, ecologically, socially, culturally and politically. In fact their initial model of destination competitiveness was later labelled the *Competitiveness & Sustainability model*.

Crouch and Ritchie’s (1999, 2003) approach to destination competitiveness has been considered by many (Bahar & Kozak, 2007; Bobirca & Cristureanu, 2008; Mazanec et al., 2007) to be the most comprehensive work on the topic. For over a decade, Crouch and Ritchie engaged in a grounded-research approach to the topic that entailed multiple modes of data collection and theory refinement. Of course no model is without its critics and their conceptualisation has been criticized for being underpinned by several hidden cause-effect assumptions (Croes, 2011; Mazanec et al., 2007). An example of this could include that, memorable experiences are an antecedent of an increase in the number of visitors and that tourism expenditure is an antecedent of increased welfare. In fact, the link between tourism expenditure and increased wealth has been widely recognised as not always linear nor obvious (Bobirca & Cristureanu, 2008; Crouch & Ritchie, 2012). Webster and Ivanov (2014) assert that there is a fallacious assumption in the existing body of knowledge that competitiveness equates to more visitors, more money spent by those visitors and economic growth in the destination. As the authors go on to explain, increasing numbers of visitors do not always imply increasing profits and equally important, there are tourism-related leakages from the local economy that may hamper the economic benefits of tourism development for a destination. In addition, it is also argued that growth in tourism often crowds out other sectors of domestic economic activity given that tourism competes with the other sectors or industries for scarce resources (Dwyer, Forsyth & Spurr, 2004; Sheng, 2011). By expanding, the tourism sector reduces output and employment in those other sectors. These examples indicate the danger associated with

the underpinning assumptions of destination competitiveness definitions, which of course will have implications for measurement.

In addition to these limitations, it is important to understand how the available definitions relate to the meanings attached by those who affect and are affected by the phenomenon: the different destination stakeholders. In the case of tourism destinations, competitiveness refers not to a single, well-defined product or service such as in other industries, but to an overall experience of the destination, which is an ‘amalgam of individual products and experience opportunities’ (Murphy et al., 2000, p.44). This ‘total experience’ (Dwyer et al., 2004) is produced not by a single firm but by a variety of destination players who impact the visitor experience including tourism enterprises, local residents, other supporting industries, destination management organizations and the public sector (Crouch, 2010). Accordingly, destination competitiveness is a phenomenon that affects and is affected by a number of different destination stakeholders. These stakeholders have different interests, views and roles in the phenomenon of competitiveness of destinations.

While a definition has to capture the complex nature of the concept, it is also fundamental that it remains close to ordinary usage (Chan, To & Chan, 2006). This means that a good definition of destination competitiveness should not be too distant from the meaning attached by those who affect the competitiveness of a tourism destination. The current provided definitions are complex and multi-dimensional and it remains unclear whether they reflect the meanings attached by the different destination stakeholders. Although certain models (Dwyer et al., 2004; Ritchie & Crouch, 2003) have been designed or refined using qualitative data relating to stakeholders’ opinion or feedback, it is not obvious how different stakeholders relate to the various dimensions of the concept identified in the literature. For instance, in the work of Ritchie and Crouch (1999; 2003) the authors even noted ‘in all the discussions and interviews that took place, the opinions that were expressed tended to focus on a subset of competitiveness factors’ (Ritchie & Crouch, 2003, p.62). This seems to indicate that not only do different stakeholders focus on different aspects of destination competitiveness but that they might even attribute completely different meanings to the term. This points to a gap and suggests empirical research into the various ways in which destination competitiveness is conceptualised is essential for conceptual differences to be incorporated in the definition. This is particularly important given the fact that most efforts in destination competitiveness measurement involve the destination stakeholders themselves.

Conceptual models and determinants of destination competitiveness

Aside from the various definitional debates, authors have also attempted to explain the phenomenon through conceptual models and theories to identify those underpinning determinants that influence destination competitiveness (Dwyer & Kim, 2003; Goffi, 2013; Heath, 2003; Ritchie & Crouch, 2003; Omerzel, 2006). Published models range from smaller incremental contributions to the understanding of the topic, to comprehensive models with exhaustive lists of indicators aiming to demonstrate the complexity and multi-dimensional nature of the concept.

Of the numerous models proposed, Ritchie and Crouch's (2003) model of Destination Competitiveness (later renamed the model of Destination Competitiveness and Sustainability) has arguably received the greatest attention. Generally regarded as the seminal work in the area of destination competitiveness, in part due to the comprehensiveness of the model, (Boley & Perdue, 2012; Hudson et al., 2004; Kunst, 2009; Volgger & Pechlaner, 2014; Dwyer & Kim, 2003; Tsai et al., 2009; Wang et al., 2012), it has provided the basis for many of the subsequent conceptual models to emerge (Andrades-Caldito et al., 2014; Dwyer & Kim, 2003; Omerzel, 2006). Its strength as a theoretical framework lies not only in its complexity in identifying the numerous factors that contribute to destination competitiveness but also in its clear explanation of the various forces that shape the competitive environment in tourism destinations (Boley & Perdue, 2012). Crouch and Ritchie introduce a multifaceted model comprising five determinants of competitiveness and a number of factors that moderate the ability of a destination to be competitive

In a similarly comprehensive attempt, Dwyer and Kim (2003) developed a model based on their study of tourism competitiveness between two countries. They use a number of variables identified in different previous studies on destination competitiveness (Crouch & Ritchie, 1999; Buhalis, 2000, Hassan, 2000, Mihalič, 2000) to develop a model based on six main determinants of destination competitiveness. The distinction in Dwyer and Kim's model is that they explicitly recognize the demand conditions as a distinctive determinant of destination competitiveness. Additionally, the authors present an extensive list of indicators of destination competitiveness under each of the six categories plus market performance indicators.

Heath's (2003) model was developed on the basis that the two aforementioned models were not considered entirely relevant to the specific destination he was investigating in his study. He claimed previous models did not place sufficient emphasis on the key success drivers and the vital linkages such as communication and information management, which according to Heath are fundamental when developing a comprehensive framework of sustainable destination competitiveness. The

model was presented in the form of an analogous house where the foundations correspond to the fundamental elements to sustain competitiveness, the cement binds the different components of competitiveness, the building blocks are essential to make tourism ‘happen’ in a destination, and the roof relates to the “people” factor of destination competitiveness (Heath, 2003, p.130). While the model was developed based on the experience of a particular destination, its content is considered sufficiently generic to enable the model to be insightful in other contexts (Crouch & Ritchie, 2012).

Each of these comprehensive models offers exhaustive lists of determinants that is, the forces and factors that are used to identify destination competitiveness. While these determinants have been worded, labelled and organized differently, the majority of the underlying ideas are in fact very similar. Table 5 categorises the determinants of the key models in the field (Crouch & Ritchie, 1999; 2003; Dwyer & Kim, 2003; Heath, 2003) highlighting their similarities and differences. Destination competitiveness determinants were grouped into three different categories according to the level of influence or control the destination has over them: inherited and capitalisable determinants, created and manageable determinants and external and adaptable determinants. The first category, as the name suggests, relates to those inherent elements or advantages that the destination possesses. The determinants within this category include: natural environment, culture and history, location, and market ties. These consist of the physical attributes of a destination including landscape and climate as well as the fauna and flora of the destination, in addition to cultural elements such as history, food and wine, traditions, music and even the hospitableness of the host population. Furthermore, this category also includes carrying capacity as well as availability of human and capital resources. Both these elements can restrict competitiveness in cases where demand is close to its sustainable limit (Ritchie & Crouch, 2003).

While culture, history and market ties may appear more malleable from a management perspective (Ritchie & Crouch, 2003), changes in these are dedicated, complex and long endeavours. These elements take too many years to be changed and they happen mostly outside the scope of tourism as they are deeply rooted in the past of a certain destination. Ultimately a destination’s competitiveness is limited and simultaneously potentialised by these inherited elements, in effect the raw materials which a destination can exploit for its tourism offerings.

The second category, created and manageable determinants, includes those elements over which the destination has a direct influence and can change in the short, medium or long term. This category includes most of the determinants identified in the three models and can be further divided into two groups of elements Firstly, those created resources (Dwyer & Kim, 2003) that are linked with the

Table 5 Categorization of Destination competitiveness determinants

Classification	Determinants	Category in existing model		
		Crouch & Ritchie (1999)	Dwyer & Kim (2003)	Heath (2003)
Inherited & Capitalisable	Natural attractors	Core resources and attractors	Endowed resources	Key attractors (the foundations)
	Culture and history	Core resources and attractors	Endowed resources	Key attractors (the foundations)
	Market ties	Core resources and attractors	Supporting factors	Value-adders (the foundations)
	Location	Qualifying and amplifying determinants	Situational conditions	Value-adders (the foundations)
	Hospitality	Supporting factors and resources	Supporting factors	Experience enhancers (the foundations)
	Carrying capacity	Qualifying and amplifying determinants	x	x
	Availability of human and capital resources	Supporting factors and resources	x	x
Created & Manageable	Mix of activities	Core resources and attractors	Created resources	Key attractors (the foundations)
	Special events	Core resources and attractors	Created resources	Key attractors (the foundations)
	Entertainment	Core resources and attractors	Created resources	Key attractors (the foundations)
	Shopping	Core resources and attractors	Created resources	Key attractors (the foundations)
	Tourism-related infrastructure	Core resources and attractors	Created resources	Facilitators (the foundations)
	Service excellence	Destination management	Supporting factors	Experience enhancers (the foundations)
	Hospitality programs	Supporting factors and resources	Supporting factors	Experience enhancers (the foundations)

Created & Manageable (cont.)	General infrastructure	Supporting factors and resources	Supporting factors	Enablers (the foundations)
	Security and safety	Qualifying and amplifying determinants	Situational conditions	Non-negotiables (the foundations)
	Value for money	Qualifying and amplifying determinants	Situational conditions	Value-adders (the foundations)
	Accessibility	Supporting factors and resources	Supporting factors	Value-adders (the foundations)
	Destination organization and structure	Destination management	Destination management	Building blocks
	Destination marketing	Destination management	Destination management	Building blocks
	Positioning and branding	Destination policy, planning and development	Destination management	
	Visitor management	Destination management	x	Experience enhancers /Building Blocks
	Information/research and forecasting	Destination management	Destination management	Cement
	Human resource development	Destination management / supporting factors and resources	Destination management	Experience enhancers (the foundations)
	Crisis management	Destination management		
	Environmental management/ resource stewardship	Destination management	Destination management	Building blocks
	Competitiveness indicators management	Destination management	Situational conditions	Cement
	System Definition/clear policy	Destination policy, planning and development	Destination management	Building blocks
	Philosophy/values	Destination policy, planning and development	Destination management	Key success drivers (the roof)
	Vision and leadership	Destination policy, planning and development	Destination management	Key success drivers (the roof)

Created & Manageable (cont.)	Planning	Destination policy, planning and development	Destination management	Building blocks
	Destination development	Destination policy, planning and development	Destination management	Building blocks
	Competitive/collaborative analysis	Destination policy, planning and development	x	x
	Monitoring and evaluation	Destination policy, planning and development	Destination management	Building blocks
	Innovation and entrepreneurship	Supporting factors and resources	Situational conditions	Key success drivers (the roof)
	Internal environment	Competitive (micro) environment	Situational conditions	Building blocks
	Political will	Supporting factors and resources	x	Key success drivers (the roof)
	Communication channels	Competitive (micro) environment	x	Cement
	Stakeholder involvement	Competitive (micro) environment	x	Cement
	Hospitality programs	Supporting factors and resources	Supporting factors	Experience enhancers (the foundations)
	Partnerships and alliances	Competitive (micro) environment	x	Cement
External & Adaptable	Global environment	Global (macro) environment	Situational conditions	x
	Interdependencies	Qualifying and amplifying determinants	x	x
	Price competitiveness	Qualifying and amplifying determinants	Situational conditions	Value-adders (the foundations)
	Destination preferences		Demand factors	x
	Destination perception	Qualifying and amplifying determinants	Demand factors	x
	Destination awareness	Qualifying and amplifying determinants	Demand factors	x

tourism product directly: mix of activities, special events, entertainment, shopping, hotels, restaurants and so on. Secondly, the created and manageable determinants can also include those elements related to the broader macro management or longer-term strategic vision of the destination. Examples include general infrastructure, security and safety, facilitating resources such as visas and education, accessibility and destination management and marketing. Overall the created and manageable destination competitiveness determinants incorporate those elements that a destination can create in order to develop or enhance their tourism products and thus competitiveness.

Lastly, the external and adaptable determinants category includes those external forces that impact upon the destination and have the potential to affect its competitiveness. These include macro or global environmental factors that can shape a destination: political, economic, demographic, technological, natural and cultural (Dwyer et al., 2003; Ritchie & Crouch, 2003). The external environment is subject to constant evolution and flux that may affect destinations and require them to adjust in order to maintain their competitiveness. The breadth of external forces affecting destinations is immense and examples include shifts in demographic or wealth patterns, political tensions between destinations and the growing interest and concern for the environment. In addition to the global conditions, certain elements of price competitiveness and demand conditions (Dwyer & Kim, 2003) are also external. For instance, price competitiveness, exchange rates, prices in competing destinations and in originating markets are forces that are not controllable by a destination. Furthermore, some elements of demand conditions, such as tourism awareness and perceptions cannot be entirely controlled by destinations. While branding activities may play an important role in influencing awareness and perceptions, tourists are influenced by many other sources of destination that are beyond its control (Crouch, 2010).

Given the current stage of theory development where numerous forces of destination competitiveness have been identified, a better understanding of each determinant is required in order to grasp its relative importance and impact in determining overall destination competitiveness (Dwyer & Kim, 2003; Crouch, 2010). This matter is particularly essential considering that destination competitiveness is affected by a large number of determinants and that destinations are constrained by limited resources. It is therefore crucial for destinations to understand which attributes are key in the achievement of competitiveness so that they can better focus attention and resources more effectively (Crouch, 2010). Yet the frameworks developed to date put forward comprehensive lists of indicators that assume all determinants and indicators are of equal importance (Azzopardi, 2011; Lee & King, 2008).

Recognising this shortcoming, several scholars have made attempts to identify the relative importance of indicators (Crouch, 2010; Crouch & Ritchie, 2005; Enright & Newton, 2004; 2005; Lee & King, 2006). For instance, Enright and Newton (2004) evaluated the importance and performance of a variety of tourism attractors and business factors and found that those attractors identified as most important were safety, cuisine and dedicated tourism attractions, while the most important business factors were political stability, international access and internal transportation facilities. In a follow-up study, the same authors (Enright & Newton, 2005) explored the universality of the weightings in regards to location by comparing them across three competing destinations. They found that the importance given to destination competitiveness determinants differs across destinations, thus concluding that there is no universal view of destination competitiveness determinants. On the other hand, Crouch and Ritchie (2005) and later Crouch (2010) investigated the relative importance of five main determinants and 36 attributes. These results suggest that core resources such as physiography and climate, mix of activities and culture and history are the fundamental determinants of the competitiveness of a tourism destination. Similar results were achieved by Lee and King (2009), who investigated the importance of different factors and found that tourism destination resources and attractors were considered the most important to achieving destination competitiveness.

While there is agreement on the primary role of core resources and attractors in the competitiveness of destinations, there is less consensus regarding the attributes within each determinant. Understanding the relative importance refers not only to the broad categories of determinants to find out, for example, which natural resources or supporting factors are more important but also to a deeper level of comparison to understand the relative importance of attributes within each determinant to identify, for instance, if a range of activities is more important than tourism infrastructure or special events. It is also important to note that all aforementioned efforts have been conducted from a supply perspective through surveying tourism experts. Consumers may well have a different view of the importance of such determinants and for this reason it is fundamental to consider their input in this challenging task and examine the similarities and differences with the supply-side perspective (Dwyer et al., 2004; Lee & King, 2006). It has also been suggested (Mazanec et al., 2007) that research on the relative importance of determinants should move away from direct yet subjective measures of relative importance of attributes such as those used by Enright and Newton (2004; 2005) or Lee and King (2006) to indirect measurements such as those used by Crouch (2010).

These results reinforce the idea that a more complex and tailored approach to destination competitiveness should be adopted. Not only there is no single set of indicators applicable to all destinations at all times (Goffi, 2013), it is also plausible that the importance of each indicator, or its suitability at all, varies according to a number of factors. In fact, there have been consistent calls for further research in this area, from both theoretical and practical perspectives (Dwyer & Kim, 2003; Gozmelj & Mihalič, 2008; Lee & King, 2006). In addition research gaps have been noted in terms of the relative importance of destination competitiveness attributes across different destinations, for destinations in different life-cycle stages, for different market segments and for travel decisions made in different buying contexts (Crouch, 2000; Goffi, 2013; Wilde & Cox, 2008).

Measurement of destination competitiveness

Since the first models of destination competitiveness emerged, a significant number of researchers have focused on its empirical and practical measurement. This stream of research is particularly critical as evaluating the competitiveness of particular destinations is one of the ultimate goals of the study of destination competitiveness, and measuring the wrong elements could result in inaccurate or incomplete data, ill-informed decisions and consequently jeopardize the destination's long-term viability (Croes, 2011). In order to assess destination competitiveness, researchers have diagnosed the competitive positions of specific destinations or groups of destinations using a wide range of approaches, tools and specific indicators (Bahar & Kozak, 2007) to answer three fundamental questions: *What is measured?* *How is it measured?* and *Who measures it?* All three questions find a wide range of answers in the existing literature demonstrating the heterogeneity of this research stream and raising a number of contradictions and issues.

What is measured?

In terms of what is actually being measured in destination competitiveness assessments, scholars have taken diverse paths. A fundamental acknowledgement at this point is that the aforementioned different definitions have caused authors to measure different things in their assessments. A number of early studies focused on destination image or attractiveness (Chon, Weaver & Kim, 1991; Bramwell & Rawding, 1996; Echtner & Ritchie, 1993; Faulkner, Oppermann & Fredline, 1998; Kim, 1998; Hu & Ritchie, 1993). These efforts were aimed at determining destination competitiveness by identifying tourists' perceptions of how different destinations compare on certain destination attributes and facilities (Kim, 1998). Another popular angle taken in the early stages of destination competitiveness assessment related to the more straightforward approach of

price competitiveness (e.g. Azzoni & Menezes, 2009; Dwyer, et al., 2000; Dwyer, Forsyth & Rao, 2002). Scholars taking this perspective focused on the price factors of competitiveness which relate to the costs incurred by a visitor for transportation services to and from a destination as well as that of the goods and services purchased in that destination. This approach to the concept was aimed at developing and measuring price competitiveness indicators that best reflect the price levels of a destination as well as identifying the factors that affect them such as exchange rates, level of prices in competitors' destination and the prices in the home country of the tourist. These were based on conceptualizing competitiveness in terms of comparative advantage where costs are the main source of competitiveness.

More recently, however, tourism scholars have recognized the multidimensional complexity of the destination competitiveness construct and have attempted more holistic approaches that include both price factors and non-price factors, (e.g. Crouch, 2010; Dwyer & Kim, 2003; Dwyer et al., 2004; Enright & Newton, 2004; Gooroochurn & Sugiyarto, 2005; Hudson et al., 2004). These more comprehensive approaches have been achieved by expanding on previous studies on destination attractiveness and price competitiveness to include other facets of destination competitiveness such as the market ties of a destination with certain source markets, preferences of potential visitors and their awareness of a destination, among others. In general, these have been underpinned by complex frameworks including Ritchie and Crouch (2003) and Dwyer & Kim's (2003), which emphasise the multiplicity of elements that influence competition between tourist destinations.

Within these empirical studies that are based on the more multifaceted frameworks, there is still considerable breadth in what is being measured. For any destination competitiveness determinant there is an array of indicators that can be used as measures (Dwyer et al., 2004). Accordingly, detailed assessments that provide a holistic account of the competitive position of a particular destination require an extensive number of indicators (for example 83 indicators in Dwyer et al., 2003; 92 in Hallmann et al., 2014; or 111 in Chens, Sok & Sok, 2008). However, the majority of the studies measuring destination competitiveness only include between 20 and 30 indicators (20 in Caber, Albayrak & Matzler, 2012; 21 in Deng, 2007; 23 in Bahar & Kozak, 2007; 24 in Kozak & Rimmington, 1999; 29 in Wang et al., 2012; 30 in Azzopardi, 2011) with some studies using as few as eight (Chen, Chen & Lee, 2011). Arguably the use of so few indicators are of limited use in providing detailed insights and understanding of each determinant of destination competitiveness and limit the ability to identify specific directions for a destination to strategically improve its position. On the other hand, those studies that utilise extensive lists of indicators and use questionnaires as a tool to collect their data can compromise response rates (Dillman, Sinclair &

Clark, 1993) due to respondent boredom or fatigue, thus also threatening the accuracy of the data (Hallmann et al., 2014).

The disadvantages outlined for both cases highlight the challenge in of achieving a balance between depth of data and accuracy of the empirical measurements. One possibility to overcome this issue is to narrow the empirical measurement to one or a limited number of determinants. In a similar manner to the suggestion made in the previous section where more focus should be given to the investigation of each determinant of destination competitiveness, it is perhaps time to look at each determinant individually measuring it in its all extensity rather than continuously providing general impressions of the competitive position of destinations.

How is it measured?

Analysing existing measurement efforts, it becomes evident that these can be categorized according to the four ways in which the assessment is performed: type of data gathered, tools and methods employed, level of destination used and number of destinations chosen for the comparison. In terms of data gathered, the assessment of destination competitiveness can be based on either hard data or soft data. Hard data is characterized by its objectiveness independent verifiability whereas soft data, also referred as survey data, is subjective and therefore not independently verifiable. While the first is always quantitative the latter is traditionally expressed in qualitative forms although quantitative approaches such as Likert scales are also common.

Classic hard data such as tourist arrivals, market share, tourism occupancy rates and tourism expenditure are typically included in assessments of destination competitiveness (Botti, Peypoch, Robinot, 2009; Croes & Rivera, 2010; Croes, 2011; Dwyer et al., 2000; 2002; Kayar & Kozak, 2008; Kim, 2012; Li et al., 2013; Mazanec et al., 2007; Zhang, Gu, Gu & Zhang, 2011; Zhu, Zhu & Zhu, 2014). However, as noted by Crouch (2011) these are not appropriate measures of destination competitiveness but of tourism demand. While destination competitiveness is linked to superiority in outcomes relating to tourism demand, it also involves outcomes pertaining to other realms such as sustainability and satisfaction, as discussed in the first section. As such, a sole focus on demand when assessing destination competitiveness is partial and potentially misleading (Crouch, 2010).

In addition to these tourism demand measures, hard data can also be used to measure other destination competitiveness factors. For instance, the 'culture and history' element, recognized in most theoretical frameworks, can be assessed using objective measures including the age of the culture or the number of heritage sites listed with UNESCO. While hard data has the great

advantage of allowing researchers to conveniently gather large volumes of data, it has its limitations. In the case of destination competitiveness, this is even more so given the fact that a significant portion of the measures is qualitative, multidimensional, abstract or imprecise (Crouch, 2010). As a result, the use of subjective measures has progressively dominated this stream of research (e.g. Andrades-Caldito et al., 2014; Chens et al., 2008; Cracolici et al., 2008; Crouch, 2010; Dwyer et al., 2012; Gomezelj & Mihalič, 2008; Hallmann et al., 2014; Hsu et al., 2004; Hudson et al., 2004; Kozak & Rimmington, 1998, 1999; Lee & King, 2006; Omerzel, 2006; Yoon, 2002; Zehrer & Hallmann, 2015). Such measures include perceived beauty of scenery, friendliness of residents and quality of service and enable an assessment of those qualitative attributes of destinations. In addition, the combined use of hard and soft data has been very limited to a number of initiatives such as the World Economic Forum's *Travel and Tourism Competitiveness Index* (TTCI) and the *Tourism Competitiveness Monitor*.

Despite the dichotomy, the reality is that the majority of indicators of destination competitiveness require a combination of both quantitative and qualitative measures for a holistic measurement. Following the same example of 'culture and history', this attribute could be assessed not only by objective measures such as age of culture or number of heritage sites registered by UNESCO but also via subjective measures such as the uniqueness or richness of culture. These measures complement each other in that they add different information about the same attribute. The objective measures represent the factual information about the resources or situation of the destination and the subjective measures might provide a diagnosis of the perceived situation of the destination. Furthermore, if one considers the ultimate goal of the assessment of destination competitiveness to help destinations enhance their competitive position through strategic decisions regarding the different competitiveness determinants then such a combination which offers information from different angles can be of particularly useful.

The second aspect relating to *how* destination competitiveness assessment is performed pertains to the methods and tools utilized. There has been a significant variety in the methods applied including principal component analysis (Cracolici & Nijkamp, 2009), cluster analysis (Estevão & Ferreira, 2012; Gooroochurn & Sugiyarto, 2005), structural equation modelling (SEM) (Assaker et al., 2013), and a technique for order preference by similarity to ideal solution (TOPSIS) (Huang & Peng, 2012; Zhang et al., 2011). One particular framework that has recently gained popularity is the Importance Performance Analysis (IPA) (Martilla & James, 1977). An increasing number of authors (Deng, 2007; Caber, et al. 2012; Dwyer et al., 2012; 2014; Enright & Newton, 2004; Goffi, 2013; Go & Zhang, 1997; Uysal, Chen & Williams, 2000) have applied this technique to evaluate

the competitiveness of cities, regions or entire countries. The wide acceptance of the IPA framework is related to its strength as a diagnostic tool that can guide the development of management strategies by identifying opportunities for improvement (Sörensson & Friedrichs, 2013), the ease of its application and the appealing and straightforward methods of presenting both data and recommendations (Oh, 2000).

The third aspect concerning to the ways destination competitiveness measurement is conducted refers to the level of destination. Like competitiveness generally, the notion of competitiveness in tourism has been applied at various levels – resorts (Hudson, et al., 2004), cities (Enright & Newton, 2005; Goffi, 2013), regions (Chen et al., 2011) and countries (Kozak et al., 2009). Such variety highlights the need for a discussion of the concept of destination. As Buhalis (2000, p.98) notes, destinations have been increasingly recognized as a perceptual concept that can be interpreted subjectively by consumers depending on a number of factors such as travel itinerary, cultural background, purpose of visit and past experience (p.97). According to this flexible and broad conceptualization, a destination can range from an enclave resort such as a Club Med to an extensive cross-border region involving different countries such Patagonia, the Mekong or even an entire continent. For the purpose of most existing destination competitiveness studies, however, a tourism destination is conceptualised as a ‘defined geographical region which is understood by its visitors as a unique entity, with a political and legislative framework for tourism marketing and planning’ (Buhalis, 2000, p.98). Therefore, destinations have to manage their resources properly according to their tourist potential (Cracolici & Nijkamp, 2009). These well-defined geographical areas can have different dimensions such as a country, a region or a city.

The fourth and last aspect of *how* destination competitiveness is measured relates to the number of destinations included in the assessment. Tourism scholars have responded differently to this matter. At one level, there seems to be a general consensus around the idea that competitiveness is a relative concept that only makes sense if two or more units are being compared (Feurer, 1994; Gomezelj & Mihalič, 2008; Gooroochurn & Sugiyarto, 2005; Kozak & Rimmington, 1999). However, at a deeper level, the specifics regarding how this comparison should be undertaken diverge around two poles: an explicit comparison of destinations and an implicit comparison of destinations. In the explicit comparison, the competitive position of a destination is assessed in a direct comparison with rival destinations (Cracolici et al., 2008; Dwyer et al., 2003; Enright & Newton, 2004; Go & Zhang, 1997; Gursoy et al., 2009). The particular way in which destinations are included in the comparison varies between: an a priori selection made by the researcher where respondents have no choice (e.g.; Dwyer et al., 2003; Enright & Newton, 2005; Lee & King, 2010);

a larger set of pre-selected destinations from which respondents choose one or more (e.g.; Benedetti, 2010); and a self-selection of destinations by respondents (e.g.; Crouch, 2010). While the first option is limited by the potential lack of knowledge or familiarity that respondents may have with the selected destinations, the last is potentially restricted in terms of comparability of results given the likelihood of a large variability in terms of destinations selected by respondents.

Independent of how tourism scholars have identified the competitors of a certain destination, the specific number of destinations included in the comparison has also varied. It has ranged from three (Benedetti, 2010; Crouch, 2010; Li et al., 2013) to ten (Gursoy et al., 2009). Those studies based on hard data tend to include more destinations in their research since the gathering of information is significantly easier. Another group, (e.g. Azzopardi, 2011; Dwyer, et al., 2003) in an attempt to include more destinations in the comparisons, has asked respondents to compare the destination to a set of general competitor destinations as opposed to individual destinations. An obvious weakness of this approach is that it neglects the differences between the destinations in the competitor set which can cause difficulties to respondents in estimating the average for all the competing destinations. On the other end of the continuum are those scholars who have not asked for an explicit comparison of destinations. Instead, they have assumed an implicit comparison by exploring only one particular destination (Go & Zhang, 1997; Gomezelj & Mihalič, 2008). This approach seems to be based on the assumption that the comparison happens in the mind of those surveyed.

Related to the discussion of the selection of competing destinations is the actual notion of competing destination. There is a range of issues that influence the decision on what constitutes a competing destination for the purpose of competitiveness assessment. For instance, the traditional view of competitors as those destinations with geographical proximity is now out-dated as improved access, reduced travel times and costs has opened up a wider array of competitor destinations. In addition, the literature has unveiled a wide range of determinants (market ties, culture & history, etc) that can contribute to the competitiveness of a destination meaning that, in theory, any of those factors can be used to identify the competitors of a specific tourism destination. Even more important, the competing destinations might not be applicable to all tourists individually at all times. In the hypothetical situation of an Australian tourist who intends to travel to visit family and happens to have relatives in Portugal and in the United States, those two countries might be competing for that specific tourist; if a Finish tourist is considering visiting a Southern European country to escape the harsh winter, then Portugal will be competing with countries such as Spain

and Greece. As such, finding better ways of understanding the destinations competing for the same tourist is of paramount importance in measuring destination competitiveness.

Who measures it?

The last question for destination competitiveness assessment - *who measures it*– is influenced by the position taken on the question of *how is it measured*? Scholars using objective measures have easy access to hard data from national and international organizations or destination competitiveness indexes; on the other hand, those developing qualitative measures have to gather their data by approaching different populations. This raises the question of who should be approached to provide that measurement. Some use a demand perspective and therefore survey tourists about the list of competitiveness indicators (Andrades-Caldito et al., 2014; Cracolici et al., 2008; Garau-Taberner, 2007; Goffi, 2013; Hsu et al., 2004; Kozak & Rimmington, 1998, 1999); in contrast, others turn to supply side stakeholders with the same intention (Azzopardi, 2011; Chens et al., 2008; Crouch, 2010; Dwyer et al., 2012; Enright & Newton, 2004; Gomezelj & Mihalič, 2008; Hallmann et al., 2014; Hudson et al., 2004; Lee & King, 2006; Omerzel, 2006; Yoon, 2002; Zehrer & Hallmann, 2015). The argument in favour of using tourists states that tourists are the ones who experience the tourism product and that without tourists there is no tourism (Raj, 2004). Surveying tourists enables the capture of their opinions and feelings towards their experience of destinations (Kozak & Rimmington, 1999). Criticisms of this perspective include the limited detailed knowledge tourists will have about a particular destination and its main competitors given the short period of time tourists spend in a destination (Omerzel, 2006).

On the other hand, scholars who opt for a supply side stakeholder perspective do so as they consider these to be the real experts and that their opinions are more realistic due to the combination of their experience with tourist businesses in their own country and their first-hand observations as tourists in other countries (Bahar & Kozak, 2007). Weaknesses of this perspective include the potential biases in exaggerating the competitiveness of one's own country relative to others (Dwyer et al., 2003). Scholars using this second approach have sought different groups of supply side stakeholders namely tourism sector representatives (hotels, retail, sport operators, tour operators, restaurants and bars) (Chens et al., 2008; Enright & Newton, 2004; 2005; Goffi, 2013; Gomezelj & Mihalič, 2008; Hallmann et al., 2014; Lee & King, 2009, 2010; Yoon, 2002; Zehrer & Hallmann, 2015), government and public institutions (Chens et al., 2008; Gomezelj & Mihalič, 2008; Lee & King, 2009, 2010; Yoon, 2002), tourism academics (Chens et al., 2008; Goffi, 2013; Gomezelj & Mihalič, 2008; Lee & King, 2009, 2010), and even tourism students (Chens et al., 2008; Goffi,

2013; Gomezelj & Mihalič, 2008). While both supply- and demand-side approaches lead to valid forms for destination competitiveness assessment, conducting it from one only perspective means that the results will have some inherent bias. By making a choice between either a supply or a demand approach means that existing studies have overlooked the possibility of combining both. Several researchers however have emphasized the importance of including both (e.g. Dwyer et al., 2003; Vengesai, 2003) as the best way to conduct a comprehensive evaluation of competitiveness which is theoretically and practically useful (Bahar & Kozak, 2007; Kozak, 2004). Only one study has applied a combined approach: Bahar and Kozak's (2007) study of the competitiveness of Turkey. In their study, 23 determinants of destination competitiveness were included from four factors including cultural and natural attractiveness, quality of tourist services, availability of tourist facilities and activities, and quality of infrastructure. The study revealed differences between tourists and service providers on their views of competitiveness stressing the significance of using and comparing both approaches. It is then clear that it is fundamental to measure destination competitiveness from both supply and demand perspectives in order to achieve more holistic assessments.

Conclusion

Destination competitiveness emerged as an important research stream during the early 1990s and research output on the topic has grown ever since. Three decades later, the topic remains pertinent with competitiveness being one of the core issues of destination management (Tsai et al., 2009) due to ever increasing competition amongst tourism destinations. Given the popularity of destination competitiveness research amongst tourism scholars and the growing body of knowledge, it has been suggested that the topic has reached a certain level of maturity that allows research to advance from defining, gathering and sorting and indexing data to theory building (Mazanec et al., 2007). By critically examining the literature on destination competitiveness, this review has challenged this idea, identifying a number of research gaps still remaining that need to be addressed in order to enable future theory building.

Existing research on destination competitiveness has covered a wide range of topics but these can be grouped in three categories: definitions, determinants and measurement. A thorough review of the current state of knowledge highlights on these three areas has revealed a number of conclusions and suggested clear research directions for advancing destination competitiveness research. In regards to its definition, there is an overall agreement regarding the complexity of destination competitiveness as well as a general acknowledgement of the challenge in the task that is defining

the concept. Although a wide range of perspectives were identified, a careful examination of definitional statements reveals three common dimensions that are implied in the idea of competitiveness of destinations: an attractiveness dimension that is related to a destination's ability to attract and satisfy potential tourists; an economic dimension related to the ability to turn this advantageous position into economic benefits with the ultimate goal of increasing the wealth of the local population; and finally the sustainability dimension that is concerned with the long-term viability of a destination.

Although there is some level of agreement regarding definitions, there are two main shortcomings of the conceptualization of existing definitions. Firstly, existing conceptualizations carry implicit cause-effect assumptions that may not be verifiable in reality. The view of competitiveness as an antecedent of economic prosperity is one of these assumptions which have been questioned in the literature. Secondly, given that destination competitiveness is such a complex concept that is affected by so many different destination stakeholders with different perspectives and interests, an obvious gap is that existing definitions do not reflect these differences. Once again, future research needs to consider this weakness.

Regarding the determinants of competitiveness, the analysis of the literature revealed a large number of determinants identified in destination competitiveness frameworks, again highlighting the complexity of the concept. These determinants sit on a continuum of control or influence with attributes on one hand being outside the direct control of destinations and on the other, those that are controllable and creatable by the destination. While the number of determinants identified in the existing literature contributes to a greater understanding of the topic, it is fundamental that future research conducts a thorough investigation of each of these elements. In addition, there is a clear need to investigate the universality of the proposed determinants frameworks as well as the importance of the different determinants to overall destination competitiveness. It has been acknowledged that there is no universal set of destination competitiveness determinants applicable to all destinations at all times but it remains unclear what aspects change and under which situations or conditions. Therefore, it is important to explore and examine the various determinants of destination competitiveness according to type of tourism product, inbound market, destination, and life-cycle stage of the destination. Advancing this discussion will better guide destinations to know which factors should be focused on in order to improve a destination's competitive position.

Finally, in regards to the measurement of destination competitiveness, the analysis of the existing literature reveals the growing trend of this specific topic with an increasing number of tourism

scholars measuring the competitiveness of different destinations. Although these efforts are useful to understand a destination's particular situation, there is still scope for improvement. Firstly, more knowledge is required to understand how each determinant should be applied in the measurement of the competitiveness of a destination. The multidimensional nature of destination competitiveness and the lack of a one size fits all frameworks requires further understanding of the role of each determinant in the overall measurement for a specific destination and situation. Secondly, more effective ways to identify competing destinations are necessary. Considering the relativity of the concept, identifying the right competitors and accessing or creating reliable data on those competitors is a crucial step towards a more valuable measurement. Lastly, there is a clear need for enhanced measurements approaches, namely those that combine two independent yet complimentary perspectives: supply-side and demand-side.

This review has highlighted that despite several decades of research on the topic, clear and obvious research gaps remain. To conclude, the following research questions summarize the gaps identified in this article.

How do different stakeholders conceptualise destination competitiveness?

What is the most efficient way of identifying the competitor set of one destination?

Which factors affect the importance and relative influence of each destination competitiveness determinant?

How can objective and subjective measures of destination competitiveness determinants be used simultaneously to assess the competitiveness of a destination?

How can destination competitiveness be measured in a way that combines supply and demand approaches?

CHAPTER 3: Destination competitiveness: A phenomenographic study

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Abstract

Destination competitiveness literature, while well established, is fraught with inconsistencies over its definition, measurement and even legitimacy as a topic of research. Given the divide that exists, this paper proposes a phenomenographic approach to the study of destination competitiveness. Specifically, the paper argues that efforts to advance destination competitiveness theory should be preceded by a better understanding of how destination stakeholders conceptualise the term.

This paper explores how destination stakeholders understand destination competitiveness. The findings reveal three distinct conceptions of destination competitiveness that are hierarchically related: destination competitiveness as *perception of a destination*, destination competitiveness as *performance*, and destination competitiveness as a *long-term process*. Additionally, this paper discusses a number of features of destination competitiveness including the relationship between competitiveness and attractiveness, and the dynamic nature of the competitor set. This paper concludes with a discussion of the implications of such differences for theory advancement in destination competitiveness.

Keywords: Tourism destination competitiveness, phenomenography, destination stakeholders

Introduction

Intensified competition between destinations, concerns over limited resources and the recognition of competitiveness as a critical success factor have all contributed to an expanding body of literature on tourism destination competitiveness (Crouch & Ritchie, 1999; Dwyer & Kim, 2003; Enright & Newton, 2004). Indeed, the past two decades have witnessed a multiplicity of efforts from tourism scholars, destination managers and international organizations alike to attempt to measure the competitiveness of cities, regions and even countries as tourism destinations, as well as identify the factors that can contribute to enhanced and sustained competitive positions.

Despite its clear popularity as a topic of research, the study of tourism destination competitiveness has been marked by controversy and confusion. At the root of this polemic debate are three important and interconnected causes. Firstly, there is the widely recognized complexity of the concept (Cracolici & Nijkamp, 2009; Li et al., 2013). Different perspectives have been employed to explore the topic including the original attractiveness approach (Chon et al., 1991; Bramwell & Rawding, 1996; Echtner & Ritchie, 1993; Faulkner et al., 1998; Kim, 1998), the price level approach (Azzoni & Menezes, 2011; Dwyer et al., 2000, 2002), and recently more holistic multi-layered approaches (Crouch & Ritchie, 1999; Dwyer & Kim, 2003). In addition to these approaches, the topic of destination competitiveness, given its scope and complexity, can and has been linked to an array of areas within the broader tourism destination management sphere including branding, image (Uysal et al., 2000), marketing and management (Buhalis, 2000). Furthermore, given the unit of analysis of destination competitiveness - the tourism destination, concepts such as place making and place branding which are inherent and implicit within the destination competitiveness concept, have been referred to (Dredge & Jenkins, 2003). As a result, a multiplicity of approaches and related constructs has been encompassed within the concept (Heath, 2003).

Secondly, the multifaceted nature of the concept has led to the lack of consensus around its definition (Azzopardi, 2011; Botti & Peypoch, 2013; Mazanec, Wöber, & Zins, 2007). A variety of definitions have been proposed and a recent review (Abreu Novais, Ruhanen & Arcodia, 2015) revealed that these definitions generally entail the following dimensions: economics, attractiveness and satisfaction, and sustainability. The economic dimension, which is often regarded as the central facet of competitiveness (Li et al., 2013), includes “price differentials coupled with exchange rates movements, productivity levels of various components of the tourist industry” (Dwyer et al., 2000, p.9), “objectively measured variables such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry” (Heath, 2003, p.9) and “ability to increase

tourism expenditure” (Crouch & Ritchie, 2012, p.vii). The second dimension commonly identified across definitions relates to the notion of attractiveness and satisfaction (Enright & Newton, 2004; Ritchie & Crouch, 2003). Here, it is recognized that destinations must strive to appeal to visitors and also offer a tourism experience that is superior to competing destinations (Crouch & Ritchie, 1999; Dwyer & Kim, 2003). Sustainability is the final dimension found in much of the academic discourse on competitiveness. While Crouch and Ritchie (1999) referred to ‘sustainable competitiveness’ as incorporating ecological, social and cultural stewardship more broadly, subsequent definitions have tended to adopt a resource-based and environmental focus of sustainability. Examples of this include “preserving the natural capital of the destination for future generations” (Ritchie & Crouch, 2003, p.2), and “create and integrate value-added products that sustain its resources” (Hassan, 2000, p.239). Or, as Buhalis (2000, p. 9) notes, “destination competitiveness must also recognize the sustainability of local resources for ensuring the maintenance of long-term success as well as the achievement of equitable returns-on-resources utilized to satisfy all stakeholders”.

Finally, stemming from the absence of a widely accepted and clear definition of destination competitiveness is the disagreement regarding the most effective and rigorous way of measuring it. Once again, multiple approaches have been employed resulting in different and often conflicting answers to three essential questions: *What is measured? How is it measured? and Who measures it?*. Empirical attempts to identify and assess destination competitiveness remain constrained by the debates and contradictions in conceptualizing the term. Furthermore, although academic discourse on the topic broadly acknowledges the multiplicity of existing views (Mazanec et al., 2007; Zehrer, Smeral & Hallmann, 2016), it has yet to ‘take stock’ and explore these variations and relationships in understanding the concept. Arguably any further investigation of destination competitiveness should be informed by a more thorough understanding of the conceptualizations of the term from those stakeholders who are responsible for operationalizing the concept in practice; that is, supply-side stakeholders including government, business owners, associations and local residents, as well as tourists whose perspectives have long been recognized as important in any attempts to measure competitiveness.

Recognizing these limitations and gaps, and in order to gain a more nuanced understanding of competitiveness, this paper returns to the foundations of the concept by investigating what actually constitutes destination competitiveness and the spectrum of perspectives on the concept. Accordingly, the focus of this paper, is not to discuss how the tourist actually makes decisions about competing destinations; instead its aim is to investigate how individuals (representing

different stakeholders) view the concept of destination competitiveness. The approach adopted, phenomenography, is a methodology recognized for its value in unveiling the qualitatively different ways of understanding and experiencing a phenomenon (Marton, 1981). This alternative interpretivist approach opens up the opportunity for further investigation of destination competitiveness as it allows for an array of first person experiences of destination competitiveness therefore enabling a more holistic view that reflects stakeholders' perspectives. As such, this paper provides a critical re-evaluation of the destination competitiveness concept. Utilizing phenomenography as a novel research lens provides the opportunity to extend existing literature on the topic by contributing new and insightful viewpoints and conceptualizations of the destination competitiveness concept.

Views on destination competitiveness

Academic interest in how destinations can succeed in a highly competitive market grew until the late 1990s with various tourism scholars highlighting the importance of this topic while others focused on the competitive position of particular destinations (Haahti, 1986; Tsai & Wang, 1998). It was, however, Crouch and Ritchie's (1999) seminal work that put destination competitiveness on the tourism research 'map'. Their grounded-research approach, which entailed multiple modes of data collection, produced the first model of destination competitiveness. Following this work, the topic progressed to include various perspectives on the term, different conceptual models and the identification of a wide range of determinants and factors, as well as a multiplicity of measurement approaches.

Since the early investigations in this field, many researchers have attempted to define destination competitiveness. Being labelled as a vague (Hanafiah, Hemdi & Ahmad, 2015) and complex (Cracolici & Nijkamp, 2009; Li et al., 2013) construct, defining the concept has proven to be a challenging task. Within the various available definitions and conceptualizations of the term, it is possible to recognize that destination competitiveness seems to be linked to the notion of "ability". This has been one of the most commonly referred elements in definitional statements (Abreu Novais et al., 2015) and refers to the capacity of a destination to achieve certain goals. The actual goals that a destination is aiming to achieve are wide-ranging but can be categorized into three dimensions: economic and the associated well being of the population (Azzopardi, 2011; Bahar & Kozak, 2007; Dwyer et al., 2004; Ritchie & Crouch, 2003), attractiveness and satisfaction (Crouch & Ritchie, 1999; Dwyer & Kim, 2003; Enright & Newton, 2004) and sustainability (Azzopardi, 2011; Crouch & Ritchie, 1999; Hassan, 2000).

Academics have also been concerned with the development of theoretical models that aim to identify and explain the forces that drive destination competitiveness. A considerable number of models have been proposed (Andrades-Caldito et al., 2014; Dwyer & Kim, 2003; Goffi, 2013; Heath, 2003; Omerzel, 2006; Ritchie & Crouch, 2003) and their impact has ranged from incremental contributions through to major advances that have included the development of complex models with exhaustive lists of indicators. Among the existing frameworks, again Ritchie and Crouch's (Crouch & Ritchie, 1999; Ritchie & Crouch, 2003) model of destination competitiveness is regarded as the most comprehensive theoretical explanation of the concept (Boley & Perdue, 2012; Hudson et al., 2004; Tsai et al., 2009), and has inspired the development of subsequent models (Andrades-Caldito et al., 2014; Dwyer & Kim, 2003; Omerzel, 2006). This probably explains why, despite the variety of efforts, the majority of the underlying ideas regarding the determinants of destination competitiveness are somewhat similar.

While the theoretical progress achieved is indisputable, there are still issues worthy of further clarification relating to the conceptualization of the term. First, there seem to be contradictions in the orientation of the concept; between an "external" orientation that considers competitiveness as a result of the comparison with other destinations, and an "internal" orientation that regards it in more absolute terms. On the external orientation side, there is the general academic discourse which links competitiveness to the idea of the superiority of a destination vis-à-vis its competitors. In other words, destination competitiveness is a relative concept that only makes sense in comparison with other destinations (Gomezelj & Mihalič, 2008; Gooroochurn & Sugiyarto, 2005; Kozak & Rimmington, 1999). Definitional excerpts including the "ability of a destination to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered to be important by tourists" (Dwyer & Kim, 2003, p.374) and "the ability to create and integrate value added products that sustain resources while maintaining market position relative to other competitors" (Hassan, 2000, p.239) exemplify that external orientation. On the other hand, there are definitional statements where this external focus does not feature, for instance: "competitiveness is related to the ability of the destination to create and nurture a high-quality product" (Croes, 2011, p.440), "a destination is competitive if it can attract and satisfy potential tourists" (Enright & Newton, 2004, p.340), or even the most commonly cited definition of the term: "ability to increase tourism 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" (Ritchie & Crouch,

2003, p.2). In these cases, and contrary to the external approaches noted above, the competitiveness of the destination here is conceptualised in terms of its internal attributes and abilities.

In both external and internal orientations of the concept, there is broad acknowledgement that a destination does not exist in a vacuum and so one destination's success is affected by what happens internally in that destination as well as externally in competing destinations (Crouch, 2010). While this proposition is intuitively obvious, when assessing a destination's competitiveness however, it is less clear how much emphasis should be given to the performance of competing destinations. In other words, it is not obvious whether or not a destination that meets the criteria of competitiveness insofar as it attracts and satisfies tourists, increases tourism expenditure, while ensuring its sustainability is still considered competitive, regardless of its competitors' performance. Despite being subtle, this difference can affect how competitiveness is conceptualised and measured. This point has been similarly voiced by Mazanec et al. (2007, p.88) who, in criticizing the use of destination competitiveness, stated that it is "open to discussion whether external criteria for destination competitiveness, such as destination market share or sustained relative growth, may be characterized as indicators, or whether these variables are better considered to be effects within the overall causal chain".

A second point of apparent incongruity in current discourse involves the role that economic prosperity of the destination's resident population assumes in the conceptualization. The aforementioned economic dimension of competitiveness is a common feature across definitions with some consensus around the notion that there is a connection between destination competitiveness and the enhanced well-being and prosperity of destination residents. It is less clear, however, whether this enhanced welfare is a condition for destination competitiveness or a desired outcome of a competitive destination. On the one hand, there are statements that embrace the former view: "the most competitive destination in the long term is the one which creates well-being for its residents" (Bahar & Kozak, 2007, p.62), "ability of the destination ... to attract visitors to a destination by offering them a unique overall experience ... that satisfies ... the economic prosperity objective of the residents" (Azzopardi, 2011, p.22) and the aforementioned widely cited definition from Ritchie and Crouch (2003). On the other hand, there is a slightly less assertive view claiming that the "ultimate goal of competitiveness is to maintain and increase the real income of its citizens, usually reflected in the standard of living of the country" (Dwyer & Kim, 2003, p.372). As noted by Heath (2003), under this perspective destination competitiveness is not an end in itself but instead becomes a means to an end. Clearly, there is a need to better understand the position that the

economic welfare of residents has within the concept of competitiveness. Establishing these delimitations will have implications for measuring destination competitiveness.

A third limitation stems from the nature and scope of the tourism experience. Destination competitiveness, unlike competitiveness in other industries, does not refer to a single, well-defined product or service but to an overall experience which entails an “amalgam of individual products and experience opportunities” (Murphy et al., p.44). This ‘total experience’ (Dwyer et al., 2004) is produced by a variety of destination stakeholders who contribute to the visitor experience: tourism enterprises, local residents, other supporting industries, destination management organizations and the public sector (Crouch, 2010). Following this ‘fuzzy’ notion of the destination, the unit of analysis of destination competitiveness becomes an additional complication in its measurement (Claver-Cortés & Pereira-Moliner, 2007).

Given the crucial role of these different stakeholders in the making of a destination, contributing to and ultimately responsible for the destination’s competitiveness, it is arguably fundamental to understand how these destination stakeholders conceptualise the term. Existing academic definitions are multifaceted, however, it remains unclear the extent to which they reflect the meanings attached by the different destination stakeholders (Abreu Novais et al., 2015). While at least certain models (Dwyer, et al., 2004; Ritchie & Crouch, 2003) have used stakeholder opinion and feedback in constructing their approaches, their studies were not aimed at exploring how different stakeholders conceptualise the various dimensions of the concept. Instead, these qualitative data stages had the purpose of supporting the design of a standardized model comprising generic dimensions and factors that helped predict the success of destinations. Consequently, it cannot be determined if stakeholders relate to all the dimensions of the concepts presented in these models. A further point in support of this argument lies in Ritchie and Crouch’s (2003, p.62) acknowledgement that “in all the discussions and interviews that took place, the opinions that were expressed tended to focus on a subset of competitiveness factors”. This highlights that different stakeholders focus on various aspects of destination competitiveness, opening the possibility that they might even attribute completely different meanings to the term. It then seems logical that empirical research into the various ways in which destination competitiveness is conceptualised is essential for identifying potential variations in understandings. This is particularly important in the context of destination competitiveness measurement efforts, which rely heavily on destination stakeholders themselves (Abreu Novais et al., 2015).

Study methods: A phenomenographic approach to destination competitiveness

Originally developed in Sweden during the 1970s to explore conceptions of learning, phenomenography was quickly adopted in the field of education (Marton, 1981; Marton & Svensson, 1982). It has since been expanded and adopted to investigate a myriad of other social phenomena including business (Lamb, Sandberg & Liesch, 2011), management (Dunkin, 2000; Sandberg, 2000) and marketing (Lin & Niu, 2011), among others. In tourism, however, this interdisciplinary research approach has received very little attention. While phenomenology has been applied to explore an array of issues within tourism and the tourist experience (Cohen, 1979; Prentice, Witt & Hamer, 1998; Santos & Yan, 2009; Willson, McIntosh & Zahra, 2013), few studies have adopted phenomenography (Watkins & Bell, 2002; Mkono, 2015).

In a similar way to phenomenology, phenomenography is a qualitative research approach that seeks to describe and understand individuals' experiences of reality (Marton, 1981). In that sense, both approaches share the objective of researching and revealing the human experience. While it is beyond the scope of this paper to delve into the more nuanced differences between phenomenography and phenomenology (for detailed reviews see Larsson & Holström, 2007; Martínková & Parry, 2011), there are several key differences in terms of their underlying assumptions and outcomes of their analysis. Firstly, phenomenography focuses on the analysis of empirical research as opposed to phenomenology which is a philosophical school of thought based on theorizing (Limberg, 2008). Secondly, phenomenography is focused on collective meaning whereas phenomenology emphasizes individual meaning (Barnard, McCosker & Gerber, 1999). Thirdly, phenomenography focuses on a second-order perspective describing the world as it is experienced and understood while phenomenology emphasizes a first-order perspective describing the world as it is (Assarroudi & Heydari, 2016; Barnard et al., 1999). Finally, in phenomenography, the focal point is revealing and understanding the qualitatively different conceptions of a given phenomenon (Dall'Alba, 2000). The results then become an outcome space where conceptions or 'categories of description' are presented according to the views expressed by the participants. In contrast, in phenomenology, the focus is the foundations which are found by looking for the most invariant meaning of the phenomenon, and the results of such an approach lead to the identification of meaning units (Barnard et al., 1999; Sjostrom & Dahlgren, 2002).

Phenomenography has developed into a distinctive research approach (Barnard et al., 1999). As previously mentioned, its focus on conceptions of specific aspects of reality is one of the most distinctive features of the approach. Such conceptions correspond to the way individuals understand

or experience the various aspects of the world (Sandberg, 2000) and they are relational, experiential, content-oriented and qualitative (Marton, 1986). The epistemological assumption in this approach is that individuals differ as to how they conceptualise and experience phenomena but such differences can be described, communicated and understood by others (Sjostrom & Dahlgren, 2002). In addition, the premise of phenomenography is that there is a limited number of ways of conceiving or experiencing a phenomenon or aspect of reality and it is possible to capture this variation in categories (Marton, 1981; Pang, 2003).

Despite its novelty in tourism empirical research, phenomenography has been suggested as a valuable approach to explore different issues in tourism (Abreu Novais, Arcodia & Čavlek, 2014; Ryan, 2000; Tribe, 2004). As Ryan (2000) argued, this approach allows for the unveiling of individual experiences as well as the identification of the shared consensus around understandings that enables model building. Following Ryan (2000), Tribe (2004) further suggested that the approach may help to address the gap where the knowledge being offered about people differs from people's knowledge about themselves.

Amongst the destination competitiveness literature, quantitative methods have tended to dominate (Dwyer et al., 2004; Enright & Newton, 2004) with few studies reporting the use of qualitative methods. For instance, the seminal work of Crouch and Ritchie (1999) was based on interviews which sought to identify stakeholders' perceptions of the factors that determine the success of a destination. However, their focus was on developing consensus around the determinants of destination competitiveness as opposed to the nuances of meaning. Given that destination competitiveness "means different things to different people" (Ayikoru, 2015, p.143), in order to develop an enhanced understanding it is imperative to investigate the different understandings of the term and the relationships between them.

To bring to the fore the qualitatively different ways of conceiving and experiencing destination competitiveness, a phenomenographic approach provided the lens for exploring this phenomenon in the minds and lived experiences of different stakeholders. Consequently, these qualitatively different ways, as opposed to the focus on academic definitions of destination competitiveness, can provide a basis for a more holistic understanding of the studied phenomenon (Limberg, 2008). In addition, phenomenography can foster the discovery of new features and nuances (Limberg, 2008) as well as allow for the investigation of the hidden relationships between conceptions and experience (Francis, 1996). This strength of phenomenography is particularly valuable considering the well-recognized complexity of destination competitiveness.

Data was collected in the form of interviews, the predominant data collection tool used in phenomenographic research (Bowden, 2005; Marton, 1986; Marton & Booth, 1997). Following the phenomenographic tradition, the selection of interviewees was purposive and underpinned by the notion of theoretical sampling (Glaser & Strauss, 1967) in order to allow for the capture of the greatest possible variation in conceptions. This variation in sample is a fundamental aspect of phenomenographic research (Marton, 1981, 1986; Marton & Booth, 1997; Sandberg, 2000; Wright, Murray & Geale, 2007). One particular destination was chosen for the context of the study - Portugal. Choosing a specific destination was required to provide a sampling framework for participants (i.e. identifying individuals that represent particular stakeholder groups). In addition, focusing on a particular destination ensured that the interviewer and participants had a focal or common point to discuss within the interview. While participants were asked to reflect on Portugal as a tourism destination during the interview, this did not mean that the discussion was in anyway limited to Portugal only, as participants discussed a variety of examples from their experience and knowledge. The choice of country was driven by the need to access potential interviewees from different stakeholder groups within a destination and the researchers' access to such stakeholders. Thirty-five participants were selected from different stakeholder groups, gender and age group, as shown in Table 6. The sample size was consistent with the expectations regarding theoretical saturation, which in phenomenographic studies is generally agreed to occur between 15 and 25 participants (Forster, 2015; Lamb et al., 2011; Sandberg, 2000).

Given the context of the study, participants were from Portugal with the exception of international tourists. The latter were chosen by identifying individuals who had previously visited Portugal. Interviews were conducted by one of the authors in either Portuguese or English, depending on the preference of the participant. The interviews were then transcribed verbatim and translated where necessary from Portuguese to English by the same author who conducted the interviews. The interviews were both semi-structured and open; semi-structured in the sense that the topic of the interview was clearly set through the use of a certain number of questions (Åkerlind, Bowden & Green, 2000), in this case four; open in the sense that the researcher was guided by the responses of interviewees and that interviewees were encouraged to describe and discuss their conceptions in detail (Marton, 1986; Booth, 1997; Svensson, 1997). Four main questions guided the progression of the interviews: *1. What does it mean to you for a destination to be competitive? 2. Can you give me an example of a destination that you consider competitive? 3. In your view, can you describe the competitiveness of Portugal as a tourism destination? 4. Can you give me your opinion about a destination that is more/less competitive than Portugal?* Given that all participants had experience

with Portugal as a tourism destination the last two questions guided participants to focus on a specific example with which they had familiarity. Follow-up questions such as *What do you mean by that?*, *Can you explain that further?*, and *Can you give an example?* were also used where appropriate to encourage participants to clarify and elaborate upon their answers, and demonstrate their ideas in specific and practical situations (Sandberg, 2000). This process continued until no further progress was made in terms of developing a mutual understanding between interviewee and interviewer. The interviews lasted on average about 30 minutes with some interviews taking up to 97 minutes.

Each interview was recorded and later transcribed verbatim. The interview data was analysed through a process of iteration consistent with qualitative research analysis techniques. As in phenomenographic analysis, there was a conscious attempt from the researcher to 'bracket' their own preconceived ideas about what constitutes destination competitiveness to ensure the researcher's own biases do not influence the interpretation and that the findings are grounded in the participants' descriptions and experiences (Wright et al., 2007).

The analysis entailed three stages as per phenomenographic research methods. First, the identification of the conceptions of each participant was garnered through the careful and repeated reading of transcripts. Consistent with phenomenographic analysis techniques interview transcripts are analysed in their entirety rather than analysing isolated and discrete statements. The objective is to avoid the possibility of interpreting experiences out of context (Åkerlind et al, 2005). Second, transcripts were sorted according to the conceptions that emerged so that individuals with similar conceptions (or ways of viewing and experiencing the phenomenon) could be grouped. Transcripts were reread and compared within and across groups to check the allocation of transcripts to different groups. This was to verify the stability of the discovered conceptions. The third stage involved exploring the structural links between the different conceptions. It was at this phase of the analysis where the researchers' perspectives were explicitly involved through the process of understanding the logical relationships that were evident between the conceptions (Bowden, 2000). Following the recommendation of a number of phenomenographers, this step was undertaken only after the conceptions had been finalized, to avoid imposing a biased structure on the data (Ashworth & Lucas, 2000). This stage concluded with the mapping of the conceptions into an outcome space; the logically and hierarchically ordered set of the different ways of experiencing a phenomenon (Marton, 1981).

Table 6 Profile of participants

#	Stakeholder group /activity sector	Age group	Gender
1	International tourist	20-29	Female
2	Association	50-59	Female
3	Private Sector – Accommodation	50-59	Male
4	Private Sector – Accommodation	20-29	Male
5	Private Sector – Wine tourism	30-39	Female
6	Private Sector – Entertainment	30-39	Female
7	Private Sector – Accommodation	20-29	Male
8	Public Sector – Transportation -Airline	40-49	Male
9	Association	40-49	Female
10	Public Sector – DMO	40-49	Male
11	Public Sector - DMO	50-59	Female
12	Private Sector – Events/Entertainment	30-39	Male
13	Private Sector - Entertainment	30-39	Male
14	Private Sector – Tour Agency	40-49	Male
15	Public Sector - Government	30-39	Male
16	Private Sector – Exhibition Centre	20-29	Male
17	Public Sector - DMO	40-49	Female
18	Private Sector – Accommodation	50-59	Male
19	Private Sector - Accommodation	18-19	Male
20	Public Sector - DMO	50-59	Female
21	Private Sector – Tour Agency	40-49	Male
22	Private Sector – Transportation -	50-59	Male
23	Local Resident	40-49	Male
24	Local Resident	20-29	Female
25	Local Resident	30-39	Female
26	Local Resident	30-39	Male
27	International tourist	30-39	Female
28	International Tourist	30-39	Female
29	International Tourist	30-39	Female
30	Local Resident	+ 60	Female
31	International Tourist	30-39	Male
32	International Tourist	+ 60	Male
33	Local Resident	30-39	Male
34	Local Resident	40-49	Male
35	International Tourist	30-39	Female

This structural framework was developed based on the variation of conceptions according to three dimensions that emerged from the data: the focus of destination competitiveness in regards to the perceived goal of destination competitiveness; the orientation of the concept determined by the

delimitations of the notion of destination competitiveness, and the view of the destination in terms of the context where destination competitiveness takes place. These dimensions enabled looking for referential (what element) and structural (how element) differences between conceptions. In this context, the former refers to the general meaning that is attributed to a phenomenon with the latter referring to the way in which the component parts of the phenomenon related to each other (Marton, Dall’Alba, & Beaty, 1993).

Results

From the phenomenographic analysis and interpretation described above, three qualitatively different conceptions of destination competitiveness emerged from the data: (1) destination competitiveness as the perception of a destination, (2) destination competitiveness as performance, and (3) destination competitiveness as a long-term process. While many similarities were found to exist across the stakeholders interviewed, particularly with respect to the numerous factors that contribute to a destination’s success, the differences identified lie essentially in the three aforementioned dimensions: the orientation of the conception as well as its goal, and how it is translated into determinants and factors. For instance, within each conception, it is possible to distinguish differing perceptions of the characteristics and dimensions of competitiveness.

Conception 1: Destination competitiveness as the perception of a destination

In the first conception, destination competitiveness is viewed by participants as an evaluation of the characteristics of a destination. This evaluation is personal, subjective and can stem from either the individual’s experience of that destination or simply the information and images that an individual has of that destination. The most distinctive feature of this conception is its sole focus on the individual consumer. Destination competitiveness emerges as the individual relationship between the destination and the tourist or potential tourist. In this sense, competitiveness can be seen to relate to the potential of the destination as well as the notion of “attractiveness” (R1). The competitive destination is therefore “attractive and interesting; it has a lot to offer” (R1) and determines “how much (one) would like to go to that destination” (R28).

In this conception, participants describing destination competitiveness or a destination that is competitive essentially discuss what they, as individual tourists, can experience or are seeking in a destination. In that sense destination competitiveness is very centred around the individual and their benefits from visiting the destination: “what can that destination offer to me as compared to other destinations. What it can offer me in terms of leisure, in terms of attractions, comfort, safety, in

terms of knowledge...” (R29); “for me, to start with, it (the destination) has to have something cultural. Something that draws me there. I live in the Algarve and therefore I have beaches, sun, summer. The main factor that leads me to travel is culture. Therefore the first thing needs to have that; (...) the competitive destination is the destination that draws me there, that enriches me as a person and my knowledge (R24).”

The goal of a destination, according to this conception, is essentially to establish a connection with the tourist or potential tourist by offering the products, experiences or features the tourist wants or needs. Destination is here seen as a product or potential product that can be experienced. Considering the multi-dimensional nature of a destination, there is a panoply of factors playing a role in the overall perception of a destination. Accordingly, competitiveness emerges as a composite concept: “the total score that the destination has in the collection of factors that the person buying values” (R12); “analysing all the factors of the destination, everything that the tourist desires in a trip... I look at the pros and cons; if it’s worth it then the destination is competitive” (R16).

The sole consumer orientation in this conception implies that destination competitiveness has a strong subjective nature as different tourists value different things. In addition, the decision that competitiveness leads to is not necessarily rational as can be seen in the following observation:

“I would look at the factors; I would measure them not in a very explicit way. Analyse on paper? No. In the end it’s a decision from the heart I would say, from the stomach. It’s always a thing that... I don’t understand my decision at all, so it’s not a theory or a model where I put inputs and there’s just a little tiny advantage for one destination competitiveness so that I would choose that destination. But implicitly I always measure the things, the mood or in the needs or what to fulfil with the trip. And then it leads to one destination being more competitive than another” (R28).

Conception 2: Destination competitiveness as performance

In a similar way to the previous understanding, individuals sharing this conception view destination competitiveness what tourists need and desire. Unlike the previous conception however, the focus here shifts from the individual tourist to the destination itself and the beneficial outcomes that may yield from that competitiveness. Even when discussing the same ‘attractiveness’ mentioned in the previous conception, participants here describe it in a more generic and destination oriented way: “I think that (competitiveness) must mean the viability of the destination to attract people. A destination survives by visitors coming, that’s what it is. And competitiveness has to do its viability – so to what extend people see it as value proposition to come and spend money in this destination

rather than another” (R32). In this conception there is an additional shift in terms of how a destination is perceived. As opposed to being seen as an experiential setting, the destination emerges as a product that needs to be marketed and consumed: “At the end of the day (a destination) is a product. You can have the best product in the world, you can have the best phone, best computer, best anything; but if people cannot get to it or don’t even know about it, it cannot be competitive” (R34).

This conception entails a departure from an individual and subjective based notion to a more pragmatic and objective approach towards destination competitiveness. In this sense, the aforementioned perception and potential of a destination are translated into competitiveness only when accompanied by identifiable results. Destination competitiveness is therefore defined in terms of the ability of a destination to achieve certain goals; it is not about the potential of a destination but about transforming those characteristics or circumstances into measurable outcomes. The nature of these outcomes can vary to encompass tourist arrivals (R20), market quotas (R18), tourism expenditure (R22), and average number of visitor nights (R27). While they can vary, such outcomes have an external emphasis as they all focus on tourist behaviour; if tourists visit the destination, how long do they stay, and how much money do they spend?

Additionally, the goals that are defined and therefore determine what competitiveness translates into “depend on the market that the destination is trying to target” (R11), and the strategy the destination wants to implement, “quality or quantity” (R10). As one respondent explained, “just because a destination attracts millions of tourists does not necessarily mean it’s competitive, it’s more to do with the revenue that it generates” (R11). This focus on outcomes, and in particular, on expenditure and profitability (R22) shows a clear shift, in comparison to the previous conception, from a demand orientation to a supply orientation. The following excerpts clearly highlight the focus of competitiveness as viewed by individuals sharing this conception:

“A tourist place... if you are competitive it means that you are able to not have a high season and a low season. You are able to have a medium level of tourists each day of the year. ...You want to increase your performance. And in the tourism industry I think that you can measure performance by for example, measuring the number of nights each person spends in a hotel, or the average spending of each person. And also, another important thing is to differentiate the different levels of, how can say... markets. For example, Rome attracts a lot of tourists but you also have to distinguish what you mean. You have visitors and you have tourists... You differentiate the person that just visits the place in a day. So he doesn’t sleep or stay. And more importantly, he doesn’t even eat in a

restaurant or in a bar. He leaves his house in the morning with his backpack, with his lunchbox, with his water; he visits the Vatican museum, after that he has lunch in a garden, he eats his sandwich and he goes back home. So at the end of the day what is the value of that for Rome?” (R27).

Conception 3: Destination competitiveness as a long-term process

The third and last conception of destination competitiveness appears not as a perception of a destination or a set of identifiable performance indicators, but as a process that is grounded in an intricate network - the tourism destination. In this conception, the destination is not merely seen as the experiential setting or the product consumed by tourists but as a system: “a destination is not just the physical place. It is not just a physical destination. The destination is everything that surrounds the place. Everything that is a part of it and everything that interferes with it: social, economic, political... everything” (R5). Following this more complex notion of destination, destination competitiveness cannot be merely translated into performance measures; instead, destination competitiveness is concerned with all the elements and steps that are necessary for a destination to achieve certain goals as well as the effects of these goals – it becomes a process.

The processual nature of this conception relates to the different and well thought out steps that are involved in making a competitive destination. This process starts with a vision: a destination “needs to have an idea of what it wants to be” (R26) and “needs to bet on what it wants to be” (R5). The consistency of this vision is also fundamental: “sectors like tourism should not depend on politics; there needs to be a tourism strategy independent of the secretary for tourism being A, B or C” (R14). This involves putting in place mechanisms that will allow that vision to be achieved. This involves a variety of elements including “creativity, entrepreneurship, resources, cooperation between the different entities, strategic vision...” (R5).

The long-term element present in this conception relates to the concern beyond the immediate outcomes of tourism. In this sense, there is a time dimension to destination competitiveness; it is not enough for a destination to attract and satisfy tourists, and to increase performance measures relating to tourism, but it is also fundamental to do this in the long term. This continuity needs to be reflected in tourism policy (R19), responsible and efficient use of resources (R8, R17) and maintenance of the destination’s identity (R26) to ensure the long-term success of the destination.

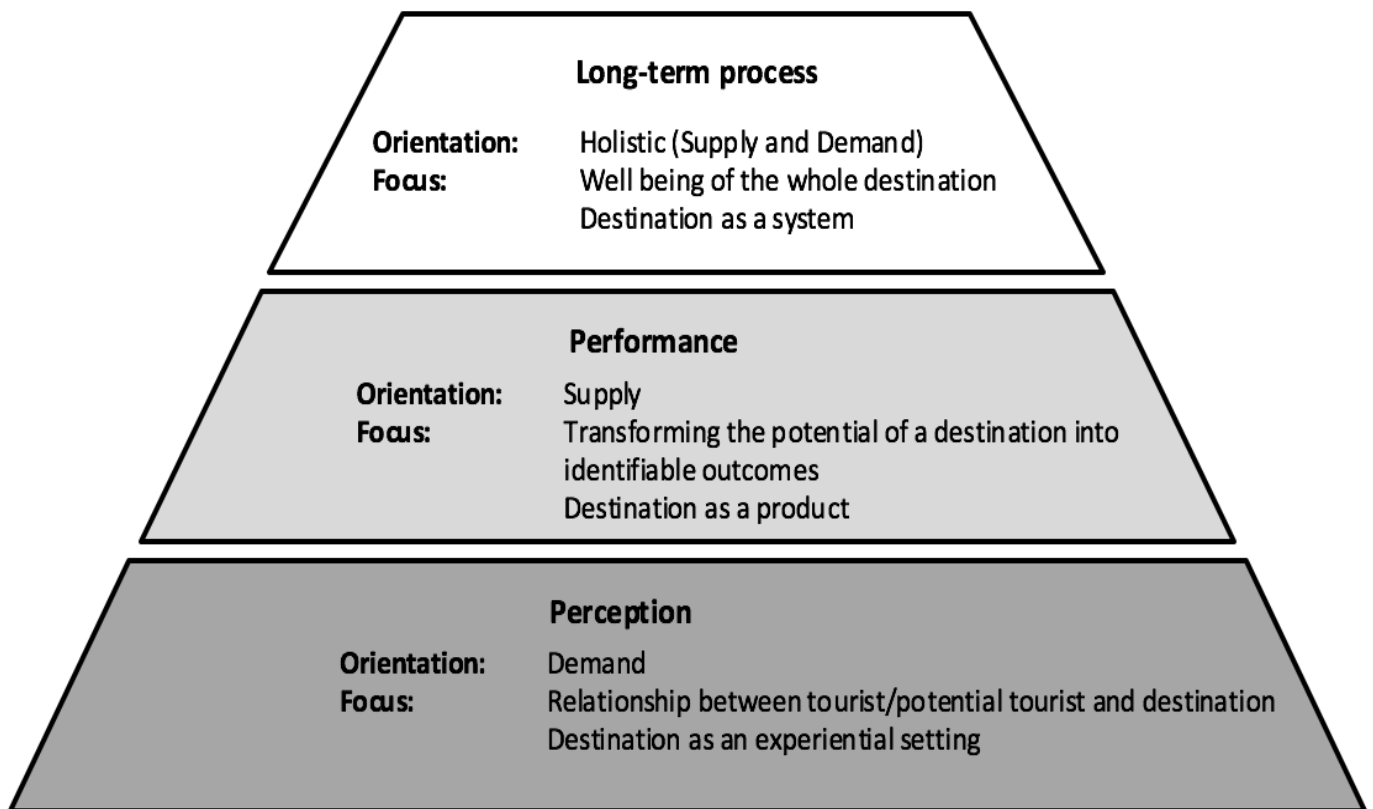
With this long-term focus comes a concern about the general well-being of the different aspects of the destination. The orientation of this conception is therefore not simply towards the demand or

supply sides; instead it is a holistic approach that demonstrates concern with the general well-being of the various destination stakeholders as well as the destination as a whole. For instance, working conditions (R13), the motivation and productivity of workers (R7), and the general organizational culture of a destination (R7) are examples of elements that are important to consider for those working in the sector. Similarly, taxation systems (R9), bureaucracy (R14), and general conditions to attract investment (R13, R21) exemplify concerns for local businesses. Additionally, the well-being of the local residents is also considered: “Let’s think about Paris... Maybe the Parisians don’t really like that Paris has so much tourism... and why does that happen? Because tourists end up disrupting local people’s life” (R09). Given this risk, tourism destinations need to decide “on the number of tourists that (they) can or are willing to welcome” (R26). Such “capacity” from the residents’ perspective can in fact be less than the capacity of a destination in terms of its hotels and transportation systems. Furthermore, the number of tourists can actually impact the quality of the tourism destination: “There are certain destinations that welcome too many people. When you go to Venice, when you go to Prague... I think they are destinations that become a sort of Disneyland where there are no local people left, in which everything is oriented towards tourists and it starts looking fake... I mean tourism destinations need to try and preserve their identity” (R26). In this sense, destination competitiveness entails a clear concern with the “well-being” of the destination as a whole.

A hierarchy of understanding of destination competitiveness

The three descriptions presented above not only reveal a variation in how the competitiveness of tourism destinations is conceptualised and experienced but they also unveil a hierarchy of understanding by destination stakeholders. The hierarchical relationship between conceptions is established in such a way that conception one is the least comprehensive, and conception three the most comprehensive. Conception one, *the perception of a destination*, has a narrower approach and focus and destination competitiveness is delimited to a composite of several separate destination attributes or elements. The scope of competitiveness is expanded in conception two, *performance*, with an increased focus on the ability of the destination to achieve identifiable outcomes. In conception three, *a long-term process*, the degree of complexity and sophistication is further extended, as the competitiveness of a destination involves a time dimension where vision and strategic orientation are fundamental. In addition, this last conception subsumes each of the lower-ordered understandings. Figure 4 illustrates the hierarchy of understanding found.

Figure 4 Outcome Space of the conceptions of Destination Competitiveness



Discussion

The categorization of individual stakeholders according to their understanding of destination competitiveness was based on the essential differences between individual descriptions. The three qualitatively different conceptions of destination competitiveness however, also present some similarities across individual descriptions. The first point of commonality between all three conceptions, to some extent, is the subjective nature of the foundations of destination competitiveness. All participants mentioned, in one way or another, how competitiveness depends on what the tourist is looking for. Demand factors have been recognized as important in the destination management literature more broadly (Pearce & Schänzel, 2013), as well as in destination competitiveness more specifically (Dwyer & Kim, 2003), but the results of this study show that demand is not simply an additional dimension of destination competitiveness. Not only does destination competitiveness depend on the image that potential tourists have of that destination, but it also depends on previous experiences with that destination. For example, the same tourist searches for tourism destinations with different purposes throughout one's life. This of course depends on the tourists themselves, their motivations, interests, and limitations: "It's very

subjective. There are different types of destinations; there are different types of tourists that choose a destination for completely different reasons... The same person has different needs ... Therefore the same person can have different profiles” (R12). This subjective and dynamic nature of the construct suggests that its evaluation is a very personal one and this has two important implications. Firstly, that destination competitiveness can never be fully understood with purely objective measures, and secondly, that conceptualization and measurement of destination competitiveness should reflect different market segments in terms of motivations, previous experience as well as socio-demographic characteristics.

The second similarity across individual conceptions is the importance of distinctiveness. While competitiveness is traditionally assumed to be related to some sort of superiority in relation to the competition, in the case of tourism destinations such superiority seems to be closely linked with the notion of distinctiveness. “Competitiveness is in the first place related to difference. That is what that destination has that only it has or that others have but in which it is better than the others” (R3). While the destination needs to offer what the tourist is interested in, in order to be competitive a destination also needs to “have something that distinguishes it from the competition” (R6). In fact, this distinctiveness becomes even more important when the elements of price and distance also play a role: “A destination only needs to be financially accessible if it doesn’t have something very unique... if there is a great will to go there and something very particular about it, the destination can be far away and expensive, but still competitive” (R6). In addition, “in this era of globalization what we don’t want is to move from our home and to be in another shopping centre, in another Disneyland and find the exact same things. I want something different” (R26).

Further to these similarities, the process of interpreting the data also considered potential sources of variation in conceptions of destination competitiveness. To some extent, it was expected that the category of stakeholder would help to explain the differences across conceptions. Destinations have different stakeholder types with different interests and needs: tourists who want to have a memorable experience of a destination; local residents who want to experience the benefits of tourism development while at the same time not having their daily lives disrupted due to tourism; businesses that want to contribute to and benefit from tourism development, and governments that need to define and implement a vision for tourism development. Certain stakeholders seem to combine two categories such as business owners who are usually local residents or government officials who are also residents of that destination. Accordingly, it was expected, for instance, that government stakeholders would have a more complex understanding of destination competitiveness or that tourists would not have sufficient knowledge about a specific destination to understand the

intricacies of destination competitiveness. Surprisingly, one tourist expressed the second most complex conception of competitiveness (performance) while two others expressed the most complex one (long term process). Despite their role as consumers of the destination they were able to demonstrate knowledge and experience beyond a demand oriented perspective.

In general, individuals sharing the most complex conception often provided descriptions of their personal experience as tourists in different destinations, and local residents even discussed strategic or organizational issues which could be assumed to more closely align with the knowledge of government stakeholders. As such, differences in conceptions were not shaped by the category of stakeholder but instead by the capacity of participants to understand the interests and needs of different stakeholder roles in the destination. This conscious effort to consider other perspectives seems to be a major determinant in expressing the most sophisticated conception of destination competitiveness (Figure 4). The main implication of this finding is that destination competitiveness emerges as a negotiable concept in that it must find some level of balance between often conflicting interests of different stakeholder groups.

While destination competitiveness has previously been identified as dynamic (Heath, 2003), given the evolving nature of consumers' preferences which require destinations to continuously respond and adapt, the negotiable nature of the concept identified in this study brings another level of complexity to the concept. Destinations aim to achieve a number of desirable outcomes enabled by competitiveness including, among others, increased number of tourists and improved quality of life of local residents. These outcomes can be conflicting as different stakeholder groups may have different perspectives of what success entails. For instance, not all local residents may think that increasing tourist numbers is necessarily important for the increased competitiveness of the destination. As stakeholder theory acknowledges, "a stakeholder...is any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p.46); as such, these diverse views should at least be acknowledged although ideally would be negotiated. This statement is equally applicable to destination competitiveness. Therefore, the extent to which a destination is deemed competitive should also be determined by the extent to which the destination can negotiate some level of balance or agreement between different stakeholders' interests.

Finally, the findings also revealed a number of aspects of destination competitiveness that have not been explicitly discussed in existing literature. The first of these is the number of tourists in a destination, or more specifically the balance between tourists and residents, which emerged as a potentially important determinant of destination competitiveness. This factor, which was mentioned

by individuals from different stakeholder groups was found to be important from both supply and demand perspectives. From the perspective of supply, as mentioned in the third conception, this balance contributes to the competitiveness of a destination in that it is important to maintain the level of quality of life for residents as well as to ensure their support of tourism development. On the other hand, the number of tourists or more importantly, the balance between tourists and local residents can affect the choice of destination for a tourist. This view expressed, for instance, in the words of a Finnish and German tourist respectively: “I would not like to go to a destination where I hear more Finnish than the local language, and I think that is the situation in some parts of Spain” (R1) and “They try to fulfill the German tourist so they can have white beer and white sausages and I don’t want to go to Italy to see that, sorry” (R26). In addition, the number of tourists a destination welcomes can affect the quality of the experience when “we treat the customer less well because we know that the day after we will have even more clients that will pay even more money” (R19). This aspect is important given the traditional view that competitive destinations attract more tourists.

Second, there is a blurred relationship between attractiveness and competitiveness. While not all participants referred to this relationship and therefore it was not obvious enough to be incorporated in the actual conceptions, there is an apparent difference in the way this relationship is understood. This relationship takes three forms. The first one is where attractiveness equates to competitiveness “the perception the tourist has of the destination” (R11). “Like attractiveness... Like how attractive a destination is... How interesting the destination is, how many different things it can offer” (R1). This view emerged more in conception one. A second way of interpreting this relationship is attractiveness being part of competitiveness. In this view, attractiveness is one element but is not sufficient to lead to competitiveness: a destination “can be attractive but it’s not competitive because the residents themselves are leaving” (R26), and “this is what makes Lisbon attractive to me but it’s not overall competitive in that it makes the town so unique that there is no other town” (R28). Finally, a third understanding of this relationship is the separation between attractiveness and competitiveness in which there is not a necessary relationship between the two. In here, competitiveness is “when the choice is rational. If it is an emotive choice then it doesn’t depend on the competitiveness of the destination but on the level of emotion that makes the person make that choice. That’s not competitiveness but attractiveness of the destination. And they can be connected or not” (R12).

The last point relates to the set of competitors of a destination as a tailored and dynamic construction. As often stated in the literature (Buhalis, 2000; Enright & Newton, 2004; (Dwyer et al., 2004), the competitiveness of tourism destinations can only be understood in the context of

comparison with competing destinations. Traditionally, such competitors are seen as being destinations offering a similar product and within a similar distance range from the tourist's point of origin. The analysis of the interviews suggests however, that this traditional view needs to be revisited as there are other forces shaping the number and the specific destinations considered as alternatives for a given trip. At a more basic level, the notion of distance has been relativized: "The world is becoming rounder and nowadays it is very easy to get from one end to the other... it's becoming easier and easier for people to travel" (R12). Thus, distances are perceived differently and distance itself is less likely to be an insurmountable barrier for destinations to compete with each other. In addition, there seems to be a tailored and dynamic dimension in the definition of the competitor set. Two examples brought up in the interview demonstrate this dimension. For instance, a tourist that is looking for a new experience is not considering destinations previously visited. In the tourist's mind, the competing destinations for that particular trip are only unexplored destinations (R31). In a different situation, while planning a trip, a tourist considers one destination that he/she would normally not consider because of an interest to visit a friend or a relative living in that destination. In this particular situation, this different destination can be competing with destinations that are very different in nature and products (R33). These simple examples show how destination competitiveness can change according to the type of tourist, type of experience sought, the tourist's previous travelling experience and a number of other personal factors.

While the conceptions found in this study highlight some previously overlooked elements of destination competitiveness, there are some commonalities with previous studies. For instance, the first conception aligns with some elements in the attractiveness approach (Chon et al., 1991; Bramwell & Rawding, 1996; Echtner & Ritchie, 1993; Faulkner et al., 1998; Kim, 1998) in the sense that destination competitiveness is related to the level of desire to travel to a destination. Similarly, key ideas in the 'performance' conception have an affinity with various common definitional statements about destination competitiveness. The focus on achieving specific goals and measurable outcomes can also be seen in excerpts such as "competitiveness is a general concept that encompasses ... productivity levels of various components of the tourist industry" (Dwyer et al., 2000, p.9). Or, "objectively measured variables such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry" (Heath, 2003, p.9). The nature of these outcomes tends to be economic, which is consistent with the view that the nature of the central dimension of the concept is economic. This is further emphasized by Li et al. (2013, p.247) who state that "only when it is able to convert the advantageous positions of some indicators into tourism revenues can a destination be regarded as competitive". Finally, the third conception of

destination competitiveness as a long-term process aligns with some of the more complex conceptualizations such as Ritchie and Crouch's (2003) inclusion of "destination wellbeing" in their definition. Here they note the importance of "enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations" (p.5).

Conclusion

The phenomenographic analysis employed in this study reveals three distinct conceptions of destination competitiveness with an increasing level of complexity between them: destination competitiveness as *perception of a destination*, as *performance*, and as a *long term process*. The conceptions discovered show that besides the known complex and relative nature of destination competitiveness, there is a significant degree of subjectivity and dynamism in it. Destination stakeholders, who often have opposing needs and motivations, have diverging views on what the success of that destination means and requires. Acknowledging this negotiable nature of the term is particularly important given the popularity of the term in political and media circles. Understanding and 'educating' stakeholders on the different levels of the concept can be a starting point for a higher level of agreement between different stakeholder groups.

In addition to revealing the differences across understandings of destination competitiveness, the analysis also exposed a number of features of destination competitiveness hidden or blurred in previous research. These features, namely the dynamic nature of the competitor set and the importance of the balance between tourists and local residents opens a myriad of research possibilities that can further advance destination competitiveness theory. Certainly any discussion of destination competitiveness should include a reflection on the competitor set. Implicitly or explicitly, potential tourists often have a wide range of destinations to choose from when deciding to travel. The exploratory discussion of the relative and dynamic nature of the competitor, while brief, forces the traditional view of the group of competing destinations to be challenged and calls for further investigation. If certain (or all) tourists no longer see the traditional geographical distances between destinations and do not always see the same destinations as competitors of a certain destination, then the measurement of destination competitiveness needs to mirror those changes. There needs to be more focus on understanding how the measurement of destination competitiveness can be performed given such dynamics.

The reference to the balance between tourists and residents is particularly relevant given two factors: the current context where tourism is often seen as 'the golden goose' and cities, regions and even countries are using tourism to offset struggling economic performance and deficiencies, and

secondly, the often referred to transition from mass tourism to the ‘new age of tourism’ (Fayos-Solá, 1996) which has forced destinations to develop dedicated tourism products based on the specific needs and interests of tourists (Assaker et al., 2013). It is therefore crucial to boost the discussion around the limits of a destination in terms of not only the physical resources but in regards to the destination’s identity and to the ‘well-being’ of a destination with an accepted balance of tourists and local residents. Although this last issue of balance between tourists and locals may not be important to all tourists and applicable to all destinations given the success of many mass tourism destinations, it is still important to raise its awareness in order to allow an adequate discussion of the situation of each destination.

A final pertinent note is that the methods adopted in this study allowed for novel insights into the concept. While being an established research approach in different disciplines and contexts, phenomenography has not yet permeated tourism research. The few references to phenomenography within tourism seem to have their origins in one single article (Ryan, 2000) where it is argued that phenomenography as a methodology can capture the interpretation of tourism and allow researchers to understand tourism experiences. This paper aims to contribute to the dissemination of a valid approach which can be particularly beneficial when investigating the various complex phenomena that are involved in understanding tourism and tourism experiences.

CHAPTER 4: Measuring destination competitiveness: A comparison of supply and demand perspectives

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Abstract

The inclusion of stakeholders in the process of measuring destination competitiveness usually requires the adoption of either a demand or supply perspectives. The demand perspective involves tourists while the supply perspective involves collecting data from supply-side stakeholders such as business owners and government entities. The overall aim of this paper is to challenge the idea of a forced choice between a demand and a supply approach, and to propose an evaluative framework that combines both perspectives: the *Supply-Demand Analysis of Competitiveness*. In applying this framework it was found that it not only provides a more complete view of destination competitiveness, but also highlights gaps between supply- and demand-side perspectives. The identification of such gaps offers valuable and practical information for destinations that are looking to enhance their competitive position. The testing of the proposed framework shows significant differences in the measurement of destination competitiveness according to the two different perspectives. These results are explored in detail and emphasize the need for alternative and holistic measurement of destination competitiveness.

Keywords: Tourism Destination Competitiveness, Competitiveness Measurement, Supply-Demand Analysis of Competitiveness

Introduction

The tourism sector has been transformed by a combination of progressive and drastic changes. Among such changes are: the continuous evolution of tourists' preferences for more tailored experiences; the often mentioned allure of tourism as a powerful source for economic development (Archer et al., 2005; Crouch & Ritchie, 2003; Kayar & Kozak, 2010); the intensification of resource allocation into the development of the tourism sector (Hong-Bumm, 1998); the subsequent escalating competition among destinations (Assaker et al., 2013; Dwyer et al., 2009); and the increasingly saturated (Gomezelj & Mihalič, 2008), chaotic (Gursoy et al., 2009) and volatile (Ringbeck & Pietsch, 2013) market. With such rapid and pervasive change, it has become increasingly imperative for destination managers to fully understand how the competitive position of destinations can be achieved, sustained and enhanced.

Within the broad importance of understanding the competitiveness phenomenon, its measurement is particularly significant as it helps destination managers to understand their competitive position and gives them the necessary information to improve that position (Gomezelj & Mihalič, 2008; Sánchez & López, 2015). In fact, the measurement of destination competitiveness has been one of the main focuses of the recent wave of academic interest on the topic (Abreu Novais et al., 2015; Armenski, Dwyer, & Pavlukovic, 2017; Azzopardi & Nash, 2016; Dwyer et al., 2016; Ji, Li & King, 2016; Kozak et al., 2017; Mendola & Volo, 2017; Queiroz, Lohmann & Scott, 2017; Wong, 2017; Zehrer et al., 2016). Much of the contemporary research on the topic has moved away from developing conceptual models and identifying the determinants of destination competitiveness to focus on investigating the competitive position of specific destinations or groups of destinations using a wide range of perspectives, tools and indicators. This stream of research is aimed at contributing to the search for the most appropriate measurement approach, as well as providing destinations with useful information and advice for strategy development. Overall, the measurement of tourism destination competitiveness is acknowledged as complex and time-consuming given the numerous elements that need to be included (Hallmann et al., 2014). In response to such complexity, researchers have resorted to a panoply of perspectives regarding what is measured, how and by whom (Abreu Novais et al., 2015) in the search for the most effective measurement approach. Naturally, there are several points of disagreement within this discussion, and consensus on best practice has not yet been achieved (Miličević et al., 2017). In particular, one of the greatest divides relates to the population used to perform the measurement with a polarization between those who adopt a demand perspective and those that adopt a supply perspective. The choice of perspective

determines the population studied in the measurement process. While there have been calls for the combined use of both approaches (Dwyer et al., 2004) and initial steps in the direction of a merged approach to the measurement (Bahar & Kozak, 2007; Zehrer et al., 2016), these studies have not fully explored the underlying meaning regarding the differences between perspectives. As such, there is not a clear understanding of how these approaches differ in terms of outcomes nor their implications.

The purpose of this paper is to investigate competitiveness from the perspective of both supply- and demand- side stakeholders. Specifically, the research questions addressed are as follows: 1) How can destination competitiveness be measured in a way that combines the perspectives of both supply- and demand-side destination stakeholders? 2) To what extent do supply- and demand-side destination stakeholders assess the competitiveness of a destination differently? The paper proposes a holistic and practical framework for destination competitiveness measurement that includes both supply and demand perspectives – the *Supply-Demand Analysis of Competitiveness*. The comparison of perspectives can yield essential information for destination managers in addition to contributing to the theoretical discussion and search for a consensual approach to destination competitiveness measurement. Specifically, the use of the *Supply-Demand Analysis of Competitiveness* allows for the identification of specific elements within the destination where there is a discrepancy between perceptions of competitiveness between supply- and demand- side stakeholders. Additionally, this evaluative framework supports the provision of practical guidance on how to reduce the discrepancies between supply- and demand-side destination stakeholders.

The Measurement of Destination Competitiveness

The origins of destination competitiveness can be traced back to Crouch and Ritchie's (1999) intensive investigation on what makes a destination competitive. Based on Michael Porter's (1990) conceptualization of competitiveness and his diamond model of the five forces, Crouch and Ritchie (1999) developed what has since become the most well recognized model of destination competitiveness. Their definition states that destination competitiveness is the "ability to increase tourism 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" (Crouch & Ritchie, 2003, p. 306). While complex in itself, this definition seems to capture the multifaceted essence of the term and incorporates all three dimensions that have been identified as

being present in the various definitions of destination competitiveness including: economic, attractiveness and sustainability (Abreu Novais et al., 2015).

The measurement of destination competitiveness has been a major focus for tourism destination competitiveness researchers. Since the early conceptualizations of destination competitiveness theory, scholars have attempted the challenging task of its measurement using a wide range of methodologies, tools and indicators. These attempts have in effect resulted in a number of disjointed measurement efforts marked by inconsistency and fundamental points of discord. Details of the approaches and the disagreements between them have been identified and discussed elsewhere (for a detailed review see Abreu Novais et al., 2015) but it is clear that at the core of these discrepancies are two dichotomies that scholars interested in the measurement of competitiveness face: objective versus subjective measures, and supply versus demand perspectives.

The preference between objective and subjective measurements has different implications for the measurement efforts. Objective measures, also referred to as hard data, are characterized by independent verifiability. Examples of these include tourist arrivals, market share rates and tourism expenditure, which are typically included in assessments of destination competitiveness (Croes, 2011; Dwyer et al., 2000, 2002; Mazanec et al., 2007; Zhang et al., 2011). While the use of objective measures has the great advantage of allowing researchers to conveniently gather large volumes of data (Ritchie et al., 2001), its power is restricted due to its doubtful practicality and rather daunting complexity (Crouch, 2010). In addition, many of the dimensions of destination competitiveness, such as attractiveness of a destination or tourism satisfaction, are subjective and qualitative nature making the measurement through hard data difficult if not impossible.

Subjective measures on the other hand, are generated based on surveys and they allow the measurement of destination competitiveness as perceived by the destination's stakeholders (Zehrer et al., 2016). Such measures, also referred to as soft data or survey data, include aspects such as perceived beauty of scenery, friendliness of residents and quality of service and enable an assessment of those qualitative attributes that ultimately allow destinations to attract and satisfy tourists. Soft measures have been considered vital for the successful measurement of destination competitiveness (Mazanec et al., 2007) as they are more consistent with the intangible nature of the tourism product and industry (Miličević et al., 2017), and they ultimately drive quantitative performance (Kozak & Rimmington, 1999). As such, the use of soft measures has progressively dominated this stream of research (e.g. Andrades-Caldito et al., 2014; Chens et al., 2008; Cracolici & Nijkamp, 2009; Crouch, 2010; Dwyer et al., 2012).

The second dichotomy takes place within the group of studies using subjective measures and relates to the population approached to provide the subjective measurement of destination competitiveness. Some use a demand perspective, which entails surveying tourists about the list of competitiveness indicators (Andrades-Caldito et al., 2014; Cracolici & Nijkamp, 2009; Garau-Taberner, 2007; Hallmann et al., 2014, Hsu et al., 2004; Kozak & Rimmington, 1999). This approach is underpinned by the belief that tourists are the ones who experience the tourism destination (Raj, 2004) and therefore the performance of several factors of destination competitiveness is ultimately determined by how these are perceived by tourists (Ritchie et al., 2001). Surveying the marketplace allows for the understanding of their opinions and feelings towards a destination (Kozak & Rimmington, 1999).

Others, criticizing the possible lack of detailed knowledge tourists will have about a particular destination and its main competitors (Omerzel, 2011), consider that the opinions of supply-side stakeholders are more realistic and reliable for a number of reasons. Firstly, tourism experts have a deeper knowledge given their experience with tourist businesses in their own country, coupled with their first-hand observations as tourists in other countries (Bahar & Kozak, 2007). Secondly, given their vast experience, it is believed that the opinion of a single tourist expert is representative of a large group of tourists (Enright & Newton, 2004). Thirdly, there is a potential gap between the expressed opinions of tourists and their actual behaviour (Enright & Newton, 2004; Mihalič, 2013). Finally, the supply-side approach has the additional advantages of lower costs and the ability to include a larger number of competitiveness aspects, including supporting factors and destination management (Mihalič, 2013), which tourists may not have the knowledge to assess.

Within the supply-side approach, various groups of destination stakeholders have been included in the assessment of competitiveness. The stakeholder groups most commonly sampled have been industry practitioners (Chens et al., 2008; Crouch, 2010, Dwyer et al., 2012; Enright & Newton, 2004; Erbas & Perçin, 2015; Gomezelj & Mihalič, 2008; Hudson et al., 2004; Lee & King, 2006; Omerzel, 2006; Zehrer & Hallmann, 2015) followed by DMOs (Chens et al., 2008; Crouch, 2010, Dwyer et al., 2012; Gomezelj & Mihalič, 2008; Hudson et al., 2004; Lee & King, 2006; Zehrer & Hallmann, 2015), governments (Chens et al., 2008; Dwyer et al., 2012; Gomezelj & Mihalič, 2008; Lee & King, 2006; Omerzel, 2006), tourism scholars (Chens et al., 2008; Crouch, 2010; Dwyer et al., 2012; Gomezelj & Mihalič, 2008; Lee & King, 2006; Omerzel, 2006) and even tourism students (Chens et al., 2008; Gomezelj & Mihalič, 2008; Omerzel, 2006). Surprisingly, local residents who are recognized as important in contributing to the creation of memorable tourism experiences (Björk & Sthapit, 2017; Morgan & Xu, 2009), have not been included in this approach.

While the vast majority of empirical studies falls into only one of the aforementioned categories, in the early stages of research on the topic, pioneer scholars (Enright & Newton, 2004) had already raised the issue of the potential lack of consistency between the two perspectives. Calls for the combined use of perspectives (Dwyer et al., 2004; Formica, 2002) and the exploration of the gaps between them (Zeher & Hallmann, 2015) were also put forward while others emphasized its importance by noting the discrepancies between perspectives across different studies of the same destination (Mihalič, 2013). It is then surprising that only a very limited number of studies (Bahar & Kozak, 2007; Zehrer et al., 2016) have indeed included both perspectives when measuring the competitiveness of a destination. In both cases, discrepancies between perspectives were confirmed although the implications of such differences were neither explored nor leveraged. Thus, in this study both demand and supply-side perspectives are investigated, with particular emphasis on the potential differences and the implications of this.

The framework: the *Supply-Demand Analysis of Competitiveness*

The proposed framework (Figure 5) – the Supply-Demand Analysis of Competitiveness - is premised on the integration of supply- and demand-side stakeholder perspectives of the competitiveness of a particular destination. In it, the performance of competitiveness indicators as perceived by supply-side stakeholders – government, businesses and local residents – is compared with the perceived performance according to demand-side stakeholders – tourists. This comparison has the purpose of diagnosing different situations based on the possible gap between demand- and supply-side stakeholders perceived competitiveness. Arguably, any discrepancies between perceived performance require specific responses from destination managers.

The framework is conceptualised as a graph where the vertical axis reports the mean values of the performance of the different destination competitiveness indicators according to the supply-side stakeholders and the horizontal axis reports on the same mean values but from the perspective of the demand-side stakeholders. In addition, the different framework zones are defined by three lines. The first of these is an iso-performing line, which is characterized by the union of the points where perceived competitiveness has the same value for both supply- and demand- side stakeholders. This 45 degree upward sloping line divides the framework area into two overall zones: one where performance according to the supply side stakeholders is higher than the performance according to the demand side stakeholders, and the other where the reverse happens. This line is used given that, ideally, destinations want to be performing along with the line where performance according to the demand side group equals the performance according to the supply-side group and deviations from

either side of the line represent and require different responses. The second line is a vertical line that corresponds to the mean value of the observed performance means from the demand-side assessment. Similarly, the third is a horizontal line created at the mean value of the performance of all indicators according to the supply-side perspective. These three lines allow for the creation of six different zones, as shown in the figure 5, which aim at guiding action. Each zone is labelled with the strategy required: 'revive and enhance but align with demand reality', 'align according to demand reality', 'maintain, promote but align with demand reality', 'maintain and promote but build confidence', 'build confidence', and 'revive and enhance but build confidence'.

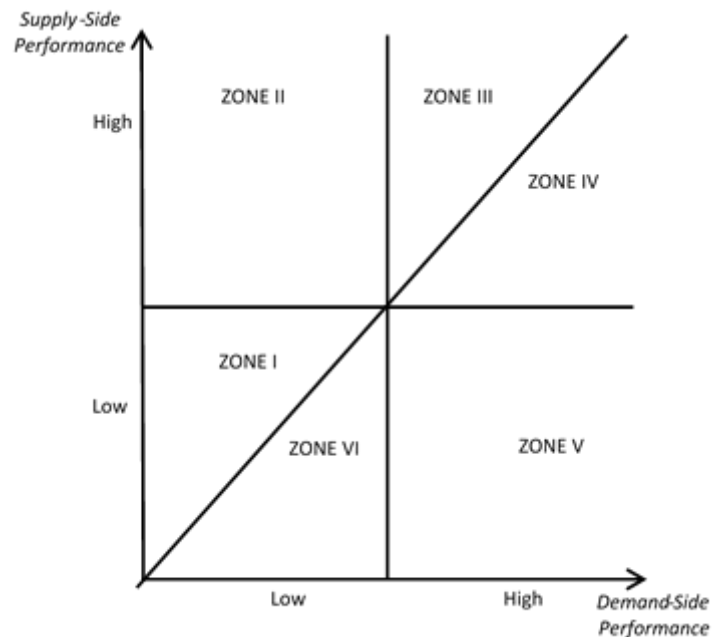
The development of the Supply-Demand Analysis of Destination Competitiveness was underpinned by three theoretical assumptions. The central assumption of the framework is that identifying and understanding the gaps between destination competitiveness as perceived by supply- and demand-side stakeholders' is fundamental to destination managers concerned with increasing the competitive position of a destination. Considering that both supply- and demand- side stakeholders are responsible for the co-creation of the tourism experiences (Björk & Sthapit, 2017; Suntikul & Jachna, 2016), it is vital that both sides have similar perceptions of the experiences and products being produced/consumed.

The second assumption relates to the lines that create the grid and delimit the six zones of the framework. The horizontal and vertical lines are chosen at mean values of observed perceptions of destination competitiveness as opposed to the mean values of the established scale. The data-centred approach is chosen in detriment of the scale-centred approach for similar reasons that apply to debate in the Importance-Performance Analysis (Bacon, 2003). Studies on destination competitiveness tend to report positively skewed results (Bahar & Kozak, 2007; Dwyer et al., 2012; Enright & Newton, 2004) and, as a consequence, using the scale-driven approach would mean that results of the framework would concentrate at one area of the grid (Dwyer et al., 2012). Alternatively, the data-driven approach assesses indicators relatively to each other and therefore enabling the discrimination between them. This relative assessment is useful in helping destination managers prioritising and shifting limited resources between destinations attributes (Taplin, 2012).

Finally, the last assumption regards how the strategies to address the gaps are conceptualized. The suggested framework does not aim to make a judgment about which stakeholders are "right" or "wrong" in their assessment of the performance of a destination competitiveness indicator. Nonetheless, it is demand oriented in the sense that it is underpinned by the belief that tourists are the ones who experience the destination and who choose (or not) a given destination for their

holidays. As destination competitiveness is related to the ability to attract and satisfy tourists, they are the ultimate assessors of destination competitiveness. Thus, their perceptions, as opposed to the supply-side stakeholders, are the ones that would dictate the nature of the response from the destination.

Figure 5 Supply-Demand Analysis of Destination Competitiveness



Zone I – ‘Revive and Enhance but Align with demand reality’. In this first zone fall those indicators that are perceived by both supply- and demand- side stakeholders as low overall performers. In addition to the overall low scores, there is a mismatch between groups in that the performance according to supply-side stakeholders, while low, is still higher than the performance according to the demand-side stakeholders. Such a result signals the need for the destination to take one action: to attempt to revive and enhance that particular aspect of the destination, and to help supply-side stakeholders to adjust their perceptions according to the tourists’ reality through, for instance, communication and training.

Zone II - ‘Align according to demand reality’. Similar to the previous zone, this area of the graph represents an amplified perception of the destination’s performance by supply-side stakeholders. In this zone there is a mismatch as supply-side stakeholders’ perceptions of performance is high as compared to a perceived low performance according to tourists. This indicates to the destination a need to ‘align according to demand reality’. Specifically, this alignment can occur in two ways: either supply side stakeholders adjust their perceptions according to the tourists’ reality through

communication, or they aim to improve the quality of the given aspect so that tourists can benefit from an improved experience.

Zone III – ‘Maintain, Promote but Align with demand reality’. This is a positive zone within the framework as it indicates that both supply-side and demand-side stakeholders perceive the destination to be performing well. Within this high performance however, there is still a gap between the two perspectives in the sense that supply-side stakeholders assess performance of indicators more highly than demand-side stakeholders. Accordingly, this zone indicates to the destination the need to maintain overall quality and promote those aspects of the destination, but also to align with demand reality so that supply-side stakeholders gain the understanding that, while they are doing well, they are not doing as well as they consider.

Zone IV: ‘Maintain, Promote but Build confidence’. This is the strongest zone in the framework. In this zone, the assessed items are perceived by both sides as performing highly. Indeed, here tourists perceive the destination to be performing better than the supply side stakeholders do. This zone indicates that the destination should maintain and promote the items in question but to also build the confidence of supply side stakeholders.

Zone V - ‘Build confidence’. In this zone there is an emphasized gap between supply and demand perspectives. Here, items are perceived by supply-side stakeholders as poor performers, but high performers by demand-side stakeholders. Accordingly, this zone signals that the destination should ‘build confidence’ in the delivery of that aspect of the destination. Supply-side stakeholders need to be aware that for that particular aspect they are doing better than they know.

Zone VI - ‘Revive and Enhance but Build confidence’. The last zone is characterized by competitiveness items that are assessed by both the supply- and demand- side stakeholders as low performers. Within this overall low performance, these aspects are assessed slightly higher by tourists than supply-side stakeholders. As such, while the performance needs to be improved by reviving and enhancing these items, the destination still needs to build confidence by gaining awareness that the situation is not as lacking as perceived by supply-side stakeholders.

Within the six zones the strongest situation that destinations can aim for is along the iso-performing line between zones III and IV. In this area, items will be perceived highly and equally by supply-side and demand-side stakeholders. Competitiveness items in this position will reflect those areas where the destination is performing well and with confidence in its strengths. With competitiveness items on the top-end of the iso-performing line, this is an indicator that the destination is performing well and is aware of its strengths. In this situation, a destination should focus on promotional

activities to continue to build on those strengths. Promotional efforts about these areas should be effective given the acknowledgement of this area as a strength from both supply- and demand-side stakeholders. be able to make the most out of promotional activities given its understanding from both sides of the capacity of the destination.

Methods

Given the wide range of indicators that can be used to assess destination competitiveness (Dwyer et al., 2004) and the need to choose a reasonable number that ensure higher response rates (Dillman, Sinclair & Clark, 1993) as well as the accuracy of the data (Hallmann et al., 2014), the development of the survey instrument followed four steps. Firstly, a review of the literature was conducted to identify the major determinants of destination competitiveness. This step identified three conceptual models that have generated more traction within destination competitiveness theory: Dwyer and Kim's (2003) Heath's (2003) and Ritchie and Crouch (2003). All three models, introduce exhaustive lists of indicators that shape the competitiveness of a destination. A close look at these suggests that despite being worded, labelled and organized differently, the majority of the underlying ideas are in fact very similar across models (Abreu Novais et al., 2015).

Secondly, from the wide range of determinants of destination competitiveness, only those plausible to be measured by both tourists and supply-side stakeholders were selected. This meant that the questionnaire did not include indicators related to destination management, situational conditions and market performance given the insufficient specific knowledge of tourists to assess such aspects (Omerzel, 2006). Thirdly, due to the fact that there is no set of indicators applicable to all destinations at all times (Goffi, 2013; Gomezelj & Mihalič, 2008), these indicators were considered and adjusted to the context of the destination under investigation – a city destination. This step led to the elimination of indicators such as those related to flora and fauna, nature. Finally, the aforementioned qualitative study about the destination Portugal and Lisbon in specific (Abreu Novais, Ruhanen & Arcodia, 2017) enabled the addition of indicators that emerged as important in the context of the competitiveness of Lisbon as a tourism destination. This preceding qualitative study was developed to investigate the different ways of conceptualizing destination competitiveness. The phenomenographic approach adopted meant that participants –stakeholders of Portugal as a tourism destination – were asked and encouraged to describe Portugal and Lisbon's destination competitiveness. Interviewees identified and described the many indicators of destination competitiveness and this process allowed three indicators that seem to differ from existing models of destination competitiveness to emerge: perceived authenticity of Lisbon,

perceived uniqueness of Lisbon, variety of tourism products and balance between number of visitors and residents. The four-step process resulted in a list of 33 indicators, as presented in Table 7.

Table 7 Destination Competitiveness Indicators included in the study

Destination Competitiveness Indicators	Authors / Origin
Comfort of the climate for tourism	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Cleanliness of the city	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Visual appeal of the city	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Attractiveness of artistic/architecture features	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Attractiveness of historic sites and museums	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Richness of the local culture	Ritchie & Crouch, 2003
Quality of local gastronomy	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Quality of accommodation	Dwyer & Kim, 2003; Heath, 2003
Airport efficiency	Dwyer & Kim, 2003
Immigration/customs efficiency	Ritchie & Crouch, 2003
Quality of local transport	Dwyer & Kim, 2003
Availability of tourism information	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Signage of tourist attractions	Heath, 2003
Accessibility to interest points	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Quality of convention/exhibition facilities	Dwyer & Kim, 2003
Quality of restaurants and bars	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Quality of entertainment	Dwyer & Kim, 2003; Heath, 2003
Range of special events	Dwyer & Kim, 2003; Heath, 2003; Ritchie & Crouch, 2003
Quality of Nightlife	Dwyer & Kim, 2003
Quality of shopping opportunities	Dwyer & Kim, 2003; Heath, 2003
Quality of tourism infrastructure	Dwyer & Kim, 2003
Safety	Dwyer & Kim, 2003; Heath, 2003; Ritchie & Crouch, 2003
Ease of access to Lisbon (flights, duration of the trip etc)	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Friendliness of the locals	Dwyer & Kim, 2003; Heath, 2003; Ritchie & Crouch, 2003
Easiness of communication with the locals	Dwyer & Kim, 2003; Heath, 2003
Overall price levels	Dwyer & Kim, 2003; Heath, 2003
Value for money of tourist experiences	Dwyer & Kim, 2003; Ritchie & Crouch, 2003
Quality of tourist services	Ritchie & Crouch, 2003
Uniqueness of Lisbon	Preceding qualitative study
Authenticity of Lisbon	Preceding qualitative study
Diversity of tourism products in Lisbon	Preceding qualitative study
Image	Ritchie and Crouch, 2003
Balance between number of tourists and local residents	Preceding qualitative study

Two versions of the questionnaire were created: one for demand-side stakeholders and one for supply-side stakeholders. These were very similar in both structure and content with both designed

to gather generic demographic information, level of travel experience, one section on the evaluation of the competitiveness of Lisbon as a tourism destination and another to identify Lisbon's main competitors. The differences lay in the initial information gathered to find out more about the participants: the demand side questionnaire gathered more questions about the trip to Lisbon (motivations, length of stay, alternative destinations considered) while the supply side gathered more information relating to occupation and involvement with the tourism industry. In both cases, three additional open ended questions were included on the following topics: main strengths and weaknesses of Lisbon as a tourism destination and the main competitors of Lisbon.

In a similar way to previous studies, a 5-point Likert (1=very poor, 2=poor, 3=average, 4=good, 5=very good) scale was used to assess the performance of the chosen indicators. Unlike most previous studies however, respondents were not explicitly asked to compare the competitiveness of Lisbon against a particular destination or set of destinations. While this study concurs with the notion that destination competitiveness is a relative concept that cannot be measured in a vacuum (Dwyer et al., 2004; Gomezelj & Mihalič, 2008), it does not support the idea that such comparison needs to be made explicitly. The assumption behind the measurement of destination competitiveness is that respondents compare destination attributes in terms of their knowledge and experience of other destinations (Kozak & Rimmington, 1999). Such an assumption is true for both explicit and implicit comparisons as people's response are always influenced and limited by their experiences and existing knowledge.

Focusing on a pre-determined destination or number of destinations can result not only in a potential lack of knowledge or familiarity of respondents with the selected destinations but it can also be limiting in capturing the actual competitors of a destination. The competitor set of a destination should not be simplistically reduced to those destinations offering a similar product and located within the same distance range from the origin market. Accessibility, both in time and cost, has drastically increased for most destinations with the fast-paced expansion of air travel "reducing" distance between destinations. Furthermore, if destination competitiveness is, at least at some level, related to attracting tourists, a destination's competitors should be determined by the tourist. A tourist's view on alternatives of a destination can vary according to multiple factors including a tourist's preferences in travelling, stage in life and even previous travel experience. The competitor set is therefore a dynamic construct (Abreu Novais et al., 2017), difficult to be clearly and straightforwardly identified for every tourist. Taking a broader perspective in which the comparison with the competing destinations takes place implicitly in the mind of the respondent emerges as a suitable alternative to the daunting task of attempting to identify the competitor set for each

individual tourist at a given moment in time. While not the majority, other studies have taken a similar perspective (Andrades-Caldito et al., 2014; Zehrer et al., 2016).

The initial version of the questionnaire was piloted with 30 stakeholders during March 2016. This procedure was conducted online using Survey Monkey and respondents were purposively chosen to ensure the participation of destination stakeholders with different experiences and backgrounds. Final refinements were made to ensure the readability of the questions. Data collection involved two simultaneous processes that ran during the Summer of 2016. The first took place at Lisbon's international airport. At the departures lounge, the self-administered questionnaire was distributed following an initial question to identify potential respondents: tourists finishing a trip to Lisbon and local residents of central Lisbon. For local residents a supply-side version of the questionnaire was provided whereas for tourists a choice of five languages – Portuguese, Spanish, English, French and German – of the demand-side version of the questionnaire was offered. A convenience sample was employed in order to maximize the potential usable data. Potential respondents were approached in the waiting areas of the airport and at the departure gates. The second data collection process aimed at gathering data from tourism stakeholders from both the public and private sector. These were contacted via email using a database of tourism stakeholders in Lisbon with a link to a web version of the questionnaire. The two data collection steps resulted in a sample of 2183 responses. Questionnaires with less than one third of the questionnaire completed were discarded. This process resulted in a final sample of 236 supply-side stakeholders and 1947 demand-side stakeholders.

Analysis of the data included descriptive analysis and the plotting of the mean values of the destination competitiveness indicators of both supply- and demand- side stakeholders' assessment into the framework. Assumptions of normality of the data were also analysed using In order to test for differences between the demand and supply-side stakeholders' assessment of the 33 destination competitiveness indicators, a series of Mann-Whitney mean ranks test were performed (Mann & Whitney, 1947). This non parametric test was chosen given the violation of the assumptions of normality. In addition, an auditing of the data and an examination of the Mann-Whitney test assumptions were conducted before proceeding to the analysis. During this initial step, it was found that the homogeneity of the groups under study was not equal.

Results

The profile of the demand-side respondents – tourists – was diverse. Table 8 illustrates the characteristics of these respondents. The sample was slightly dominated by females who accounted for 53% of respondents against 47% of males; the dominant age group was 26-35 years old with

27% of the respondents falling in that age group, followed by 18-25 years old (19%), 46-55 years old (16%), 36-45 years old (14.8%), 56-65 years old (13%) and 65+ years old (11%). In terms of their origin, participants from this group originated from a number of different countries or regions with prominence of a number of countries including France (17%), U.K. and Ireland (13%), Benelux (Belgium, Netherlands and Luxembourg) (7%), Brazil (7%), Germany (6%), U.S.A. (6%) and Spain (5%). Additionally, 10% of the tourists surveyed were domestic tourists.

Table 8 Profile of demand-side respondents

Profile of demand-side respondents	N	%
Gender		
Female	1024	52.6
Male	909	46.7
Missing	14	0.7
Total	1947	100
Age group		
18-25	365	18.7
26-35	516	26.5
36-45	289	14.8
46-55	309	15.9
56-65	256	13.1
65+	211	10.8
Total	1047	100
Origin		
France	322	16.5
United Kingdom and Ireland	285	14.6
Benelux	188	9.7
Germany	114	5.9
Spain	106	5.4
Eastern Europe	78	4.0
Italy	75	3.9
Scandinavia	66	3.4
Switzerland	53	2.7
Austria	18	0.9
Turkey	1	0.1
U.S.A. and Canada	155	8.0
Brazil	150	7.7
Latin America (except Brazil)	30	1.5
Middle East	22	1.1
PALOP countries (Portuguese-speaking African countries)	33	1.7
South Africa	12	0.6
Morocco	2	0.1
Australia & New Zealand	27	1.4
Western Asia	18	0.9
India	8	0.4
Southeast Asia	4	0.2
Domestic	180	9.2
Total	1947	100

The characteristics of respondents from the supply side are summarized in Table 4. Supply side stakeholders included individuals involved in different areas of the tourism sector (36%), and either local residents or local workers (64%) in Lisbon. In terms of the involvement in the tourism sector, participants were linked with different areas: accommodation, associations or non-governmental organizations, culture, sport entertainment and leisure, food and beverage, government and tourism organizations, retail and tour agencies, operators and guides, and transportation and logistics. Their gender and age distribution was similar to the demand sample with a slight dominance of females (51%) and the younger age groups (32% between 26-35 years old and 26% between 36-45 years old).

Table 9 Profile of supply-side respondents

Profile of supply-side respondents	N	%
Gender		
Female	115	48.7
Male	120	50.8
Missing	1	0.4
Total	236	236
Age group		
18-25	28	11.9
26-35	76	32.1
36-45	63	26.7
46-55	25	10.6
56-65	33	14.0
65+	11	4.7
Total	236	100
Sector		
Not involved in tourism	141	50.8
Accommodation	29	12.3
Retail	19	8.1
Transportation & Logistics	15	6.4
Tour agencies tour operators or tour guides	11	4.7
Food and Beverage	10	4.2
Culture Sport Entertainment or Leisure	7	3.0
Government and tourism organizations	2	.8
Associations, NGO's	1	.4
Other	1	.4
Total	236	100

The comparison between supply and demand side stakeholders showed important similarities yet some interesting differences. The initial comparison is illustrated in Table 10. Overall, both groups' responses are consistent with a generally high perceived competitiveness of Lisbon as a tourism

destination. In the supply side, the mean scores of the items ranged between 3.06 and 4.55 with an average score of 3.96. On the demand side, the mean scores of items ranged between 3.59 and 4.33 and the average score was slightly higher, with a value of 4.01. In addition, in both cases nearly half of the items performed very well with a mean score higher than 4: fifteen items for the supply side group and fourteen for the demand side group.

Table 10 Assessment of the destination competitiveness indicators according to the supply and demand-side stakeholders

Supply-side Stakeholders			Destination Competitiveness Indicators	Demand-side Stakeholders		
Std. Dev.	Mean	Rank		Rank	Mean	Std. Dev.
0.724	4.39	5	Authenticity of Lisbon	1	4.33	0.652
0.701	4.25	8	Attractiveness of artistic/architecture features	1	4.33	0.679
0.643	4.55	1	Comfort of the climate for tourism	3	4.32	0.625
0.693	4.41	3	Uniqueness of Lisbon	4	4.28	0.670
0.768	4.21	9	Friendliness of the locals	5	4.26	0.799
0.668	4.19	10	Visual appeal of the city	6	4.25	0.695
0.711	4.18	11	Attractiveness of historic sites and museums	6	4.25	0.712
0.628	4.39	4	Richness of the local culture	8	4.24	0.673
0.722	4.29	6	Image	9	4.20	0.683
0.657	4.47	2	Quality of local gastronomy	10	4.19	0.770
0.735	3.97	16	Ease of access to Lisbon	11	4.16	0.738
0.708	4.11	13	Quality of accommodation	12	4.08	0.731
0.643	4.25	7	Quality of restaurants and bars	12	4.08	0.698
0.713	4.11	12	Easiness of communication with the locals	14	4.06	0.852
0.729	4.03	14	Quality of Nightlife	15	3.98	0.760
0.815	3.65	26	Airport efficiency	15	3.98	0.832
0.798	3.87	22	Value for money of tourist experiences	17	3.96	0.750
0.621	3.88	21	Quality of tourist services	18	3.95	0.653
0.830	3.95	18	Safety	18	3.95	0.821
0.824	3.91	20	Overall price levels	20	3.94	0.770
0.703	3.96	17	Quality of entertainment	21	3.93	0.714
0.842	3.26	32	Quality of local transport	22	3.92	0.806
0.683	3.87	23	Quality of tourism infrastructure	23	3.91	0.684
0.746	4.02	15	Diversity of tourism products in Lisbon	24	3.88	0.739
0.752	3.75	25	Quality of shopping opportunities	24	3.88	0.765
0.798	3.52	30	Immigration/customs efficiency	24	3.88	0.778
0.669	3.94	19	Quality of convention/exhibition facilities	27	3.84	0.679
0.750	3.58	28	Accessibility to interest points	28	3.83	0.727
0.770	3.82	24	Range of special events	29	3.81	0.743
0.687	3.55	29	Availability of tourism information	30	3.74	0.793
0.775	3.5	31	Signage of tourist attractions	31	3.72	0.805
0.902	3.62	27	Balance between number of tourists and local residents	32	3.69	0.798
0.927	3.06	33	Cleanliness of the city	33	3.59	0.915

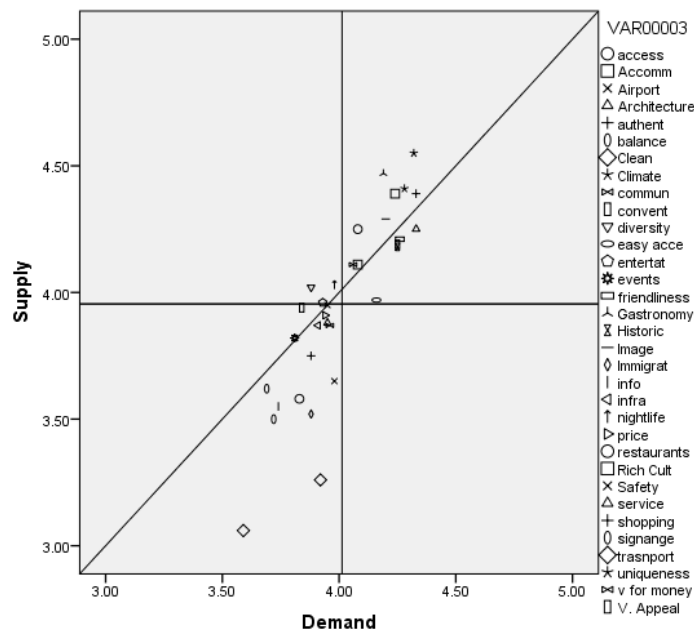
While the overall mean score of the competitiveness items was only slightly different between groups, supply-side stakeholders reported a wider range of mean scores of 1.39 as opposed to 0.74 for the demand-side stakeholders. Similarly, the ranking of indicators seemed to vary across the two groups. For the supply-side stakeholders, the three top performing indicators, were the comfort of the climate for tourism (4.55), quality of local gastronomy (4.47) and richness of local culture (4.39) whereas for the tourists the highest performing indicators were the city's authenticity together with the attractiveness of the artistic and architecture features (both with a mean score of 4.33) and the comfort of the climate for tourism (4.32). At the lower end, there was a closer resemblance with both groups agreeing that the cleanliness of the city was the worst performing competitiveness item (3.06 for the supply group and 3.59 for the demand group) and that signage of tourist attractions was the third last item (3.50 for the supply group and 3.72 for the demand group). The second lowest performing item differed across the two groups: the quality of local transport (3.26) was the item chosen by supply-side stakeholders while the balance between number of tourists and local residents (3.69) was the item mentioned by tourists (3.69).

A further comparison was possible through the Mann-Whitney U test. These revealed significant differences across 17 of the 33 indicators. In order to better understand these differences, and to consider these differences simultaneously within the overall level of performance of indicators, the *Supply-Demand Analysis of Competitiveness* was created by plotting the means of all 33 indicators for both the supply-side stakeholders (vertical Axis) and demand-side stakeholders (horizontal axis). The cross-hair point of the grid was defined using the mean values of the observed performance assessment from both the supply and demand-side stakeholders. In addition, the iso-performing line was added to indicate all points where performance according to both groups is the same. This line in the framework shows how the 33 competitiveness indicators are broadly distributed. This means that supply-side stakeholders assessed the performance of some indicators more highly than tourists and others lower than tourists. It is also noticeable that some of the performance points are not too far from the iso-performing line suggesting that there is some level of agreement between both perspectives. Additionally, the vertical and horizontal mean value lines allowed the distinction of the six zones of the framework.

Table 11 Mann-Whitney U Test Results

Destination Competitiveness Indicators	Supply-side	Demand-side	U test
Authenticity of Lisbon	4.39	4.33	203616.500
Attractiveness of artistic/architecture features	4.25	4.33	211662.500
Comfort of the climate for tourism	4.55	4.32	176179.500 *
Uniqueness of Lisbon	4.41	4.28	189097.500*
Friendliness of the locals	4.21	4.26	206680.000
Visual appeal of the city	4.19	4.25	209554.500
Attractiveness of historic sites and museums	4.18	4.25	207220.000
Richness of the local culture	4.39	4.24	196606.500*
Image	4.29	4.20	198236.500*
Quality of local gastronomy	4.47	4.19	178164.000*
Ease of access to Lisbon	3.97	4.16	182072.000*
Quality of accommodation	4.11	4.08	206831.000
Quality of restaurants and bars	4.25	4.08	190822.500*
Easiness of communication with the locals	4.11	4.06	210741.500
Quality of Nightlife	4.03	3.98	177860.000
Airport efficiency	3.65	3.98	173275.000*
Value for money of tourist experiences	3.87	3.96	200920.500
Quality of tourist services	3.88	3.95	193894.000
Safety	3.95	3.95	214470.000
Overall price levels	3.91	3.94	212297.000
Quality of entertainment	3.96	3.93	193162.500
Quality of local transport	3.26	3.92	126798.000*
Quality of tourism infrastructure	3.87	3.91	197786.000
Diversity of tourism products in Lisbon	4.02	3.88	190473.000*
Quality of shopping opportunities	3.75	3.88	184033.500*
Immigration/customs efficiency	3.52	3.88	134187.500*
Quality of convention/exhibition facilities	3.94	3.84	156053.000*
Accessibility to interest points	3.58	3.83	175159.000*
Range of special events	3.82	3.81	178775.500
Availability of tourism information	3.55	3.74	181932.000*
Signage of tourist attractions	3.5	3.72	177584.000*
Balance between number of tourists and local residents	3.62	3.69	207782.000
Cleanliness of the city	3.06	3.59	156800.500*

Figure 6 Results of the Supply-Demand Analysis of Competitiveness



Zone I: 'Revive and enhance but Align with demand reality'. There are two indicators falling in this first zone: 'range of special events' and 'quality of convention/exhibition facilities'. Accordingly, these two indicators are perceived as low performers by both demand and supply side stakeholders, but this perceived performance is slightly higher from the perspective of supply-side stakeholders. The first of these 'range of special events', is very close to the iso-performing line suggesting that the existing gap is minimal which is confirmed by the Mann-Whitney tests. The second item 'quality of convention/exhibition facilities' experiences a significant difference in performance between groups but it is aligned closely with the border of Zone II.

Zone II: 'Align according to demand reality'. There are only three indicators in the second zone: 'diversity of tourism products', 'quality of entertainment' and 'quality of nightlife'. This means that while the supply-side stakeholders perceive the uniqueness, diversity of products and the quality of nightlife to be very high, the demand-side stakeholders do not appear to be so favourable. Two of these indicators are close to the iso-performing line suggesting that there is a minimal mismatch between performances according to both perspectives which is again supported by the Mann-Whitney tests. The same tests however, revealed a significant difference in perspectives in third item, 'diversity of tourism products in Lisbon'.

Zone III: 'Maintain, promote but align with demand reality'. In this area of the framework lie 9 out of the 33 indicators: 'comfort of the climate for tourism', 'richness of the local culture', 'quality of

local gastronomy', 'quality of restaurants and bars', 'quality of the image', 'value for money of tourist experiences', 'quality of accommodation', 'uniqueness of Lisbon' and 'authenticity of Lisbon'. All these indicators are in an overall good position in the framework given that both supply-side and demand-side stakeholders are assessing them as highly performers. Despite being assessed highly by both groups, there is still a gap in the sense that supply-side stakeholders are assessing their performance more highly than demand-side stakeholders. Of these nine indicators, the Mann-Whitney tests revealed that this gap is significant for the first four: 'comfort of the climate for tourism', 'richness of the local culture', 'quality of local gastronomy', 'quality of restaurants and bars', and 'uniqueness of Lisbon'.

Zone IV: 'Maintain, promote but boost confidence'. In this area of the framework were represented five competitiveness items: 'friendliness of the locals', 'attractiveness of historic sites and museums', 'attractiveness of artistic/architecture features', 'visual appeal of the city', 'ease of access to Lisbon'. Similar to the previous zone, this zone is very positive for the destination to be in given that indicators are assessed generously by both groups. The difference from the previous zone however, is that indicators falling here are perceived as ranking higher by demand-side stakeholders than supply-side stakeholders. Mann-Whitney revealed that the existing difference between the performances according to both groups was significant only for the last of these indicators suggesting that tourists perceive Lisbon to be easier to access than supply-side stakeholders.

Zone V: 'Build Confidence'. No indicator fell in this area of the framework. In other words, there are no indicators where the supply-demand gap is so extensive in that supply-side stakeholders are perceiving the item to be performing poorly while tourists think it is performing well. This absence of indicators in this zone suggests that Lisbon, as a destination, is in tune with those aspects of the destination's competitiveness that are mostly recognized by its visitors.

Zone VI: 'Revive and enhance but Build Confidence'. Fourteen indicators fell in this region of the framework: 'Cleanliness of the city', 'Quality of local transport', 'Signage of tourist attractions', 'Quality of shopping opportunities', 'Accessibility to interest points', 'Immigration/customs efficiency', 'Availability of tourism information', 'Airport efficiency', 'Quality of tourism infrastructure', 'Overall price levels', 'Quality of tourist services', 'Easiness of communication with the locals', 'Safety' and 'Balance between number of tourists and local residents'. These items are assessed by both the supply and demand-side stakeholders are lower performers but they are slightly better assessed by tourists than supply-side stakeholders. As such, while the performance needs to be improved by reviving and enhancing these items, the destination is likely to not be

doing as poorly as it thinks it is. Mann-Whitney tests revealed significant difference between supply- and demand-side assessments for nine out of the thirteen indicators falling in this area. This suggests that there is a need for Lisbon to build confidence in their product and use this confidence and awareness in promotional efforts.

Discussion

The above results yielded a number of important discussion points. Firstly, this study reported significant differences between the supply- and demand- side stakeholders in their evaluation of Lisbon's competitiveness. While overall Lisbon is perceived to be a competitive destination, which is consistent with existing research exploring consumers' experience and satisfaction in the city (Sarra, Di Zio & Cappucci, 2015; Zarrilli & Brito, 2013), the two groups' assessment differed in range, relative position and the actual mean scores of items. In terms of range, the fact that supply-side stakeholders showed a wider range of mean scores (1.39) for the different indicators than tourists (0.74) suggests that supply-stakeholders seem to inflate their perception on the strengths of Lisbon while at the same time being more critical on what they believe are the weakness of the city as a tourism destination. In addition, when looking at the differences in mean scores between the two groups, more than half the items were found to vary significantly. These differences add to the existing marginal evidence (Bahar & Kozak, 2007; Zehrer et al., 2016) that suggests that there are indeed differences in output between approaches. The nature of these differences however, was not found to be consistent. In nine of the seventeen items with significant differences, performance according to supply-side stakeholders was higher than that of demand-side stakeholders. In contrast, in the remaining eight items the difference was the opposite. This mixed nature of differences has been previously reported in Bahar and Kozak's (2007) study, which found that tourists and service providers express differences in perceived competitiveness of a destination in an inconsistent manner across the various destination indicators. On the other hand, this was not the case in Zehrer et al.'s (2016) where the supply-side's assessment, except in one of the indicators, consistently outranked the tourists' one.

Such findings have two important implications. Firstly, the spread of positive and negative differences across items is a clear indicator that measuring the perceived competitiveness of a destination simply from one side offers an incomplete snapshot of a destination's competitive position. As such, this study not only validates calls for the use a combination of perspectives (Bahar & Kozak, 2007; Dwyer et al., 2004, Formica, 2002; Zehrer & Hallmann, 2015), but also takes this notion a step further by developing a framework that can support the combination of both

perspectives. Secondly, the inconsistency of differences suggest that these cannot be explained by one reason only. For instance, Dwyer et al. (2012) suggested the idea of an in-built bias that people will have to exaggerate the competitiveness of one's own destination. If this was the case, then the performance according to supply-side stakeholders would be consistently higher than the performance according to tourists across indicators, which is not the case in this study. Importantly, the *Supply-Demand Analysis of Competitiveness* allowed for the combined use of approaches in a way which yields more information and guidance for the destination. For the specific context of this study, competitiveness items fell into five of the six zones within the framework. This framework allowed for the identification of a number of priority areas for Lisbon including the particular strengths of the destination. All items included in zones III (Maintain, promote but align with demand reality) and IV ('Maintain, promote but boost confidence') are aspects of the destination that can offer a competitive advantage that can be leveraged to promote the destination. Similarly, in terms of those aspects of the destination that require further attention and improvement, the framework highlighted that in both zones I (Revive and enhance but Align with demand reality) and VI (Revive and enhance but Build Confidence) further attention and focus is required. For the case of Lisbon, these pertain to the areas of infrastructure, tourism services, and activities.

Additionally, the framework subdivides those general areas of strengths (II and III) and weaknesses (I and VI) into four additional zones. The delimitation of these is based on the differences between supply and demand perceptions of competitiveness. These gaps show that the destination should engage in additional strategies in order to improve its competitiveness. The first, building confidence in their own product and characteristics is an important aspect of a destination's response should the results so require. This can be explained by the fact that all supply-side stakeholders share essential responsibilities in the delivery of the overall destination experience. Service providers take an active role in the production and delivery of all the products and services offered in the destination whereas government and governmental organizations are responsible, among other things, for the vision and marketing. Even local residents are an important part of the picture with indicators such as friendliness of local residents (Dwyer & Kim, 2002) or local way of life (Enright & Newton, 2004) often used as indicators of competitiveness of a destination. Moreover, it has been suggested that tourists are unlikely to visit destinations where its service providers do not believe that they perform well (Bahar & Kozak, 2007).

A second strategy is the requirement for supply side stakeholders to adjust to demand reality. The supply-side stakeholders need to increase their awareness of the fact that tourists are not as satisfied with the some of the aspects of the destination as they think. Minimizing this gap, through

communication and training, is fundamental for the destination to better ensure that the correct aspects are being promoted, the right expectations are being created in the minds of potential visitors and that the adequate amount of effort and resources is being allocated to each of the different destination aspects. This is particularly important given the limited resources that destinations have at their disposal.

Further to these strategies it is also important to note that while the destination aims to be performing well and with a minimal gap of perceived performance between supply and demand, these gaps must continue to be monitored. A destination's situation, profile of visitors, evolves with time and therefore the framework should be updated periodically.

Conclusion

Given the current state of the literature on the measurement of destination competitiveness, where a multiplicity of perspectives has been taken and a consensual approach has not been found (Miličević et al., 2017), it is crucial to understand how some of these alternative perspectives can be employed in an integrated manner. This study demonstrates that a forced approach is unnecessary and offers an incomplete picture in measuring destination competitiveness. The fundamental argument for the combination of approaches is the belief that the tourism product and experience are co-created by both the tourists as well as the supply-side stakeholders who all contribute to an overall positive or negative experience of the different aspects of a destination. As such, they should both be included in the measurement of a destination's competitiveness.

Accordingly, a major aim of this study was to utilize the *Supply-Demand Analysis of Competitiveness* and test it in a specific destination. The framework allowed for the comparison of both supply and demand perspectives and the extraction of useful information that destinations can use to improve their competitiveness. This information relates not only to the strengths and weaknesses of the destination, but also in terms of the required actions in areas where the gap between the supply and demand perspectives of performance needs to be rectified.

The major contribution of this framework is the contribution to the on-going discussion in regards to the most appropriate approaches to the measurement of destination competitiveness. In addition, the framework also has practical contribution and can be beneficial for destinations for a number of reasons. Firstly, similarly to the widely used Importance Performance Analysis (Martilla & James, 1977), this framework is an intuitive and practice-oriented framework that can offer destinations tangible insights on where and they need to enhance their competitiveness. The nature of the

Supply-Demand Analysis of Competitiveness can be compared to that of the Importance Performance Analysis, considered by many as the most ubiquitous methodological tool within tourism (Boley, McGehee & Hammett, 2017). The Importance Performance Analysis has been widely employed as a framework to aid the precise identification and prioritization of actions to enhance destination competitiveness (Armenski, Dwyer & Pavlukovic, 2017; Caber, & Albaryrak & Matzler, 2012; Dwyer et al., 2012; Dwyer et al., 2016; Enright and Newton 2004) through the identification of gaps between the importance and performance of various competitiveness aspects. Its extensive use highlights the significant value of diagnostic and intuitive frameworks.

Secondly, by combining two valid approaches to the measurement of destination competitiveness (supply and demand) this framework presents a more complete snapshot of the competitiveness of a destination in a given moment. Thirdly, such an integrated approach enables the identification of the gaps between both perspectives which are by default a negative situation for a destination. Potential gaps represent a mismatch between what the destination considers it is offering and what its consumers, the tourists, believe is being offered. Such a situation is unfavorable as it means that the full potential of a destination is not being achieved.

While there are obvious benefits in the use of *Supply-Demand Analysis of Competitiveness*, it does not come without its limitations. One of the main limitations of the framework, and consequently of this study, stems from the fact that only one delimited aspect of destination competitiveness is being assessed. Essentially, what is being measured is the performance of indicators that are related to the destination's ability of attracting and satisfying tourists. This is a crucial aspect of the concept, but naturally not the only one. There are other equally important facets of competitiveness that are not feasibly assessed within this framework or by surveying supply or demand-side stakeholders. Furthermore, the framework looks at the perceived performance of a number of indicators that are plausible to be assessed by both tourists and supply-side stakeholders. As a result, indicators that are possible to be measured by supply-stakeholders but harder to be assessed by tourists (e.g. efficiency of resource management, bureaucracy) are excluded from this study. As such, this limits the measurement power as the pool of destination competitiveness indicators is further reduced.

Secondly, the comparison of supply- and demand- side stakeholders' perspectives is only possible if both sides assess the given indicators. As a result, the number of indicators included in the framework is limited to those that are plausible to be assessed by both tourists and supply-side stakeholders. This constraint limits the measurement power further by reducing the scope of indicators and eliminating those that are, for instance, possible to be measured by supply-

stakeholders but harder to be assessed by tourists. Indicators falling in this category include the quality of destination management, efficiency of resource management vision of the destination, and bureaucracy level among others

A further limitation of this study is related to one of the assumptions of the framework. In it, the supply-side stakeholders are treated as a uniform group of stakeholders. Given the low sample size on the supply side (relative to the demand), it was not feasible to explore the potential differences across different stakeholder groups within the supply side. Further research should consider this limitation to investigate the homogeneity in the supply side and their perceptions of destination competitiveness. Furthermore, future research should consider other ways of combining different but equally valuable perspectives on the measurement of destination competitiveness such as the combination of supply and demand perspectives in conjunction with the objective measures of performance. In particular, the *Supply-Demand Analysis of Competitiveness* framework could be used in conjunction with hard data in a way that provides a more complete diagnosis of the competitive situation of a destination in a given time.

CHAPTER 5 CONCLUSION

Introduction

The purpose of this study was to examine destination competitiveness from the perspective of the various tourism destination stakeholders, both in relation to the conceptualization of the term and its measurement. Destination competitiveness has received considerable attention from academia and has simultaneously become the focus of many destinations that are looking to enhance their position in an incredibly competitive market. With three decades of research on the topic, knowledge has been significantly expanded but there are still particular topics that remain less well understood such as the measurement of destination competitiveness. This area of research has not suffered from a lack of attention, yet it is nevertheless still marked by inconsistency and compartmentalization.

This thesis is structured as a collection of interrelated papers on the topic. The first presented the overview of existing knowledge and research gaps on the topic of destination competitiveness. Two empirical studies were subsequently conducted on the conceptualization and measurement of destination competitiveness, respectively. This final chapter revisits the literature review, the research questions, summarizes the main findings from the studies and presents the contributions of the study's findings to the body of knowledge. Limitations of the studies and future research are also addressed.

Revisiting the research questions and process

In response to the recognized compartmentalization and consequential lack of consensus in the measurement of destination competitiveness (Bahar & Kozak, 2007; Miličević et al., 2017), this research sought to investigate the term's conceptualization as well as its measurement from the perspective of the different tourism destination stakeholders. Challenging the dominant approach to measurement in which a dichotomous choice is made between a supply and a demand-side perspective, the aim of this study was to investigate destination competitiveness from a holistic stakeholder perspective that combines both supply-side and demand-side stakeholder perspectives. In order to achieve this overall aim, three interrelated research questions were proposed:

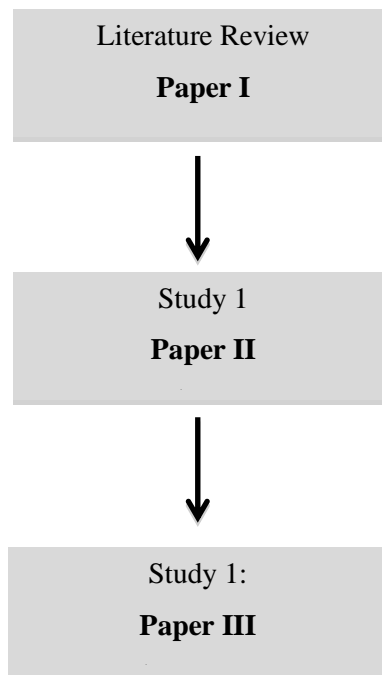
RQ 1: How do different destination stakeholders conceptualise destination competitiveness?

RQ 2: How can destination competitiveness be measured in a way that combines the perspectives of both supply- and demand-side destination stakeholders?

RQ 3: To what extent do supply- and demand-side destination stakeholders assess the competitiveness of a destination differently?

Figure 7 illustrates the research process undertaken in this study, how the research questions were conceptualised and addressed, and how the papers presented address and report on the different stages of the research process.

Figure 7 Structure of the thesis



The literature review was presented in the first paper incorporated in this thesis (chapter 2) and titled: *Destination Competitiveness: what we know, what we know but shouldn't and what we don't know but should*. Following the identification of the gaps in knowledge identified here, three research questions were explored. The first question was investigated in Paper 2 (chapter 3), which was titled *Destination Competitiveness: A phenomenographic study*. The second and third research questions were explored in Paper 3 (chapter 4), which was titled *Measuring destination competitiveness: A comparison of supply and demand perspectives*. The following sections summarize the mapping of current knowledge undertaken as part of this study followed by a synopsis of the approach taken to address each research question and the key findings that resulted.

Mapping knowledge on destination competitiveness

Before specifically addressing the research questions, this study began with an extensive assessment of the current state of knowledge on destination competitiveness. The literature was appraised and categorized into three areas: definitions, determinants and measurement. Overall, destination competitiveness was recognized as a complex topic that has attracted the attention of various tourism scholars. The establishment of destination competitiveness as a major area of tourism research has been driven by a number of changes that have affected the shape of tourism demand and destinations. These series of changes have culminated in considerable competition among destinations (Assaker et al., 2013; Dwyer et al., 2009; Hong-Bumm, 1998) which has put destination managers under pressure to understand how destinations can achieve and enhance competitiveness.

For each stream of the destination competitiveness literature, the review enabled the identification of major gaps of knowledge and the proposal of recommendations for future research. Specifically, three main gaps and suggestions for future research were made. The first of these relates to the definition of the term. As highlighted in this study, a multiplicity of conceptualisations exist for destination competitiveness with numerous definitions being put forward by researchers. This diversity of conceptual approaches to the term have contributed to the inconsistencies and confusion found in the concept (Mazanec et al., 2007). Furthermore, it was argued that while destination competitiveness is ultimately affected by various destination stakeholders with different perspectives and interests, current conceptualizations of the term fail to reflect such differences. Given that destination stakeholders have typically been involved in the measurement of destination competitiveness with specific questions about competitiveness, it seems that definitions need to explore potential differences in stakeholders' views of what a competitive destination is.

Secondly, the review of the wide range of factors and forces that contribute to destination competitiveness emphasized the complexity of the concept and suggested that future research investigates how the numerous determinants of destination competitiveness vary according to different factors such as type of tourism product offered in the destination, inbound markets, destination and life-cycle stage of the destination. Finally, in regards to its measurement, the analysis of the existing literature enabled the confirmation of the constant growing interest on this endeavour and identified one major consideration for future research – the exploration of ways of measuring destination competitiveness in a manner that incorporates the views of both supply- and demand- side stakeholders.

Addressing the research questions

Following the research gaps identified in the review of the literature, this study went on to explore the first and third identified gaps. This led to the development of study's research questions and to the conceptualization and operationalization of two subsequent studies.

Research question 1: How do different destination stakeholders conceptualize destination competitiveness?

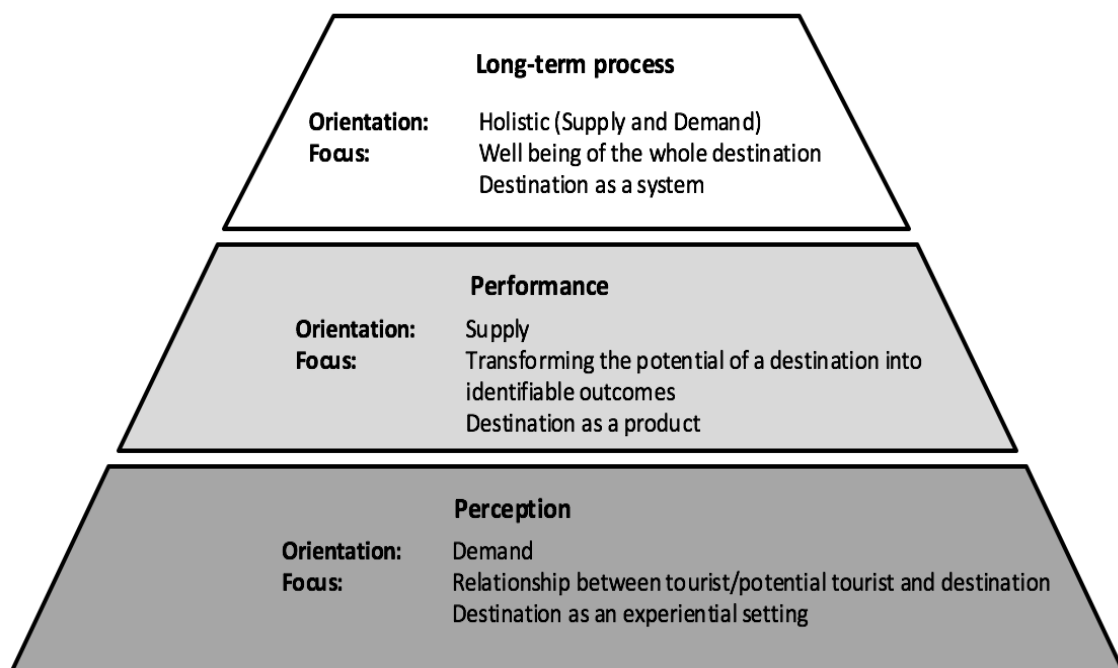
With the aim of revealing the different ways of conceptualizing destination competitiveness, the first study (chapter 3) adopted a phenomenographic approach, a methodology recognized for its value in unveiling the qualitatively different ways of understanding and experiencing a phenomenon (Marton, 1981). For this study, 35 individuals belonging to different stakeholder categories, gender and age groups were interviewed to elicit their views and experiences with destination competitiveness. Data was analysed in three stages according to phenomenographic tradition, which included the identification of conceptions for each participant, the grouping of individuals according to conceptions expressed and finally the exploration of the structural links between the different conceptions.

The findings of this phenomenographic analysis revealed that destination stakeholders conceptualise destination competitiveness differently. Specifically, three distinct conceptions of destination competitiveness: destination competitiveness as perception of a destination, destination competitiveness as performance, and destination competitiveness as a long-term process. In the first conception, destination is viewed as an experiential setting and destination competitiveness is conceptualised as an evaluation of the characteristics of a destination. There is a clear demand orientation of this conception with destination competitiveness emerging as the individual relationship between the destination and the tourist or potential tourist. In the second conception, this demand orientation is replaced by a supply orientation with the focus being on the destination and the potential benefits that may yield from competitiveness. In this conception where destination competitiveness is viewed as performance, the focus is on the identifiable results that the selling of destinations, which are viewed as a product, can generate. Finally, in the third conception, destination competitiveness emerges as a long-term process based on the destination which is seen here as a system involving everything that surrounds the physical place.

Previous studies on destination competitiveness had already highlighted the complexity and diversity of conceptualizations of destination competitiveness (Botti & Peypoch, 2013; Cracolici &

Nijkamp, 2009; Mazanec et al., 2007), but these have been described from the theoretical perspective of academic researchers. Until now, there has been no clear understanding of to how individual destination stakeholders conceptualise destination competitiveness and if there were indeed differences in these conceptualizations. In all three conceptions, common elements with existing theoretical definitions were found. These include elements of the early attractiveness approach (Echtner & Ritchie, 1993; Faulkner et al., 1998; Kim, 1998) in the first conception, the focus on measurable outcomes of competitiveness (Dwyer et al., 2000; Heath, 2003; Li et al., 2013) in the second, and the notion of the long term destination wellbeing (Ritchie & Crouch, 2003) in the third conception. Reflecting back on the literature, it is possible to conclude that there is not one right way of looking at destination competitiveness but that more attention should be dedicated to the differences across conceptions.

Figure 8 Outcome Space of the conceptions of Destination Competitiveness



Besides identifying similarities in understandings of destination competitiveness between destination stakeholders and previous academic definitions, the nature of the study allowed for a step further in the investigation of destination competitiveness by providing a structured organization of conceptions. It was found that the three conceptions have different levels of complexity and are related in a hierarchical manner. Figure 8 presents the ordered and related set of conceptions which in phenomenography is labeled the ‘outcome space’ (Marton, 1981). As such,

there is a hierarchy of understanding of destination competitiveness by destination stakeholders in which conception one is the least comprehensive and conception three the most comprehensive. Also, the more complex conceptions incorporate each of the lower-ordered understandings. Accordingly, the first conception, destination competitiveness as a perception of the destination, is common across all three conceptions. This more simplified conception of destination competitiveness relates to the ability of the destination to attract and satisfy potential tourists and is also present in a number of existing definitions (Crouch & Ritchie, 1999; Enright & Newton, 2004). In regards to how destination stakeholders relate to the different conceptions, this study found that, contrary to what was expected, differences in conceptions did not seem to be molded by the category of stakeholder but instead by the capacity of individuals to understand the interests and needs of different stakeholder roles in the destination. The ability to consider the different interests and needs of the various stakeholders involved in tourism emerged as the determinant in expressing the most sophisticated conception of destination competitiveness. Accordingly, destination competitiveness is a negotiable concept in that it must find some level of balance between often conflicting interests of different stakeholder groups. These findings of destination competitiveness as a negotiable concept that can be conceptualised in three distinct ways and that these ways are not determined by the type of stakeholder are fundamental to understand before going ahead with any measurement effort that involves different destination stakeholders.

Research question 2: How can destination competitiveness be measured in a way that combines the perspectives of both supply- and demand-side destination stakeholders?

In response to the gaps identified in Paper 1 regarding the measurement of destination competitiveness, this study proceeded to explore how destination competitiveness can be measured in a way that includes both supply- and demand-side destination stakeholders. The fundamental argument for the combined approaches is the notion that current approaches where supply and demand are considered independently produce valid but incomplete results of the competitiveness of a given destination. Furthermore, the destination experience is co-created by both the tourists as well as the businesses, government entities and local residents who together contribute to an overall positive or negative experience of the different aspects of a destination. As such, both sides should be included in the measurement of a destination's competitiveness.

In order to answer this second research question, a holistic measurement framework was developed and tested. This framework was informed by the findings of the first study. The aforementioned phenomenographic approach enabled the identification of the most basic conception of destination

competitiveness which was expressed and understood by all destination stakeholders. Considering the significant differences in knowledge, expertise and experience of destination stakeholders, it was crucial to find the common conception that could be used to approach a larger population in a quantitative study and explore more general issues of destination competitiveness. Accordingly, focusing on the conception of destination competitiveness as the perception of the destination, was the only way to ensure that all destination stakeholders potentially involved in the measurement of destination competitiveness had a certain level of common understanding of what was being measured. In addition, the framework was underpinned by the belief that the potential differences between the perspectives of supply- and demand- side stakeholders regarding the competitiveness of a destination represent a mismatch between what the destination and its supply-side stakeholders consider they are offering tourists and what its consumers, the tourists, believe is being offered to them. Such a situation is seen as unfavourable given that it means that the full potential of a destination is not being achieved. Therefore, it is up to the destination to take the necessary actions in order to reduce the potential gaps.

The framework, the *Supply-Demand Analysis of Competitiveness*, is illustrated in Figure 9 and was presented in chapter 3 of this thesis. The framework illustrates how supply- and demand-side oriented stakeholders perceived the assessment of destination competitiveness and how this can be used to guide specific actions for the improvement of the overall competitive position of a destination. In the framework it is possible to depict different action zones that are determined by how the competitiveness of the different competitiveness indicators as perceived by the supply-side stakeholders differs from the competitiveness of the same indicators as perceived by the demand-side stakeholders. This comparison enables the identification of potential gaps and the extraction of useful information that destinations can use to improve their competitiveness. Such information relates not only to the strengths and weaknesses of the destination but also to the specific actions required where a gap between the supply and demand perspectives of performance exists. These actions have the purpose of minimizing the differences between perspectives.

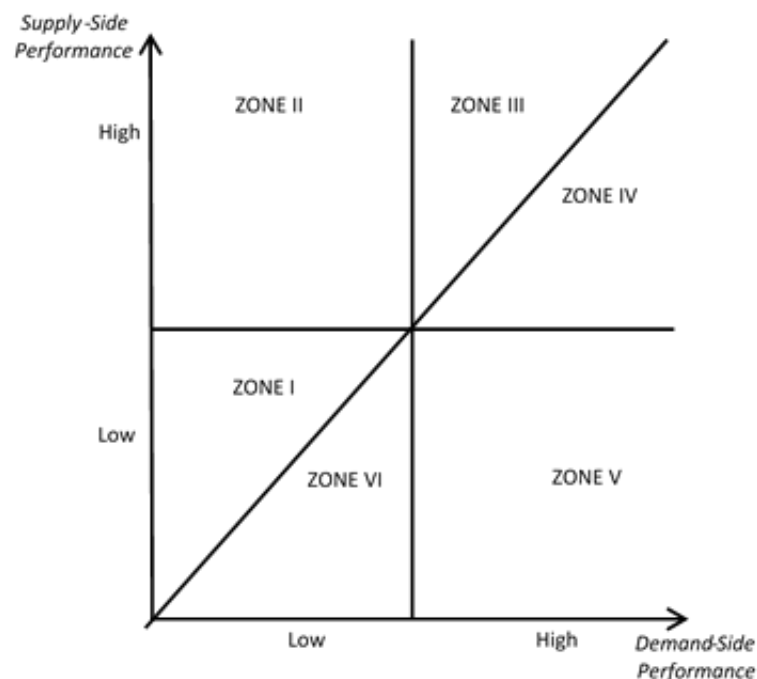
The proposed framework has a demand orientation. As such, it is rooted in the assumption that tourists are the ones who experience the destination (Raj, 2004) and who choose (or not) a given destination for their holidays. As destination competitiveness is related to the destination's ability to provide products and experiences that meet tourists' expectations and desires (Andrades-Caldito et al., 2014), tourists should be the ultimate assessors of destination competitiveness. While both perspectives are used to provide a more holistic description of the destination's situation, and to enable the identification of potential differences between them, the suggested actions are

conceptualised with the aim of allowing the supply-side stakeholders to shift their evaluation to meet that of tourists.

The testing of the framework was possible through the surveying of the supply- and demand-side stakeholder populations of a particular destination. This application showed how useful the framework can be in identifying areas that destinations need to focus on. For the particular case of the destination used in this study, competitiveness items fell into five of the six zones within the framework which lead to five different actions for the different competitiveness indicators falling on those areas. This framework allowed for the identification of a number of priority areas for the destination including the identification of the particular strengths of the destination.

While early research on destination competitiveness pointed to the value of a comparison between supply- and demand-side perspectives (Dwyer et al., 2004; Formica, 2002), and recent studies have highlighted the actual differences between the results from the two perspectives (Bahar & Kozak, 2007; Zehrer et al., 2016), the potential differences had not yet been leveraged in a way that would benefit destination managers. In this study, the potential gaps between perspectives are transformed into managerial suggestions in a straightforward framework that destination managers can employ to improve their destination's situation.

Figure 9 Supply-Demand Analysis of Competitiveness



Research question 3: To what extent do supply- and demand-side destination stakeholders conceptualise the destination competitiveness differently?

Similar to the previous question, research question three was posed following the discussion in the literature review of the dichotomous choice that previous studies have made between supply- and demand-side perspectives in the measurement of destination competitiveness. There was little evidence in the literature to suggest that both could be used in conjunction, yet the specific differences between the perspectives had not been explored in detail. In the same way as the previous research question, this question was explored in the second study of this thesis and reported in chapter 4.

In order to explore the potential differences between perspectives, a quantitative study was undertaken. A survey instrument with 33 destination competitiveness indicators was designed based on an extensive review of the literature and was used to survey the supply- and demand-side stakeholders of a particular tourism destination –Lisbon, Portugal. This process resulted in a final usable sample of 236 supply-side stakeholders and 1947 demand-side stakeholders. In order to explore differences between the demand and supply-side stakeholders' assessment of the competitiveness indicators, the *Supply-Demand Analysis of Competitiveness* was employed and a series of Mann-Whitney tests were performed.

In this study, significant differences between the supply- and demand- side stakeholders in their evaluation of the 33 destination competitiveness indicators were found. Results found that supply-side and demand-side stakeholders' evaluation of competitiveness differed in range, relative position of items and the actual mean scores. Stemming from these findings, it was evident that measuring the perceived competitiveness of a destination from one side will simply offer an incomplete view of a destination's competitive position. Such results were in line with previous research that either pointed to a potential lack of consistency in results between the two perspectives (Enright & Newton, 2004) or reported these differences when comparing different studies on the same destination (Mihalič, 2013).

Furthermore, the nature of the differences between perspectives was not found to be consistent. As a result it seems that in some aspects competitiveness according to supply-side stakeholders is higher than that according to demand-side stakeholders while in other aspects, the opposite takes place. The dual nature of differences had been previously reported by Bahar and Kozak's (2007) who found that tourists and service providers express differences in perceived competitiveness of a destination in an inconsistent manner across the various destination indicators, but is inconsistent

with Zehrer et al.'s (2016) study, which despite not focusing on the comparison between perspectives provides the data that allows such comparison. Here, the assessment from the supply side was, with one exception, consistently superior to the one identified by tourists. Such findings suggest that the differences between perspectives need to be further explored in order to unveil the causes behind them. The results further suggest that the in-built bias that people have to exaggerate the competitiveness of one's own destination (Dwyer et al., 2012) is not enough to explain the differences. If this was the case, then results would be consistently higher or lower across the different competitiveness indicators for one particular side of stakeholders. In addition, the spread of positive and negative differences across items is a further reminder of the need to include both perspectives in the assessment of destination competitiveness. By using the *Supply-Demand Analysis of Competitiveness*, it is evident how these differences can be very useful in guiding destinations actions.

Contributions

This study has contributed to the large and growing body of research on destination competitiveness; a topic that continues to attract significant attention from scholars, governments and other institutions. In spite of the fact that researchers have been exploring the concept for several decades, research on destination competitiveness is far from achieving maturity. In fact, there is a very current renewed interest on the topic (Dwyer et al., 2016; Miličević et al., 2017; Queiroz et al., 2017; Wong, 2017; Zehrer et al., 2016) and this research is well placed with the current lines of enquiry. Indeed, there are a number of gaps and issues with current knowledge as demonstrated in the review of existing literature, as well as the findings of the empirical studies incorporated in this thesis.

Contributions to knowledge

The specific contributions of this research have been achieved in a number of ways. Firstly, the study has offered an extensive review of the current state of knowledge on the topic, which culminated with the identification of major gaps and areas where controversy and confusion stand in the way of a consensual approach and theory development. This process has laid the foundations for future research in the conceptualization, determinants and measurement of destination competitiveness. In particular, the implicit and hardly verifiable cause-effect assumptions that underpin existing definitions of the term, and the failure of existing literature in reflecting the different stakeholders' perspectives in the definitions, have been identified as the major issues with

the knowledge on conceptualization. Similarly, exploring the determinants of destination competitiveness in the different situations of a destination has been highlighted as important for understanding the factors that shape the competitiveness of destinations. In regards to measurement, the study's literature review has highlighted the importance of exploring ways of combining approaches that have been mainly used independently such as objective and subjective measures of destination competitiveness and supply and demand approaches.

Secondly, this study has contributed to the knowledge on the conceptualization of destination competitiveness. Not only has it recognized the aforementioned limitations and gaps of current conceptualizations which suggest directions for future research, this study has also provided a more nuanced understanding of destination competitiveness according to different destination stakeholders. In order to do so, this research returned to the foundations of the concept by investigating exactly what constitutes destination competitiveness to individuals and the spectrum of understandings. Thereby, this research has demonstrated that destination competitiveness is conceptualised differently by different individuals, with three alternative conceptions emerging from the data.

Further to these conceptions of the term, the investigation also revealed a number of features of destination competitiveness not explicitly addressed in previous research. Among these features are the dynamic nature of the competitor set and the importance of the balance between tourists and local residents as a contributing factor of destination competitiveness. The unveiling of the distinct conceptions and the previously hidden features of competitiveness add to the knowledge on the conceptualization as these offer a richer description of understandings. Existing work on conceptualizations has been essentially conducted in the context of model building where the focus of definitions is consensus as opposed to the variations in understandings. These findings then challenge the existing view that every stakeholder relates to the universal definitions of the term. This is important not only for an enhanced understanding of the topic but also for other areas of research such as the determinants and measurement given that the definition of a term will affect any other subsequent research on the topic.

Thirdly, the research has added to the search for the most appropriate measurement approaches. Given the current fragmented state of the literature on the measurement of destination competitiveness where consensus is yet to be found (Miličević et al., 2017), it is crucial to find ways in which some of these alternative perspectives can be employed in an integrated manner. In particular, this research problematized the apparent forced choice between a demand and supply

perspective in choosing the stakeholders involved in the measurement of destination competitiveness, and proposed a framework that uses both. The *Supply-Demand Analysis of Competitiveness* combines and compares the perceived competitiveness of different indicators between stakeholders from each side, thus allowing a more holistic assessment of the competitive position of a destination at a given time.

Lastly, this research has also contributed to the widening of the spectrum of research approaches used in tourism research. The use of phenomenography in the first study increased the awareness of this less common approach within the field of tourism. Emerging and establishing itself as a powerful research approach within education, phenomenography has permeated other disciplines and contexts in order to assist in the investigation of complex social phenomenon such as management and marketing. This expansion, however, did not reach the field of tourism in a mainstream manner like similar approaches such as phenomenology have. Despite having been suggested as a valuable approach to explore different issues in tourism nearly two decades ago (Ryan, 2000), only two studies seemed to have taken this suggestion forward (Watkins & Bell, 2002; MKono, 2015). Given the distinctive features of phenomenographic research, which include the focus on revealing the different ways of understanding specific aspects of reality and its strength in enabling the discovery of new features and nuances of a phenomenon, it is not unreasonable to assume that the investigation of complex phenomena such as tourism and the tourism experience would benefit from the use of an alternative lens such as this one. This study therefore contributes to the dissemination of phenomenography as a valid research approach that can be employed in tourism research.

Practical contributions

Further to these contributions to the existing body of knowledge on the topic, this study has generated a number of practical implications. In regards to the conceptualization of destination competitiveness, the discernment of different conceptions from the perspective of destination stakeholders is important for destination managers and governments who often need to deal with a range of stakeholders expressing an even wider range of opinions, needs and interests (Jamal & Stronza, 2009). Such differences can result in tensions in the decisions leading to the creation and marketing of tourism products and experiences (Yang, Wall & Smith, 2008). This is even more significant given the popularity of destination competitiveness in political and media circles, where recognizing that individual stakeholders may have different understandings of the term can shape the way information is delivered to accommodate those divergences.

Within the different conceptions, the negotiable nature of the term is also an important acknowledgement for destination managers struggling with the aforementioned tensions. The fact that the expression of the more complex conceptions is determined by an individual's ability to put themselves in the 'shoes' of the different stakeholders involved in the tourism activity of a destination, as opposed to being determined by the category of stakeholder, suggest that it is possible for destination stakeholders to move from less to more complex conceptions of destination competitiveness. In other words, destination stakeholders can be 'educated' in order to enhance their level of understanding of the topic. This realization of the possibility to reduce the differences in conceptions expressed by stakeholders is fundamental given the need in tourism for understanding and cooperation between different stakeholder groups within a destination.

With reference to the practical contributions of the measurement of destination competitiveness, this research has generic and specific contributions. In general, the study has proposed a holistic and practical framework that can be beneficial to destinations for different reasons. Firstly, by using both supply- and demand- side stakeholders of the destination for the measurement, this framework offers a more holistic snapshot of the competitiveness situation of a destination. As suggested by Formica (2002), an evaluation using the perspective from both sides has the highest degree of accuracy. Secondly, the *Supply-Demand Analysis of Competitiveness* is an intuitive and practice-oriented framework that can offer destinations looking to enhance their competitiveness tangible advice on where to focus their efforts. The comparison of both perspectives enables the identification of the areas where there is a mismatch between what a destination considers it is offering and what tourists perceive it to be offering. In doing so, the framework automatically generates overall advice on how to minimize this unfavourable situation and ultimately, enhance the overall competitiveness of the destination.

The widespread acceptance of intuitive and practice-oriented tools and frameworks in tourism research demonstrate the perceived value of such frameworks. For instance, the Importance Performance Analysis (Martilla & James, 1977) has been extensively applied in the context of destination competitiveness (Deng, 2007; Caber, et al. 2012; Dwyer et al., 2012; 2014; Enright & Newton, 2004; Goffi, 2013; Go & Zhang, 1997; Taplin, 2012; Uysal et al., 2000). Behind this tool's success is the ease of its application and the appealing and straightforward methods of presenting both data and recommendations (Oh, 2000). Similarly, the *Supply-Demand Analysis of Competitiveness* has the potential of being readily employed in other studies on destination management or competitiveness. The straightforwardness of this framework becomes even more

relevant given the fluidity of competitiveness with the constant evolution of tourist profiles and preferences. Given the consequential requirement to monitor such situations, an easily applied framework such as the one developed in this study will be particularly useful.

Finally, the study provided a detailed analysis of the competitive position of Lisbon as a tourism destination. The application of the *Supply-Demand Analysis of Destination Competitiveness* for Lisbon provided insights as to the overall competitive destination of the city. Furthermore, it facilitated the identification of those areas that need to be addressed by Portuguese entities in order to enhance the city's competitiveness potential by reducing the gaps between supply- and demand-side perceptions. In particular, the study identified areas where entities need to align with demand realities given that they were assessed more highly by supply-side stakeholders than demand-side stakeholders including 'comfort of the climate for tourism', 'richness of the local culture', 'quality of local gastronomy', 'quality of restaurants and bars'. On the other hand, the study also identified other competitiveness aspects where destination authorities need to make an effort to build the confidence of supply-side stakeholders. Items falling in this category included, among others, 'friendliness of the locals', 'attractiveness of historic sites and museums', 'attractiveness of artistic/architecture features', 'visual appeal of the city', and 'ease of access to Lisbon'.

Limitations of the study

The major limitations of this research stem from the approach taken to the measurement of destination competitiveness. Firstly, in line with most destination competitiveness measurement studies, this study employed only one type of measurement to assess destination competitiveness. The use of subjective measures, which allow the measurement of destination competitiveness as perceived by destination stakeholders, was the obvious choice for this particular research given its overall aim to investigate destination competitiveness from the perspective of the different destination stakeholders. However, there are objective measures that can be used to assess different aspects of the same determinants of competitiveness (Ritchie et al., 2001).

Secondly, the measurement framework – the *Supply-Demand Analysis of Competitiveness* while intrinsically valuable, was only possible through some compromises that delimit and therefore limit its measurement power. Specifically, the framework focuses on one aspect of destination competitiveness - competitiveness as a perception of a destination – which is related to the ability of a destination to attract and satisfy potential tourists. As such, what the framework helps to measure is the perceived performance of subjectively measured indicators that are related to the ability of a destination to attract and satisfy tourists. The ability to attract and satisfy tourists is a crucial aspect

of destination competitiveness (Crouch & Ritchie, 1999; Enright & Newton, 2004) but naturally not the only one. There are other equally important facets of competitiveness that are not feasibly assessed within this framework such as the economic and sustainability dimensions of competitiveness.

Thirdly, the comparison of perceptions from supply- and demand- side stakeholders, which the framework enables, is only possible if both sides assess the same aspect of competitiveness. As a result, the number of indicators included in the framework is limited to those that are plausible to be assessed by both tourists and supply-side stakeholders. This constraint limits the measurement power further by reducing the scope of indicators and eliminating those that are, for instance, possible to be measured by supply-stakeholders but harder to be assessed by tourists. Indicators falling in this category include the quality of destination management, efficiency of resource management, vision of the destination, and bureaucracy levels, among others.

A fourth limitation of the framework developed is related to the fact that supply-side stakeholders are treated as a uniform group. When assessing the differences between perspectives, this study compared the competitiveness as perceived by tourists with the competitiveness as perceived by supply-side stakeholders in general. This grouping was made in order to enable the intuitive comparison and to ensure a visually simple output of such a comparison. This assumption, while implicitly present in other studies assessing destination competitiveness from the supply-side perspective, was not possible to be challenged in this study. While considerable efforts were made to increase the sample size on the supply-side, its relatively small size did not allow for the investigation of the potential differences across different supply-side stakeholder groups.

The last limitation of the study relates to the specific context in which destination competitiveness was assessed – Portugal for the investigation of conceptions of destination competitiveness and then, more specifically, Lisbon for its quantitative assessment. The single destination context of this study limits the ability to generalize the findings to other destinations and markets. No single set of indicators is applicable to all destinations (Goffi, 2013) suggesting that other destinations would potentially consider other sets of indicators. Additionally, in other destinations the gaps between supply- and demand- side stakeholders' perceptions might take a different direction (positive or negative) and magnitude from those found in the case of Lisbon.

Future research

The various limitations of this research allow for the suggestion of a number of recommendations for future research. Future research should continue to investigate ways of combining alternative approaches that ultimately enable a more holistic understanding of the competitive position of destinations. This suggestion covers both dichotomies: subjective versus objective measures and supply versus demand perspectives. In relation to the former, as has been recently emphasized (Zehrer et al., 2016), a combination of both type of measures can increase the credibility of the assessment and the reliability of the knowledge acquired in the measurement. Furthermore, researchers should explore the relationship between results from objective and subjective measures in order to understand how these can be best used in conjunction. In regards to the latter, future research should continue to explore different ways of combining the supply- and demand-side perspectives.

The second recommendation relates to the data driven assumption of this study of considering the supply-side stakeholders as a uniform group. Future efforts should address this limitation by aiming for larger sample sizes from the supply-side and exploring the similarities and differences between the different stakeholder groups from the supply-side in terms of their perceptions of competitiveness. Such a comparison would verify whether or not the different supply-side stakeholders could be considered as one homogeneous group.

The last recommendation concerns the expansion of the context of the current study, for both the study of the conceptions and measurement of destination competitiveness. Future research should explore if the conceptions of competitiveness found among destination stakeholders of Portugal are relevant in other contexts and destinations. Regarding the measurement, the differences between supply- and demand- side stakeholders' perceptions should also be further investigated in order to better understand the nature of such differences and the reasons behind them. Moreover, it would be pertinent to explore how the gaps between perspectives change across destinations and market segments. Overall, these efforts would contribute to a more nuanced understanding of destination competitiveness and its measurement.

Concluding remarks

This thesis presents the findings of a study that sought to explore destination competitiveness from the perspective of different destination stakeholders. The study has advanced existing knowledge on destination competitiveness and contributed to the contemporary body of literature on the topic.

Through the different stages of the research, the findings of all three research questions cumulatively demonstrate that destination competitiveness should be approached in a holistic and inclusive form that involves the different stakeholder groups involved in the production and consumption of the tourism experiences and products. Destination competitiveness measurement needs to be preceded by an understanding of how the concept is conceptualised by the different stakeholders involved. Further to this, the measurement of the comparison of different perspectives can yield useful and practical information for destinations that are trying to enhance their competitive position.

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Appendices

Appendix 1: Participation Information sheet (Qualitative Stage)

Appendix 2: Participant Consent Form (Qualitative Stage)

Appendix 3: Interview Protocol (Qualitative Stage)

Appendix 4: Participant Information and consent form (Quantitative Stage)

Appendix 5: Questionnaire – Demand-side (Quantitative Stage)

Appendix 6: Questionnaire – Supply-side (Quantitative Stage)

Appendix 1: Participation Information sheet (Qualitative Stage)

Investigator: Miss Margarida Abreu Novais

Supervisors: Dr Lisa Ruhanen and A/Prof Charles Arcodia

Project title: Tourism Destination Competitiveness: a multi-stakeholder perspective.

Objectives: The main purpose of this research is to investigate Tourism Destination Competitiveness from a stakeholder perspective.

Thank you for your interest in this research study. The measurement of Tourism Destination Competitiveness is an essential step for destinations to be able to improve their competitive position. Considering tourism affects and is affected by a number of different stakeholders, it is only reasonable that competitiveness is measured by those groups involved. The aim of this study then is three-fold in that it seeks to (a) understand the varied views on Tourism Destination Competitiveness amongst destination stakeholders (b) to analyze the extent to which destination stakeholders perceive the importance and performance of competitiveness indicators differently, and (c) to propose and test a holistic and practical framework for Tourism Destination Competitiveness measurement that includes the perspectives of stakeholders from both supply and demand perspectives.

This research will contribute to the understanding of the complex phenomenon that Tourism Destination Competitiveness constitutes. Ultimately, this study will develop a practical and systematic framework for measurement of Tourism Destination Competitiveness which will be a valuable tool for destination managers.

There are no foreseeable risks due to your involvement with the study. The interview questions will ask you to give your impressions and opinions on issues relating to Tourism Destination Competitiveness and should not cause any discomfort. The questions will not elicit any anxiety above what is commonly experienced in everyday life.

The research will be conducted at a location convenient to you, e.g. at your office, via a face-to-face interview with the principal investigator. This interview will take approximately one hour and will be recorded via audio for transcription following the interview. After the interview, the audio recording (identifiable data) will be transcribed and all identifiers will be removed from the record.

Any information collected will be stored in a secure environment and access to the data will be made available only to the members of the research team. Interviewees are under no obligation to participate and may withdraw at any time. If you participate in this study, the information will not be linked back to you as an individual. Only aggregated results will be reported. As such, your comments will be kept confidential and any information provided will only be used for the purposes of this research.

You are welcome to discuss your participation in this study with the student, Margarida Abreu Novais (+61481237512 or m.abreunovais@business.uq.edu.au) or her academic advisors, Dr Lisa Ruhanen (ph. +61733467095 or l.ruhanen@uq.edu.au) and A/Prof Charles Arcodia (ph +610737354183 or c.arcodia@griffith.edu.au), or to impose conditions, or withdraw from the study at any time. If you would like to speak to an officer of the University not involved in this study, you may contact the University's Ethics Officer on 336 53924.

Appendix 2: Participant Consent Form (Qualitative Stage)

Dear Participant

Re: Tourism Destination Competitiveness: a multi-stakeholder perspective

As a participant in this research, your acceptance is required as confirmation of your informed consent to participating in this survey. By completing this survey, you agree that you have read and understood the “Participant Information Sheet” for this research project. You agree to participate in this investigation through this survey and understand that you may withdraw at any time. You are free not to answer any of the questions if you choose to do so.

You and your position will **not** be identified in the project. Potential identifying information will be used **ONLY** for the purpose of providing you with a summary of results. All responses will be coded and will contribute to the pooled data of the research team, so no individual responses will be made available and you will not be personally identified in any publications resulting from the study.

This study adheres to the Guidelines of the ethical review process of The University of Queensland. Whilst you are free to discuss your participation in this study with project staff (Margarida Abreu Novais ph 0481237512 m.abreunovais@business.uq.edu.au), if you would like to speak to an officer of the University not involved in the study, you may contact the University’s Ethics Officer on 336 53924.

I _____ confirm that I have read and understand the information above.

Signature: _____ **Date:** _____

Student: Ms Margarida Abreu Novais ph (+351) 919892285/ (+61) 0481237512 or m.abreunovais@business.uq.edu.au

Student’s supervisors:

Dr Lisa Ruhanen ph +61 7 3346 7095 or l.ruhanen@uq.edu.au

A/Prof Charles Arcodia ph +61 7 373 54183 or c.arcodia@griffith.edu.au

Appendix 3: Interview Protocol (Qualitative Stage)

Date/Location of Interview: _____

Participant Code: _____

Participant Name: _____

Demographics:

(1) Stakeholder group _____

(2) Destination/region _____

(3) Occupation _____

(4) Educational background _____

(5) Gender

Male

Female

(6) Age group

18-29

30-39

40-49

50-64

Over 65

Prelude: Tourism Destination Competitiveness appears to mean different things to different people. Basically, I am seeking to investigate the different ways in which the term is conceptualized and so I will be asking a few questions about the competitiveness of tourism destinations in general and that of Portugal.

Interview Questions:

1. What does Tourism Destination Competitiveness mean to you? What does it mean for a destination to be competitive? What does a destination need to do in order to be competitive?
2. Can you think of a destination that you consider to be very competitive?
3. What about Portugal? Can you describe the competitiveness or lack of it of Portugal as a tourism destination?
4. Can you think of a destination that is more competitive than Portugal? In what way?
5. Can you think of a destination that is less competitive than Portugal? In what way?
6. Which in your opinion are the destinations competing with Portugal?

These main questions will then be followed up with probing questions (such as “can you give me an example of ...”, “can you tell me more about ...”) with the intent of further understanding and clarifying information raised by the interviewees. These questions were derived to enable the complete exploration of the conception of Tourism Destination Competitiveness

Appendix 4: Participant Information and consent form (Quantitative Stage)

Dear participant,

This study seeks to evaluate the competitiveness of Lisbon as a tourism destination from a holistic perspective that includes both supply-side stakeholders (public and private sector, local residents) and demand side stakeholders (tourists).

Participation in this study will take approximately 10 minutes to complete and involves answering a short questionnaire about your evaluation of the destination competitiveness of Lisbon. Your participation is completely voluntary. You may refuse to answer any questions or withdraw your participation at any time without prejudice.

This study does not involve any foreseeable added risk above the risks of everyday life.

Data will be collected anonymously so that individual respondents cannot be identified and it will be reported at an aggregate level only. In addition, collected data will be securely stored on secure, password protected computers at The University of Queensland.

Your informed consent is necessary for your participation in this research. By completing this survey, you agree that you have read and understood the information for this research project contained in this text.

If you are interested in learning more about the research aims and findings, you are encouraged to contact the researchers after completing the study.

Thank you for your time and participation!
Margarida Abreu Novais

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Email: l.ruhanen@uq.edu.au

This study adheres to the Guidelines of the ethical review process of The University of Queensland and the National Statement on Ethical Conduct in Human Research. Whilst you are free to discuss your participation in this study with project staff (contactable on +351932910769/ +61481237512), if you would like to speak to an officer of the University not involved in the study, you may contact the Ethics Coordinator on +61 7 3365 3924.

Appendix 5: Questionnaire – Demand-side (Quantitative Stage)

Part A: General information & travel experience

1. Country of residency: _____
2. Age group: 18-29 30-39 40-49 50-59 +60
3. Gender: Male Female

4. How many **international trips** have you taken in the past 5 years?
 0
 1-5
 6-10
 11-20
 +20

5. How many countries have you visited in the past 5 years?
 0
 1-5
 6-10
 11-20
 +20

Part B: Details on your trip to Lisbon

6. How many times have you visited Lisbon including this trip? _____
7. Length of your stay in Lisbon (in days): _____
8. Main reason to visit Lisbon (select all that apply):
 City or short Break
 Meetings & Incentives
 Touring Portugal
 Visiting Friends and Relatives
 Other professional reasons
 Health
 Sun, Sand & Sea
 Cruise ship
 Golf
 Nature
 Special event
 Religious
 Other, please specify: _____

9. Which other destinations did you consider before deciding to come to Lisbon on this trip?

1. _____
2. _____
3. _____
4. _____
5. _____

Part C: Evaluation of Lisbon's competitiveness as a tourism destination

9. What are the 3 things you like the most about Lisbon?

1. _____
2. _____
3. _____

10. What are the 3 things you like the most about Lisbon?

1. _____
2. _____
3. _____

11. Please consider the following attributes of Lisbon and rate them on a scale of 1 to 5 where 1 is very poor and 5 is very good.

Very poor **Poor** **Average** **Good** **Very Good**
1 **2** **3** **4** **5**

1	Comfort of the climate for tourism	1	2	3	4	5
2	Cleanliness of the city	1	2	3	4	5
3	Visual appeal of the city	1	2	3	4	5
4	Attractiveness of artistic/architecture features	1	2	3	4	5
5	Attractiveness of historic sites and museums	1	2	3	4	5
6	Richness of the local culture	1	2	3	4	5
7	Quality of local gastronomy	1	2	3	4	5
8	Quality of accommodation	1	2	3	4	5
9	Airport efficiency	1	2	3	4	5
10	Immigration/customs efficiency	1	2	3	4	5
11	Quality of local transport	1	2	3	4	5
12	Availability of tourism information	1	2	3	4	5
13	Signage of tourist attractions	1	2	3	4	5
14	Accessibility to interest points	1	2	3	4	5
15	Quality of convention/exhibition facilities	1	2	3	4	5
16	Quality of restaurants and bars	1	2	3	4	5
17	Quality of entertainment	1	2	3	4	5
18	Range of special events	1	2	3	4	5
19	Quality of Nightlife	1	2	3	4	5
20	Quality of shopping opportunities	1	2	3	4	5
21	Quality of tourism infrastructure	1	2	3	4	5
22	Safety	1	2	3	4	5

23	Ease of access to Lisbon (flights, duration of the trip etc)	1	2	3	4	5
24	Friendliness of the locals	1	2	3	4	5
25	Easiness of communication with the locals	1	2	3	4	5
26	Overall price levels	1	2	3	4	5
27	Value for money of tourist experiences	1	2	3	4	5
28	Quality of tourist services	1	2	3	4	5
29	Uniqueness of Lisbon	1	2	3	4	5
30	Authenticity of Lisbon	1	2	3	4	5
31	Diversity of tourism products in Lisbon	1	2	3	4	5
32	Image					
33	Balance between number of tourists and local residents	1	2	3	4	5

12. Using the same scale (1 to 5) please consider the following aspects:

3	Overall satisfaction with your trip to Lisbon	1	2	3	4	5
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13. Based on the scale below how do you characterize your:

Very unlikely **Unlikely** **Neither** **Likely** **Very Likely**
1 **2** **3** **4** **5**

1	Intention to recommend Lisbon to other people	1	2	3	4	5
2	Intention to revisit Lisbon in the future.	1	2	3	4	5

14. In your opinion which destinations are main competitors of Lisbon as a tourism destination:

1. _____
2. _____
3. _____
4. _____
5. _____

Appendix 6: Questionnaire – Supply-side (Quantitative Stage)

1. Age group: 18-29 30-39 40-49 50-59 +60
2. Gender: Male Female
3. Residential postal code: _____
4. Type of stakeholder:
 - Local resident (not working in the tourism industry)
 - Private sector (tourism industry)
 - Public sector (tourism industry)
 - Third sector (tourism industry)
5. Which sector of tourism does your activity best fit in:
 - Transportation and Logistics
 - Accommodation
 - Food services
 - Travel agencies, tour operators and tour guides
 - Culture, sport, entertainment and leisure
 - Government and tourism organizations
 - Associations, NGO's
 - Retail
6. How many years have you been working in the tourism sector? _____
7. What is your current position: _____
 - Employee
 - Middle Manager
 - Senior Manager
8. How many **international trips** have you taken in the past 5 years?
 - 0
 - 1-5
 - 6-10
 - 11-20
 - +20
9. How many countries have you visited in the past 5 years?
 - 0
 - 1-5
 - 6-10
 - 11-20
 - +20

Part B: Evaluation of Lisbon’s competitiveness as a tourism destination

10. What are the 3 things you like the most about Lisbon?

4. _____
 5. _____
 6. _____

11. What are the 3 things you like the most about Lisbon?

4. _____
 5. _____
 6. _____

12. Please consider the following attributes of Lisbon and rate them on a scale of 1 to 5 where 1 is very poor and 5 is very good.

Very poor **Poor** **Average** **Good** **Very Good**
1 **2** **3** **4** **5**

1	Comfort of the climate for tourism	1	2	3	4	5
2	Cleanliness of the city	1	2	3	4	5
3	Visual appeal of the city	1	2	3	4	5
4	Attractiveness of artistic/architecture features	1	2	3	4	5
5	Attractiveness of historic sites and museums	1	2	3	4	5
6	Richness of the local culture	1	2	3	4	5
7	Quality of local gastronomy	1	2	3	4	5
8	Quality of accommodation	1	2	3	4	5
9	Airport efficiency	1	2	3	4	5
10	Immigration/customs efficiency	1	2	3	4	5
11	Quality of local transport	1	2	3	4	5
12	Availability of tourism information	1	2	3	4	5
13	Signage of tourist attractions	1	2	3	4	5
14	Accessibility to interest points	1	2	3	4	5
15	Quality of convention/exhibition facilities	1	2	3	4	5
16	Quality of restaurants and bars	1	2	3	4	5
17	Quality of entertainment	1	2	3	4	5
18	Range of special events	1	2	3	4	5
19	Quality of Nightlife	1	2	3	4	5
20	Quality of shopping opportunities	1	2	3	4	5
21	Quality of tourism infrastructure	1	2	3	4	5
22	Safety	1	2	3	4	5
23	Ease of access to Lisbon (flights, duration of the trip etc)	1	2	3	4	5
24	Friendliness of the locals	1	2	3	4	5
25	Easiness of communication with the locals	1	2	3	4	5
26	Overall price levels	1	2	3	4	5
27	Value for money of tourist experiences	1	2	3	4	5
28	Quality of tourist services	1	2	3	4	5
29	Uniqueness of Lisbon	1	2	3	4	5
30	Authenticity of Lisbon	1	2	3	4	5
31	Diversity of tourism products in Lisbon	1	2	3	4	5

32	Image					
33	Balance between number of tourists and local residents	1	2	3	4	5

13. In your opinion which destinations are main competitors of Lisbon as a tourism destination:

1. _____
2. _____
3. _____
4. _____
5. _____