

Tourism Destinations and Tourism Businesses: Issues of Competition and Cooperation

**Edited by
Nathalie Homlong**

Athens Institute for Education and Research

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Chapter 1

Tourism Destinations and Tourism Businesses: Issues of Competition and Cooperation - An Introduction

Nathalie Homlong, University College Volda, Norway

International tourism statistics for 2011 show a quite favorable development. In the first half of 2011 international tourism experienced a growth of 4.5%, and a record number of 440 million arrivals were registered. Also 2010 showed a positive development in tourist arrivals, with an increase by 6.6% (World Tourism Organization 2011). This is quite a remarkable development, considering the effects of the global economic crisis on tourism: in the first half of 2009 there was a sharp decrease in international tourist arrivals in each month compared to the same month in the previous year, reaching partly 10% and more (World Tourism Organization 2009). However, with an unstable and weak economic situation in both the European Union and the USA it remains to be seen whether the positive trend will continue.

With crisis and decreasing demand as just recently experienced, the question arises which factors are important to set tourism regions and tourism businesses apart – what makes one region or business more attractive than another one? What attracts tourists to visit certain regions can be grouped into two categories: the original tourism supply and the derived tourism supply. The original tourism supply consists of three categories of resources: firstly, natural resources – landforms, bodies of water, fauna and flora, and climate conditions. Secondly socio-cultural resources – buildings and monuments, but also language, customs and mentality. And thirdly general infrastructure, including communication and transport infrastructure, political system, social services and education, and price levels. What these resources have in common is that even though they were not created specifically for tourism, they have a considerable impact on how attractive a destination is for visitors. The natural and the socio-cultural resources are what draws many tourists – also depending on the type of trip or form of tourism – to a certain region in the first place, but factors like the political stability, public safety and price levels strongly determine whether tourists choose a certain region or country as their travel destination.

But what makes it possible for a place with attractive cultural features and / or landscape to become a tourist destination is the derived tourism supply. This consists on the one hand of general tourism infrastructure, such as accommodation, gastronomy, tour operators, travel agencies, tourism transport and tourism administration, and on the other hand recreational infrastructure, such as events, cultural performances and exhibitions, nature trails and the like (Freyer 2006: 254-256). Both the quantity and the quality of the derived tourism supply play a role in the attractiveness of destinations for tourists.

This book is a collection of papers, which were presented at the ATINER Tourism Conferences in 2010 and 2011. Even though they are covering diverse topics within the field of tourism research, they have a general theme in common: they are contributing to the knowledge and understanding of issues which are crucial for the competitiveness of tourism destinations and businesses. In the following an overview over the parts of the book is given.

Part 1: Tourism Marketing and Destination Management

When it comes to the tourism supply, an understanding of the tourist and his or her motivation for travel are crucial in developing a competitive tourism product and marketing strategy. These topics are addressed in Part 1, which gives insight into issues of tourism marketing and destination management.

With the overall strong economic development in emerging markets like the BRIC (Brazil, Russia, India and China) countries, but also other newly industrializing countries, in recent years a growing middle class in these countries can afford international travel. Data from the World Tourism Organization show that emerging economies have been the driving force in the growth of international tourist arrivals in the past few years (World Tourism Organization 2011). Given the recent global economic crisis and the present unstable economic situation in many European countries and in the USA, this trend is of special importance for the growth prospects of international tourism. The importance of these new markets becomes also apparent when looking at the markets that are at the center of analysis in the papers in this part of the book. It is interesting to note the focus on tourists from emerging markets who choose neighboring countries as their travel destination in these papers. This highlights the importance of proximity especially for emerging markets, which may be based both in costs and cultural reasons.

In her paper *Katri Jakosuo* discusses the motivation and expectations of Russian tourists visiting Finland. The importance of Russian tourists for the Finish tourism industry is shown, but the paper also shows that there is potential for improvement of the tourism product to better meet the demands of Russian visitors. *Özcan Yağcı* analyzes the perception of Greece as a tourist destination for Turkish tourists. The author conducted a survey among Turkish visitors to Greece, which gives insight into this visitor group's country image of Greece. In the paper by *Azlizam Aziz, Nurul Amirah Zainol and Sam Shor*

Nahar Yaakob the image of the tourism destination Fraser's Hill in Malaysia is analyzed. The study conducted for this paper includes the analysis of a wide range of tourism supply factors, ranging from natural surroundings over tourism services and activities to the general vacation atmosphere.

Part 2: Networks, Collaboration and Training

The establishment of networks and collaboration are strategies that can help tourism businesses strengthen their competitive position. However, especially small and medium sized companies are often reluctant to collaborate with other companies – the mutual benefits of collaboration, which include market expansion and economies of scale, are often not apparent to SMEs. This is also shown in the paper by *Lois Burgess, Carole Alcock* and *Michael Jones*, which focuses on eCollaboration among tourism SMEs in Australia. eCollaboration refers to cooperation with the help of email, internet and management information systems. Using focus groups and interviews as methods, the authors compiled an overview over factors which enable and factors which inhibit collaboration. *Armando Luís Vieira* explores business-to-business (B2B) relationship marketing practices in the hotel industry. Relationship marketing is based on the assumption that long-term relationships are of mutual benefit for the involved partners. By looking into the practices of hotel managers in Brazil and Portugal, *Vieira* investigates in how far B2B relationship marketing is used, and how the application differs in two different regions in the world.

Innovation is considered a driving force for economic development as a whole, and that applies also to the tourism industry. The need for innovation in rural tourism areas is highlighted in the paper by *Anabela Dinis*. Since many rural regions in Europe are lagging behind in economic development compared to central regions, tourism can play a vital role in creating regional development – jobs, higher incomes, better living standards – in peripheral regions. *Dinis* stresses the importance of networks to improve competitiveness of rural tourism.

The paper by *Wen-Hwa Ko* focuses on the topic of staff training. This study investigates the impacts of the evaluation of training effectiveness on the service quality of Chinese fast food chains. The study confirms the importance of employee training in the fast food industry.

Part 3: Issues Influencing Competitiveness

In this part different issues which are of considerable importance for competitiveness are taken up – in two papers the focus is on the hotel industry, and in one paper challenges to the competitiveness for the tourism industry in a specific country are discussed.

María Tugores conducted a survey among hotel managers on the island of Majorca to estimate the quantitative effects of human capital on innovation and the competitiveness of hotels in the Balearics. *Tugores* found a clear relation between the education levels of managers and the level of innovations – the focus here is on environmental innovations – and an overall better performance of the hotels. The paper by *Bartolomé Marco-Lajara, Francisco García-Lillo, Vicente Sabater-Sempere* and *Mercedes Úbeda-García* is also about Spain, and the hotel industry is again at the center of the analysis. The authors conducted a study of the main differences between Spanish regions to determine why hotels in some tourist destinations are more competitive and profitable than in other regions. Porter's diamond model was used as the theoretical foundation of the study, and both external factors of the regions and internal factors of the hotel industry in each region were used to identify the reasons for differences in performance and competitiveness of the hotel industry in different parts of Spain. In their paper *Arjun J. Singh, Bonnie Knutson, Jae Min Cha, and SeungHyun Kim* conducted an analysis of the American Customer Satisfaction Index (ACSI) model. They analyzed guest satisfaction in US hotels in the period 1994 to 2009 in relation to key performance indicators such as revenues, occupancy and profits; furthermore, comparisons with customer satisfaction in other sectors of the tourism industry were drawn.

Crime risk is an important aspect of the original tourism supply. An actual or perceived risk to personal safety can have a serious impact on the attractiveness of a tourism destination. This is also the topic of the paper by *Richard George*, who analyzed international tourists' perception of crime risk in South Africa. The study was conducted during the 2010 FIFA World Cup, and focuses on how crime risk as experienced by tourists impacts their future intentions to travel to South Africa.

Part 4: Sustainable Tourism

Appealing landscapes and beautiful nature are in many cases a major aspect of the original tourism supply that attracts tourists to a destination. There are many examples of regions where tourism development has led to a degradation of the natural resources in these regions, threatening to destroy the very basis of what makes these destinations attractive to visitors. On the other hand, income from tourism can help preserve natural areas from other economic uses, which may be more destructive to the natural resources.

The papers in Part 4 focus on sustainable tourism development. The definition of sustainable development includes natural, social and economic aspects (United Nations Environment Programme, no year); in this context the focus is especially on sustainable tourism development with respect to natural resources and economic effects of development. Tourism development has impacts on the natural resources on the local and regional scale, with effects on air and water quality, biodiversity and habitats directly in the regions receiving

tourists. On the other hand there are global effects, where tourist travel – air, road and boat travel – contribute not only to local pollution, but also to global warming. The focus of the papers here is on the regional perspective.

In a paper on sustainable tourism development in the World Heritage Site Geiranger in Norway *Nathalie Homlong* shows the effects of a large number of visitors in a small protected area. The paper discusses possible visitor management measures to help reduce the impacts of road traffic, and the expected economic effects of these measures on the destination. *Margaretha Breil, Mariaester Cassinelli* and *Livio Chiarullo* conducted an analysis of the tourism potential of Val d' Agri National Park in Italy. The paper includes a survey of tourism demand in this protected area and attempts to estimate the value of tourism development in Val d' Agri National Park with the help of the contingent valuation technique. In their paper *Eva Maleviti, Yacob Mulugetta* and *Walter Wehrmeyer* look into the attitudes of Greek hoteliers towards energy preservation initiatives. The paper highlights the potential for a more sustainable use of energy by the hotel sector in Greece.

Part 5: Tourism Data and Accounting

The availability of reliable data is of utmost importance for tourism planners and businesses, making it possible to design strategies that assure their competitiveness. In their paper *Giovanna Gonano, Francesco Scalone* and *Giulia Contu* are estimating the tourist flow to Sardinia. The authors show that official tourism data underestimate the actual number of tourists in Sardinia due to unobserved forms of tourism and statistical inefficiencies of the survey system.

Finally, hotel accounting data was at the center of analysis in the paper by *Shanshan Ni, Wilco Chan* and *Kevin Wong*. As they state, for full service hotels the rooms division is the most important revenue center. The aim of the paper is to examine reporting problems and providing enhancement options to the current content of the rooms department schedule in the Uniform System of Accounts for the Lodging Industry. The study focuses on the Hong Kong hotel industry.

At this point I would like to thank all the contributors to this book for their interesting papers. Special thanks to the Athens Institute for Education and Research, and especially *Gregory T. Papanikos*, Director of the Institute, for the kind support during the editing process of this book.

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