THE IMPACT ON COMPETITIVENESS ON WORLDWIDE TOURISM. MEASURING THE COMPETITIVENESS IN TRAVEL AND TOURISM

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ABSTRACT

This abstract explores the connection between global tourism competitiveness and its broader effects. It investigates methods to assess a destination's appeal and satisfaction for travelers, encompassing factors like infrastructure, culture, and policy. The study also analyzes how competitiveness influences economies, communities, and sustainability, considering both benefits and challenges.

In a contemporary context, the research addresses the role of technology, emphasizing digital platforms and data analytics in adapting strategies. It underscores the need for ongoing assessment to thrive in the evolving tourism landscape, promoting sustainable growth and positive global outcomes.

Keywords: Competitiveness, International Tourism, Worldwide Tourism.

I. INTRODUCTION

In order to have a better understanding of tourism industry as a whole, one should first and foremost clarify its main characteristics and particularities, the sectors involved in this activity and the interdependencies between them, the historical development of tourism, as well as the existing types and forms of tourism worldwide.

Nevertheless, the impact of COVID-19 on international tourism should be looked at in depth and always be taken into consideration when looking ahead in the short to medium term future, until the pandemic is overcome. The acknowledgment of tourism as a stand-alone human activity that embraces all aspects of the society and that generates multiple effects in almost every sector of the economy had taken place rather slowly throughout the 19th and 20th centuries. According to Cunha (2014), the first outlined concept was that of “tourist”. In 1937, in order to help establish comparisons for international statistics purposes, the League of Nations made up the first official definition of “tourist”.

In 1937, “tourist” was considered anyone travelling for at least 24 hours in a different country than his/her country of residence. Twenty-six years later, in 1953, the Statistical Commission of the UN (replacing the League of Nations) also introduced the term “visitor”, defining it as a non-resident intending to remain for a period of maximum one year without exercising an occupation remunerated. In 1963, at the United Nations Conference on tourism and international travel held in Rome, there had been made a clear distinction between the types of visitors that might exist, namely “tourist” and “excursionist” (day visitor).

In 1971, a series of Directives regarding the tourism statistics were published and ever since, the definitions recommended kept the meaning they were given back in 1963:

- Tourist – visitor who stays for over 24 hours or who spends at least one night at an accommodation establishment in the country visited and whose travel purposes may be grouped into: a. leisure (recreation, holidays, health, study, religion, and sports) and b. business, family, mission, meeting.
- Excursionist or day visitor – visitor who remains under 24 hours in the visited country or who does not spend the night at an accommodation country.

As per Cunha (2014), the UNWTO, the agency that replaced the International Union of Official Travel Organizations, also integrated the collocation “national visitors” in the general definition of tourism. In 1993, the United Nations Statistical Commission adopted the definition that is still being used, with the term “visitor” being the core of the entire tourism statistical system. “Visitor” describes “any person traveling to a place other than that of his/her usual environment for less than 12 months and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited” (UNWTO, 1994, p. 7). Visitors are divided into “tourists” and “same-day visitors” and have the following thorough meanings:
Tourists (overnight visitors): visitors who stay at least one night in a collective or private accommodation in the country visited;

Same-day visitors: visitors who do not spend the night in a collective or private accommodation in the country visited (UNWTO, 1994, p. 9).

Therefore, approaching the simplest meaning, tourism can be defined as the activity undertaken by visitors, it is what they do, “the activity of persons travelling”, “is the set of licit activities developed by visitors by reason of their displacements, including the attractions and the means that originated them, the facilities created to satisfy their needs and the phenomena and relationships resulting from all of the above” (Camilleri, 2017). Displacements are seen as both the movements of visitors and the activities carried out before and during the travel period, such as stay, transports and accessibilities. By attractions and means, natural and artificial elements, tangible, and intangible, that give value added and rise to travel are considered. When we think about “creating facilities”, we actually refer to infrastructure, hospitality and welcoming.

The travel and tourism industry’s main function is to serve travelers and their needs. Yet, its success depends on various other sub-sectors and on the positive inter-relationships between the tourism services providers (Camilleri, 2017). Basically, the main sectors the travel and tourism industry is made of are:

a) Transportation  b) Accommodation  c) Food and beverage  d) Ancillary services  e) Sales and distribution.

As such, the main products offered by the tourism industry are: accommodation services for visitors, food and beverage services, air passenger transport services, railway passenger transport services, road passenger transport services, water passenger transport services, transport equipment rental services, travel agencies and other reservation system services, cultural services, sports and recreational services, country-specific tourism characteristic goods (the so-called “souvenirs”), as well as country-specific tourism characteristic services. Tourism specific products are actually those that satisfy at least one of the following criteria:

a) Tourism expenditure on the product, either a service or goods should represent a considerable share of the total tourism expenditure (share-of-demand condition)

b) Tourism expenditure on the product, either a service or goods should represent a significant part of the total supply of that product in the whole economy (share-of-supply condition). It is important to highlight that, in the absence of visitors, the supply of a tourism specific product would cease to exist.

II. LITERATURE REVIEW AND OUR CONTRIBUTION

2.1 Main products offered by the tourism industry and its historical development

Hence, tourism is, in essence, a technical concept measured by the available statistics of visitor movements and expenditure (demand) and estimates of the number of a wide range of visitor facilities (supply) (Middleton, 2015). of the Government of Hong Kong (2013), the history of tourism can be divided into six stages, starting really early, with the Roman Empire Period - 1st stage in the history of tourism (27 BC - 476 AD), when travel was made for military, trade, political reasons, as well as for transmitting messages from the central governments to other territories.

Artisans and architects were also travelling to design and build palaces and tombs. Furthermore, participants and spectators at the Olympic Games in ancient Greece required accommodation and food services for that period, while wealthy Romans used to travel to seaside resorts in Egypt and Greece for sightseeing. Age Period - 2nd stage in the history of tourism (500 AD to 1400 AD), travel for religious purposes greatly, travel for religious purpose greatly increased. Pilgrims were traveling to the “holy land”, either we think of Muslims going to Mecca or Christians to Jerusalem or Rome.

In the 16th century – 3rd stage in the history of tourism, a new type of tourists arose, those who were traveling to broaden their knowledge and experience, mainly because of the growth in England’s trade and commerce. The 4th stage in the history of tourism is considered to be the 17th century, when the British aristocrat teenagers were traveling for the so-called “Grand Tour”, a period of 2-3 years throughout Europe (mainly to Italy, Germany, and France) to improve their knowledge, a sort of training for a future administrative and political career, as the European states were engaging in new forms of diplomacy. During the Industrial Revolution Period in Europe – 5th stage in the history of tourism (1750 AD – 1850 AD), the base for mass tourism was set. Many people were turned from basic agriculture activities into factories and urban lifestyle, so there was a rapid growth of education and wealth level among the middle-class individuals, but also an increase
in leisure time and demand for holidays. Besides, travel for health purposes was very fashionable, as rich Europeans began to visit famous spa towns in Europe (e.g., Baden-Baden in Germany) and seaside resorts in England (e.g., Brighton or Margate).

The social and technological changes that took place during the 19th and 20th centuries have had a great impact on tourism and they are considered the 6th stage in the history of tourism. The railways were invented in the 19th century and the passenger aircraft in the 20th century, making possible for everyone interested to travel safer, cheaper, and faster. Furthermore, in the ‘80s, the baby-boomers (demographic group of people born during the post-WWII, approximately in the period 1946-1964) were at the age to travel and had the necessary money to spend, so the business and leisure travel expanded rapidly. They were looking for adventure trips, ecotourism, and luxurious travel, so new types of tourism appeared. Further on, the fall of Berlin Wall in 1989 led to a significant expansion in tourist destinations - countries such as Russia or Czech Republic became popular destinations for both vacation and business travelers. In the ‘90s, the “ticketless traveling” was introduced, reducing the cost of tickets, cutting the amount of paperwork, and making it easier for the airlines to deal directly with the consumers, to build relationships. The advance in technology also allowed travelers to buy hotel accommodation or transfer tickets online or via interactive kiosks in airports, and, today, “in dramatic contrast to the past, the industry knows almost no borders and it concerns virtually everybody in one way or another” (Zuelow, 2016, p. 13).

2.2 THE VARIOUS TYPES AND FORMS OF TOURISM

Tourism can take various forms, depending on multiple criteria, but there are three main types of tourism according to the origin and destination of visitors (Turcu & Weisz, 2008, p. 6):

• Domestic tourism – visits made to a country by visitors who are residents of that country
• Inbound international tourism – visits made to a country by non-residents
• Outbound international tourism – visits made by residents of a country to a different country.

Derived from the three types of tourism previously mentioned, the following groupings different typologies for tourism have been developed, as defined by Eurostat (2014):

• National tourism, which includes domestic and outbound tourism
• Internal tourism which includes domestic and inbound tourism
• International tourism, which includes inbound and outbound tourism.

Going further, given the complexity and the multiple approaches to tourism activities, there are multiple forms of tourism:

Based on the reason for travel:

Leisure and holiday tourism, the most important type of tourism, includes the following forms based on the activities that are undertaken:

• Cultural tourism, also called heritage tourism – tourists want to know more about that land and culture, the way of life of the residents, their customs and traditions, cuisine, religion, fairs and festivals, as well as art and architecture;
• Religious tourism, also called pilgrimage or spiritual tourism – tourists travel for pilgrimage;
• Health tourism, also called medical tourism – tourists travel to improve their health, in search of medical care;
• Sports tourism – tourists travel to view or participate in a sporting event
• Adventure tourism – tourists travel to participate in activities such as rafting, hiking, or mountain climbing;
• Visits to relatives and friends;

Business tourism – tourists travel for various reasons pertaining to their work. This form of tourism is often called MICE tourism (meetings, incentives, conferences and exhibitions);

Special Interest tourism, also called alternative tourism and it is seen as the key to sustainable development – the tourists prefer to interact with locals, to use or share the services the local people provide, establish a personal connection with the local community. There are various forms of special interest tourism, such as:

i. Ecotourism
ii. Agro-rural tourism
iii. Food tourism
iv. Wildlife tourism

Education tourism – tourists travel to learn about other cultures outside the classroom environment;

a. **Based on the degree of mobility of the tourist:**
   - Long stay tourism
   - Itinerant tourism
   - Transit tourism

b. **Based on the involvement of tour operators:**
   - Tour packages
   - Independent travel
   - Mixed travel

c. **Based on the tourist "age":**
   - Youth Tourism
   - Adults-specific tourism
   - Senior citizens-specific tourism

On the other hand, Maita (2022) considers that tourism can be classified in six main categories, solely based on the purpose of the trip, namely:

a. Extreme tourism, designed for people interest in sports or original extreme tourism, the main target market being young and active persons;

b. Ecological tourism, similar to ethnic tourism, mainly has a geographical character and attracts tourists to remote places, for "communication with nature". Activities related to this type of tourism include renting accommodation for families, pedestrians trips, riding horses, observing wildlife, canoeing, camping and other activities related to this.

c. Cultural tourism, accomplished with the purpose of learning about other cultures and lifestyles, carried out of the need to expand knowledge;

d. Recreational tourism designed for resting, includes sunbathing, swimming, attending sporting games and socializing in rather small groups and quiet environments, often located by the sea or in mountain areas

e. Medical tourism, meant for health care and improvement

f. Business tourism, which most often can be combined with other types of tourism, refers to any trip undertaken for work purposes, such as business events, participation in congresses, attending seminars, workshops, or conferences.

2.3 **FACTORS INFLUENCING SUPPLY AND DEMAND OF TOURISM**

![Figure 1. Factors influencing supply and demand in travel and tourism industry](image-url)
The most important factors that can shape supply and demand in tourism are demographic and social changes, income streams changes, passengers transport changes, as well as political, economic, communication and health-related changes. Each of them will be explained in detail further and are also presented in Figure 1.

A. Demographic changes, including dimensions such as age, gender, place of residence or education affect various aspect of tourism sector, mainly in terms of number of journeys and of people traveling, of travel behavior and choice of destination trends, as well as infrastructure utilization and household income allocation. The prime concern is the aging population reported worldwide together with the decline in birth rate and increasing life expectancy, which lead to considerable shifts in the society’s age structure and, consequently, to quantitative and qualitative changes in tourism demand and supply. Urbanization, changing family structures or migration are some other factors that shape tourism demand and force tourism suppliers to adapt and reconsider their former strategies, given that the industry will have to deal with to an aging, multi-ethnic population, with increasingly fragmented visitors preferences, with completely different lifestyles, resulting, for example, in younger generation, too stressed out from their jobs looking for a gateway, relaxing holiday, while the older tourists may want to try new, exciting things they have not had the resources to experience so far. Furthermore, given the growth in divorce rates or the increasingly longer periods of singledom among the younger generations, new travel groups appear (European Commission, 2013).

B. Historically speaking, travel was a luxury good, but once the travel barriers lowered, travel has become more attainable. Additionally, economic changes, such as “the growth of disposable income, the rise of the middle class in many emerging markets and changing attitudes of people towards travel, have enabled the industry to flourish” (World Economic Forum, 2017, p. 24). While demand for business tourism is rather inelastic, the demand for the other types and forms of tourism tend to be price sensitive, a lower discretionary income depressing travel propensity. Apparently, there are some variations across the world – given similar incomes, the Americans and the Japanese have a higher elasticity of demand than Europeans, they do not perceive holiday travel as a necessity. Economic conditions and uncertainty such as global crisis periods also induce changes in consumers’ behavior, discouraging them from traveling or, if they do it, they tend to choose last minute bookings. Furthermore, the nature of employment also influences travel propensity, the job insecurity determining not only the level of tourism demand, but also the type of holiday preferred, such as shorter stays, lower spending levels, closer proximity destinations, last-minute or early-booking deals.

III. GENERAL RESEARCH GOAL AND OBJECTIVES

The topic of competitiveness has been intensively studied by researchers in the business and economics, but only recently have they started to pay attention to the tourism sector, as, in 2017, “for the sixth consecutive year, (tourism) industry growth outperforms that of the global economy, showcasing the industry’s resilience in the face of global geopolitical uncertainty and economic volatility” (Crotti & Misrahi, 2017, p. 3). Tourism competitiveness is measured by a destination’s capability to create and integrate in its offerings value-added products, as to maintain its market position relative to the competitors’, while Ritchie and Crouch define competitiveness as “the ability of a country to create added value and thus increases national wealth by managing assets and processes, attractiveness, and aggressiveness, and proximity, and by integrating these relationship into an economic and social model”. According to an official guidance document published by Organization for Economic Co-operation and Development (Dupeyras & MacCallum, 2013, p. 7), the key indicators used to measure competitiveness in tourism can be grouped in four categories, namely:

- “Indicators measuring the tourism performance and impacts;
- Indicators monitoring the ability of a destination to deliver quality and competitive services;
- Indicators monitoring the attractiveness of a destination;
- Indicators describing policy responses and economic opportunities.”

These categories cover both sides, supply, and demand, focusing on relative changes and economic effects of tourism industry. A mix of twenty core and supplementary indicators would form the most accurate model for measuring competitiveness in the tourism sector. All indicators are presented in Table 1.2. Tourism Direct Gross Domestic Product, the first core indicator, relies mainly on the Tourism Satellite Account framework that enables the harmonization and reconciliation of tourism-related statistics from the National Accounts point of
view. It includes all the sectors that deal directly with the tourists, namely accommodation, passenger transport, food and beverage, transport rental, travel agencies, cultural, sports and recreational services.

Table 1. Core, supplementary and future development indicators to assess tourism competitiveness

<table>
<thead>
<tr>
<th>A. Core indicators</th>
<th>Tourism performance and impacts</th>
<th>Tourism Direct Gross Domestic Product</th>
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<tbody>
<tr>
<td>Overnights spent in all types of accommodation – measure of tourism flows in the accommodation sector</td>
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<tr>
<td>Inbound tourism revenues per visitor by market source – measure of visitors’ economic activity</td>
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<td>Tourism services exports</td>
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<tr>
<td>Ability of a destination to deliver quality and competitive tourism services</td>
<td>Labor productivity in tourism</td>
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<td>Purchasing Power Parity and prices in the tourism sector</td>
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<td>Country entry visa requirements</td>
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<th>Attractiveness of a destination</th>
<th>Natural resources and biodiversity – measure of a country's stock of natural assets</th>
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<tr>
<td>Cultural and creative resources – measure of a country's stock of cultural and creative attractions, including its offerings in terms of activities and events</td>
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<tr>
<td>Visitor satisfaction - demand side measure assessing the destination’s attractiveness, based on current and future competitiveness</td>
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<tr>
<td>Policy responses and economic opportunities</td>
<td>National Tourism Action Plan – measure of a country's effectiveness in assisting the bodies involved in the tourism sector to improve the level of competitiveness</td>
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<tr>
<th>B. Supplementary Indicators</th>
<th>Tourism performance and impacts</th>
<th>Market diversification and growth markets – measure that capture a country’s tourism industry performance in various source markets (the wider the range of source markets, the better)</th>
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<tbody>
<tr>
<td>Ability of a destination to deliver quality and competitive tourism services</td>
<td>Employment in the tourism sector by age, education, and type of contracts – measure that assess the ability to attract, retain and develop tourism-related skills to enable and improve industry's competitiveness</td>
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<tr>
<td>Consumer Price Index for tourism</td>
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<tr>
<td>Air connectivity and inter-modality – a measure of competitiveness reflected in the number of air routes, flight time and frequency from main markets, passenger numbers</td>
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<tr>
<td>Attractiveness of a destination</td>
<td>OECD Better Life Index</td>
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<tr>
<th>C. Future Development Indicators</th>
<th>Ability of a destination to deliver quality and competitive tourism</th>
<th>Government budget appropriations for tourism – measure of government’s expenditure per capita in the tourism sector</th>
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<tr>
<td>Company mortality rate – measure of an enterprise activity and turnover of customers</td>
<td>Use of e-tourism and other innovative services – measure of innovation and social media services usage in the tourism industry</td>
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<tr>
<td>Policy responses and economic opportunities</td>
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<tr>
<td>Structure of tourism supply chains – measure of industry existing and/or potential thickness, clusters, and competitiveness</td>
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Given that “for most practitioners in economics, seeing a country’s GDP grow faster than its neighbors or competitors is seen as the benchmark of success and a readily communicated statistic that is of great influence in international standing” (Dupeyras & MacCallum, 2013, p. 18), and that tourism demand continues to rise worldwide, the direct contribution of tourism to GDP, either in percentage change over the years is often considered the most relevant measure of this industry’s importance.

The number of overnights spent in all types of accommodation reflect best the impact of tourism sector on the economy, the percentage changes over the years being a transparent and easy way to assess this industry’s success. The more distant a destination from major source markets, the bigger the number of overnights and the amount spent, but it may also be less attractive for mass-markets, less accessible and the frequency of repeat trips may be lower. Therefore, tourism policies, initiatives and programs should focus on improving the number of overnights spent in all types of accommodation per visitor, on attracting longer-stay tourists, either for business, or for leisure purposes (Stewart, Warburton & Smith, 2016).

Inbound tourism revenues per visitor by source market is a direct indicator of economic return per incoming tourist, offering policy makers an accurate perspective on how the tourism sector is evolving in terms of international competitiveness. Comparing the differences that appear over the years with the tourism revenues from other countries is a better indicator of a country’s performance than even visitor numbers. However, factors such as travel and accommodation costs, range of attractions, currency, opportunities to spend, or the range and quality of choices can influence the amount visitors spent but can also reflect how competitive that country is if we analyze how much visitors from the same source market spend in different countries (Lowry, 2017). When used as a year-on-year indicator, tourism services exports reflect how well a destination performs, how strong its brand is, the degree of its international appeal and value awareness relative to the investments made. When it comes to how to better measure the growth or decline of tourism exports, according to Dupeyras and MacCallum (2013, p. 24), “most countries use the credit side of the travel item of the balance of payments as a proxy and to compare different export sectors performance.”

Natural resources and biodiversity, as well as cultural and creative resources are key drivers of attractiveness for a particular destination, helping tourism bodies build sustainable competitive tourism strategies and have a competitive advantage, a basis to raise awareness, attract an increasing number of visitors and implicitly higher tourism revenues. On the other hand, from the demand side, visitors’ satisfaction is a worldwide recognized indicator, of vital importance for the understanding of consumer’s preferences and behavior. This kind of information can assist marketers to shape competitive tourism strategies and tourism offerings, target the appropriate market, convert interest to visits and further on, to repeat visits. However, countries usually have different approaches in terms of obtaining feedback from visitors, so comparisons between destinations and competitiveness assessment might be quite a challenge (Dupeyras & MacCallum, 2013).

IV. CONCLUSION

Improving productivity is one of the major concerns for policy makers worldwide. Hence, labour productivity in tourism services is considered to be a relevant indicator when measuring tourism sector competitiveness, to have a high ratio of GDP output per worker in tourism sector compared to various other countries. One can compare not only the labour productivity in tourism services among countries, both also tourism productivity with national productivity, to analyze how this particular industry is performing in the context of other sectors of the economy and also of the average productivity at national level (Sánchez-Ollero & García-Pozo, 2016). Furthermore, given that prices are among the most important factors that influence tourists purchasing behavior, Purchasing Power Parity in the tourism sector is often considered relevant for a destination’s competitiveness, as it enables across-countries comparisons. On the other hand, country entry visa requirements tackle another sensitive issue in the tourism sector, tourists’ mobility. There have been taken a series of measures to ensure more freely and efficiently movement of people, and the fewer the entry barriers for a country, the more positive the impact on the competitiveness and attractiveness of that destination. Removing or at least reducing travel barriers can send positive signals to tourists, suggesting that those places are tourists friendly and looking forward to facilitating and encouraging international tourism.

The supplementary indicators, as well as the future development indicators come to boost the efficiency and accuracy of the model suggested, to supplement the core indicators and to capture a more comprehensive
picture of the tourism sector in any country where it is applied. There may be countries with superior air connectivity and inter-modality, while there are others that make better use of e-tourism and other innovative services. Thus, an analysis of all the twenty-one indicators should represent an unequivocal assessment, a prominent tool to measure competitiveness in travel and tourism.

Last, but not least, National Tourism Action Plan is mainly important because it involves evidence gathering, knowledge generation, thorough analyses, and collaborative efforts from both private and public sector, as well as periodical reviews and adjustments (Chen, 2017). It is not enough to have a National Tourism Action Plan, this does not simply assure a country’s effectiveness and competitiveness, but there should be a “yes/no” scoring based on various relevant criteria. As per Dupeyras and MacCallum (2013), National Tourism Administrations, National Tourism Organizations, and OECD survey of national tourism action plans in member and partner countries should be helpful in developing the scoring criteria and methods to assess a country’s tourism competitiveness in terms of National Tourism Action Plan.

V. REFERENCES


