Public Policies and Tourism Marketing. An analysis of the competitiveness on tourism in Morelia, Mexico and Alcalá de Henares, Spain.

Rubén Molina Martínez⁎, Melissa Ochoa Galván, Ana María Gil Lafuente.

⁎ Universidad Michoacana de San Nicolás de Hidalgo, Santiago Tapia, 403, Morelia 58000, Mexico.
⁎ Universidad de Barcelona, Gran Via de les Corts Catalanes, 585, Barcelona 08007, España

Abstract

This paper presents from a theoretical point of view, public policies and tourism marketing as determinant factors of competitiveness in tourism and presents the results of a field study on the subject held in the cities of Morelia, Mexico and Alcalá de Henares, Spain. These cities are world-class tourist destinations for their historical and cultural value and they are recognized as World Heritage Sites by UNESCO. Through the creation of public policies, the tourism products of a given destination can be improved through measures aimed to enhance the quality of services and conditions of the sites and thus, increase their competitiveness. Therefore, it is necessary to understand the factors that determine the competitiveness of tourism in these destinations to manage them properly.

© 2014 The Authors. Published by Elsevier Ltd.
Selection and/or peer-review under responsibility of the 2nd International Conference on Strategic Innovative Marketing.

Keywords: public policies; tourism marketing; tourism competitiveness.

1. Introduction

Rapid changes in the competitive environment in tourism have forced tourism destinations to provide higher quality services and added value to travelers. In order to become more competitive and attract more travelers, destinations have developed partnerships with both the public and the private sectors with the purpose of reducing risks that are inherent to the industry as well as to improve their offer (Wang and Fesenmaier, 2007).

Mexico has a great variety of tourism destinations and this increases the tourism offer as different destinations meet different kinds of needs and preferences, suiting all kinds of markets and profiles. This variety of
destinations allows travelers to visit for different reasons, whether it is for its beautiful beaches or for its cultural and historical heritage.

Spain is flocked every year by millions of tourists attracted by its beaches, the rich artistic heritage of the country and its great gastronomic offer. Spain also offers a diverse variety of tourism products and services as it is one of the richest and most beautiful nations in the world. According to the WEF, Spain ranks as the country with the best quality and diversity of cultural goods due to its cultural heritage, monuments, museums, performing arts and the incorporation of its gastronomy as an intangible element of its culture (WEF, 2013).

The cities of Morelia, Mexico and Alcalá de Henares, Spain are world-renowned destinations thanks to the quality and great value of their cultural tourism goods and services. Also, both cities are considered World Heritage Sites by the UNESCO.

2. Main theories and models on tourism competitiveness.

In the field of tourism research, the competitiveness of destinations can be defined as the ability of a country to create added value and thus, enhance the national welfare by managing benefits and processes, goods, aggressiveness and proximity, integrating the relationships between them in an economic and social model (Crouch and Ritchie, 2000).

Hassan (2000) defines tourism competitiveness as the ability of a destination to create and integrate value-added goods that would sustain local resources and preserve its market position compared to its competitors.

To analyze the competitiveness of tourism destinations, Crouch and Ritchie (1999) developed the Calgary competitiveness model based on the theory of competitive advantage (Porter, 1990) as well as the comparative advantage (Smith, 1776; Ricardo, 1817) adapted to the different features of a tourism destination. Comparative advantage refers to the factors that the destination has, including both the factors that occur naturally and those that have been created (human resources, physical resources, capital resources, scientific resources and cultural resources). Competitive advantage refers to the ability of a tourism destination to use its resources efficiently in the medium and long term. So, a tourism destination whose inhabitants are convinced of the possibility of economic growth through the exploitation of its resources, who understands both its strengths and its weaknesses and that develop a proper marketing policy and use it correctly, will certainly become a more competitive destination.

Dwyer and Kim (2003) take into account the theory of national and businesses competitiveness as well as the main elements of a destination competitiveness proposed by several researchers in tourism, and many of the variables and categories identified by Crouch and Ritchie. These authors propose a competitiveness model called integrated model, which considers that the inherited resources, the created resources and the support resources are the main components in the success of a tourism destination and the basis of tourism competitiveness. This model is complemented by situational conditions, as well as destination and demand management. All these factors lead to achieve competitiveness in tourism destinations, whose ultimate goal is to improve the quality of life and welfare of their inhabitants.

Overall, theoretical studies on tourism competitiveness emphasize the following factors: public policies, foreign direct investment, tourism marketing, cultural resources, human resources, natural resources, infrastructure, quality and price.

3. Public policies in tourism and tourism marketing.

Public policies help make decisions, allocate resources and solve problems in society. Such policies are formalized by the development of plans, programs and agreements. In terms of tourism, public policies boost the growth of national income, generate employment, increase foreign exchange income, help channel the flow of
This results in improving the quality of goods and services offered by the destination (Monfort, 2000).

The objectives and functions of public policies in tourism are related to coordination, planning, legislation, promotion, stimulation, support, and public interest (Hall, 2000). Examples of these functions and objectives are:

- Economic development: generate foreign income, balance of payments support, job creation at a national level, improve the economy and provide local employment, research and diffusion of information on future market trends, improve the image of the destination, ensure effective access to destinations.
- Competitiveness: to ensure the viability and competitiveness of tourism destinations and businesses, to be able to continue to prosper and achieve long-term benefits (Ritchie and Crouch, 1993).
- Local Prosperity: To maximize the contribution of tourism to the prosperity of the destinations, public policies should promote the prosperity of the destinations and focus on reducing the leaks on the local economy by working with local goods and local human resources in tourism. The links between tourism and other local activities such as agriculture, should be strengthened and tourism businesses should be encouraged to work as a network. (Fuller, Buultjens & Cummings, 2005).
- Quality jobs: policies should seek to improve the working conditions in tourism and ensure jobs creation in the tourism sector.
- Cultural richness: Preserve the traditions and cultural heritage.

Public policies on tourism are responsible for planning, development and promotion, while tourism marketing is responsible for attracting tourists to a destination, develop goods and services to meet their needs and also is responsible for promoting the resources of a destination (Kotler, et. al 2008).

It is through the promotion and support of tourism marketing that public policies seek to promote the attractions and advantages of a tourist destination. In addition, tourism marketing applied to the private sector, is responsible for promoting the goods and services they offer, increasing the the destinations available offer.

Tourism marketing should operate as a mechanism to facilitate regional development goals and streamline the provision of resources to tourism activities in order to ensure that a destination’s strategic objectives are accomplished, and should also generate income according to the resources used for the production and development of tourism goods and the regeneration of these resources. Thus, the benefits will impact everyone involved in the tourism sector. However, the destinations are tourism goods difficult to control and market, due to the complexity of the different relationships in the local community and the diverse interests involved in the development and production of tourism goods. In this sense, strategies and actions should consider the wishes and needs of all participants in the tourism sector.

Tourists perceive the destination as a brand that includes a variety of suppliers and services. Before a visit, tourists develop an image about the destination, as well as a set of expectations based on previous experiences, word of mouth advertising, ads, etc. (Buhalis, 2000, citing Chon, 1991,1992). During their stay, they consume the destination as an experience without realizing that all of the elements of the destination are produced and managed by independent actors. The tourists’ experience consists of multiple small meetings with a variety of tourist agents, such as taxi drivers, hoteliers, and others not related to tourism such as local businesses and infrastructure. Also, it is important to consider all the elements of the local attractions: museums, theaters, parks and other resources.

Ryan (1991) explains that companies and governments have implemented only a part of the marketing mix for tourism (promotion), with little attention to the other components of marketing. However, if tourism is to survive for tourists satisfaction, destinations should adopt social marketing strategies: this involves monitoring carefully the levels of tourists satisfaction and use them as part of the criteria for success, and be aware that the development of tourist infrastructure has implications for different market targets.
The marketing strategies of destinations should be used as a mechanism in coordination with planning and management rather than just a sales tool. It is necessary to create a relationship between public policies and tourism marketing in order to accomplish strategic plans and actions that will lead to increase the competitive advantages of a destination.

4. Fieldwork.

The study group for this fieldwork is composed by the cities of Morelia, Mexico and Alcala de Henares, Spain. This group was determined based on the tourism goods and services providers registered in each city’s government agencies. The study subjects were defined as follows: public tourism stakeholders (the public administration agencies that have among its functions the creation and implementation of policies for tourism development) and private tourism stakeholders (private agencies or organizations that offer tourist services such as hotels, restaurants, bars, casinos, tourist transport companies, etc.).

The private sector sample in Alcala de Henares consisted of 113 companies, while the public sector sample was integrated by 19 government agencies. In Morelia, the private sector sample consisted of 164 companies and 16 government agencies.

The instrument used for this study was the Likert scale in 5 different categories with values from 1 (strongly disagree) to 5 (strongly agree). In order to analyze which factors are crucial to the tourism competitiveness of the cities, 2 different surveys were used: the first one was addressed to the public sector, while the second one was addressed to the private sector. Each survey included 23 items that examined the following factors: public policies, foreign direct investment, tourism marketing, cultural resources, human resources, and quality and price of tourism services.

The reliability of the instruments used during the studies was calculated using Cronbach's Alpha coefficient, which determines how effectively a set of items measures a given feature. The values obtained for the instruments ranged between .60 and .85, which means they are acceptable.

The information obtained from the surveys was processed through a frequency distribution and a factor analysis.

5. Results.

<table>
<thead>
<tr>
<th></th>
<th>Private Sector in Morelia</th>
<th>Public Sector in Morelia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism marketing (54%)</td>
<td></td>
<td>Human resources (62%)</td>
</tr>
<tr>
<td>Human resources (53.6%)</td>
<td></td>
<td>Public policies (58%)</td>
</tr>
<tr>
<td>FDI (52%)</td>
<td></td>
<td>FDI (53%)</td>
</tr>
</tbody>
</table>

The results show that 54% of private sector respondents in Morelia consider tourism marketing to be the most important factor in tourism competitiveness since it is through tourism marketing activities that the city is promoted, marketed and managed, thus making it more competitive. The second best evaluated factor according to the perception of the respondents, were the human resources (53.6%), as human resources are the foundation of the companies, and in the tourism sector it is necessary to have highly trained personnel. And the third best evaluated factor was the FDI. For the public sector in Morelia, the main factor for tourism competitiveness were the human resources (62%) because they believe that human resources are a key element to become more competitive. In second place, public policies (58%) because they recognize the specific needs of the destination, such as providing accommodation in areas with high potential and enabling protected areas for travelers. And in third place, FDI (53%).
The results show that 67% of the private sector respondents in Alcalá de Henares perceives that tourism marketing is the most important factor in tourism competitiveness, because they believe that good marketing planning can bring great benefits to the city, attract more tourists, and also the city can be more competitive through the management and development of strategic and marketing plans. The second best evaluated factor was the FDI (56%) and the third one were the public policies (55%). On the other hand, the public sector perceives that cultural resources are the determining factor for tourism competitiveness (78%), since they assume that they create added value, strengthen the development of public policies and programs to promote these resources, and that they also increase the comparative advantages of the destination increasing the offer of cultural attractions (eg, building museums or increasing the cultural offer). The second best evaluated factor was the FDI (76%) and the third one was tourism marketing (75%).

The factor analysis from the results of the application of the instrument in the private sector in Morelia show that the factors that have an impact in the city’s tourism competitiveness are: human resources, public policies and cultural resources. The relationship between tourism competitiveness and cultural resources, obtained through the Pearson correlation coefficient was .414, which means a moderate positive correlation (Pearson’s coefficient indicates the degree of correlation between these two variables and the extent to which they relate. The closer it gets to the unit value, the stronger the correlation will be). The determination coefficient was 0.171, which shows that cultural resources account for 17% of tourism competitiveness.

According to the results of the application of the instrument in the public sector of Morelia, the variables that impact on tourism competitiveness are: public policies, cultural resources, human resources and tourism marketing. The highest ratio recorded was between tourism competitiveness and cultural resources with a Pearson’s correlation coefficient of 0.721, which indicates a high positive correlation. According to the coefficient of determination (0.519) cultural resources account for 52% of tourism competitiveness.

<table>
<thead>
<tr>
<th>Table 2. Results from the surveys in Alcalá de Henares.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector in Alcalá de Henares</td>
</tr>
<tr>
<td>Tourism marketing (67%)</td>
</tr>
<tr>
<td>FDI (56%)</td>
</tr>
<tr>
<td>Public policies (55%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 3. Results from the factor analysis for the data on Morelia.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>Private sector</td>
</tr>
<tr>
<td>Public policies</td>
</tr>
<tr>
<td>Tourism marketing</td>
</tr>
<tr>
<td>FDI</td>
</tr>
<tr>
<td>Human resources</td>
</tr>
<tr>
<td>Cultural resources</td>
</tr>
<tr>
<td>Quality</td>
</tr>
<tr>
<td>Prices</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 4. Results from the factor analysis for the data on Alcalá de Henares.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>Private sector</td>
</tr>
<tr>
<td>Public policies</td>
</tr>
<tr>
<td>Tourism marketing</td>
</tr>
</tbody>
</table>
For the private sector in Alcalá de Henares, the variables that turned out to be determinant were: FDI, public policies, cultural resources and tourism marketing. The Pearson’s correlation coefficient indicates a moderate positive correlation between tourism competitiveness and FDI (0.550). The determination coefficient was 0.302 and it indicates that FDI accounts for 30% of tourism competitiveness.

For the public sector, the main variables that impact tourism competitiveness were: cultural resources, tourism marketing, prices, quality, FDI, public policies and human resources. The relationship between tourism marketing and tourism competitiveness obtained through the Pearson’s correlation coefficient was 0.799, which indicates a high positive correlation, while the determination coefficient was 0.622, which explains that tourism marketing accounts for 62% of tourism competitiveness.

6. Conclusions

Public policies in tourism involve collective actions in order to be implemented and reinforced in society. They provide a framework that guides actions and strategies for the development of such activities; guide the evolution of tourism in a city; draw more investment and tourists, create jobs, streamline the implementation and management of resources used for these activities; establish ties with other sectors. All this is reflected in laws, regulations and standards, in the promotion of destinations, goods and services, in the coordination of activities between the different actors in the sector and in tourism research.

According to the analysis of the results, the tourism competitiveness of the cities where the fieldwork was conducted is the result of the relationships between the following factors: marketing, FDI, public policies, human resources and cultural resources. It is through the actions and interactions of these factors that the decision making process of investors is facilitated and goods and services are promoted increasing the supply and the quality of services available in the destinations.

Finally, it can be concluded that for a destination to be successful, it is necessary for the government to manage properly social and economic elements that affect the tourism sector and to stimulate the creation of new goods and services to stay competitive in the market and add value to the destination. The government plays an important role, but so does the private sector. This is why actions and measures have to be taken by both the public and the private sector together in order to have common guidelines and strategies that meet the needs of both hosts and tourists.

Bibliography


http://books.google.co.uk/books?id=QqQrrxgEBEYC&printsec=frontcover&dq=Tourism+Planning:+Policies,+Processes+and+Relationships...&hl=en&ei=8mJyTPThCs_14AamsIDfCA&sa=X&oi=book_result&ct=result&resnum=1&ved=0CDIQ6AEwAA#v=onepage&q&f=false


