Destination Competitiveness: A Framework for Future Research

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Abstract: The paper envisages aspects concerning identification of the competitive advantage of a tourist destination from a double perspective: the critical contribution of the employees and the ICT impact on promoting and selling the destination. Research methodology includes ‘bottom to top’ analysis of the mentioned indicators. Thus, results include the efficientisation of tourist businesses and destinations due to both human element development and ICT technologies. Two essential basis of the competitive advantage are isolated: differentiation and cost advantage. ICT creates a series of new working types through new applications and its use in management and distribution of key functions such as yield.

Keywords: tourist destination, competitiveness, training and education, information technology

JEL Classification: L 83, O15, O14

Introduction

Competitiveness in tourism can be described with the elements that make a destination competitive as defined by Ritchie and Crouch (2003), ‘…its 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’. Thus competitiveness in tourism has several dimensions: economic, socio-cultural and environmental. Competitiveness has become a central point of tourism policy. As competition increases and tourism

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activity intensifies, tourism policy focuses on improving competitiveness by creating a statutory framework to monitor, control and enhance quality and efficiency in the industry and to protect resources (Goeldner, Ritchie, & McIntosh, 2000).

The destination lies at the very heart of the travel and tourism system, representing as it does an amalgam of products that collectively provide a tourism experience to consumers. Indeed, the array of components that make up the destination product, the complexity of the relationships that exist between them and the strengthening of this complexity due to the tendency for a large number of different stakeholders to be involved is such that the destination is widely acknowledged to be one of the most difficult products to manage and market.

The performance of destination depends on its ability to create value, which is the use of a ‘resource to exploit external circumstances ... to bring in revenue, or ... to neutralise external situations ... likely to keep revenue from flowing in’ (Coulter, 2002). Resources need to be combined or processed in a way to get value out of them, and therefore they are the inputs for capabilities, that is, how things get done to deliver a tourism product or service. In this respect it is important to analyse the influence that labor force training and ICT have in developing strategic advantages for touristic destination and business. From a theoretical perspective, understanding consumer behavior is essential in decoding all the activities used to develop, communicate and sell services. Similarly, from a practitioner’s perspective, it is necessary to understand the motives regarding why some services are preferred or rejected by consumers (Gruescu, 2007). With this understanding, it will be possible to influence consumers’ decisions by developing appropriate strategies.

**Human Resource Management in the Tourism Industry**

Tourism creates special benefits, both concerning the reconstruction of the national economy of many countries having a high touristic potential, and also due to the fact that according to the WTO evaluations, the touristic industry stands first in the world from the contribution to the work force employment point of view.

In light of this growth of the tourism industry counterbalanced with the international industry’s vulnerability regarding safety and security issues, the success of the travel and tourism industry in the global environment will ultimately depend on the professionalism of its workforce (Edgell et al., 2008). As the travelling population ages and becomes more sophisticated in its needs, desires and expectations, tourism suppliers must deal with more refined market demand (Lozato-Giotart, Balfet, 2007). Industry-wide improvements are being made in the areas of quality service and customer satisfaction. Recognition of travel and tourism career patterns, and of the training and higher education policies and programmes
necessary to support them, has taken a longer time to evolve. Much more progress needs to be made in fostering policies to improve tourism education and training, but the prognosis now is better than ever (Hawkins, 1994).

Tourism is an industry with an intensive labour market, which is based on people. When tourists visit a destination-attraction, they ‘buy’ not only the charm and the attractions, but also the ability and the services of the employees in tourism (trimitere). This is why, the development of human resources should be a main preoccupation of the professional people from tourism. In the last years, the countries responded to the growth in the industry of tourism, focusing on the development of the product and marketing.

The modifications encountered on the tourism markets, the reorganization of the industry and a higher competition on the internal and international markets creates a very big pressure on the specialty knowledge. The ability to succeed and the future performance of tourism and the activities who go along with it will depend greatly on the abilities, qualities and the knowledge that the managers are capable to bring to their businesses, goods that they can obtain through the sectors of education and training.

A multitude of aspects define the relationship tourism-workforce under the qualitative aspect, such as: the level of qualification of these occupants in tourism and the structure of the working force on steps of preparation, the report between those hired with total time and partial time of work, the proportion season employees and the personnel fluctuation, the cost of the professional formation. In the past, there has been much discussion regarding the industry’s need to invest in human resources. This is made more pronounced by the number of small businesses that dominate the industry, and their inability either to support or recognize the importance of investing in human resources to improve overall professionalism and the quality of the tourism product (Cooper at al., 1994). Too often in the past, managers view training as a cost rather than as an investment. Edgell et al. (2008) stated that many in the industry are ‘simply unconvinced of the benefits of tourism education and training’ despite the obvious fact that tourism is a service business dependent on the quality of personal skills of those delivering the services.

From the point of view of the professional formation, a great part of the specialists argue that tourism needs personnel with a high level of qualification, with a large horizon of knowledge, well trained, knowing a foreign language of international circulation, capable of recommending and promote the tourism product; also an important segment of the experts in the field appreciates that the activities which do not require a specialty too have large representation in tourism, this becoming a outlet/market for the unqualified and poorly qualified working force.

It is widely argued that people are vital for the successful delivery of tourism services and, as a consequence, those who work in tourism are widely portrayed as a
critical dimension in the successful operation of businesses within the sector.’ The story of successful tourism enterprises is one that is largely about people – how they are trained and educated, how they are valued and rewarded, and how they are supported through a process of continuous learning and career development. None of this happens by accident’ (Failte Ireland, 2005).

Szivas (1999) argues that ‘only competent and motivated employees can deliver high-quality service and achieve competitive advantage for their firms and tourist destinations.

There is a wide range of problems, both as far as the quantity and also the quantity of management are concerned, the facilities from tourism, the accommodation and the catering. Many of these can contribute to the reduction of amateur management which characterizes the small businesses which dominate most of the tourism industry.

The small enterprises have supported a tradition of maintenance of amateur personnel in management, which only the big unities started to change. The qualified personnel and trained professionals, and most of all those with experience in other industries, are an unusual thing outside the big firms. These lead to a lack of complexity of the politics and practices of human resources, which are dominated by unusual styles of management and approaches of the operational circumstances. This makes tourism vulnerable to the ideas, the assumptions and its domination by the practices of management identified in other economic sectors.

Baum and Szivas (2007) argue that the effective deployment and management of people as critical resources within tourism does not happen without considered planning, development and support at the level of the enterprise, the destination and the country. Various actors and agencies, both public and private, can and do take the lead and play significant roles in enabling the tourism sector to recruit, manage and develop human resources in a optimal manner. Key players in this process are frequently local, national and trans-national governments and their agencies.

Riley and Szivas (2003) describe tourism as a sector ‘where easily acquired, transferable skills co-exist and engender weak internal labour markets in organisations that economically are bound to a rate of throughput.’

Riley (1996) points to the features of employment in these conditions in terms of recruitment, training and professional status and, unsurprisingly, notes that many areas of tourism work typify weak internal labour market characteristics. Alongside this assessment sits trends within most developed countries and within economic regions such as the European Union which point to erosion of elements of labour market strength and a general weakening of workplace conditions.

Although the development of the tourism industry creates new employment opportunities, critics contend that tourism employment provides predominantly low-paid and low-skilled demeaning jobs (Choy, 1995). The negative aspects of
tourism employment focus upon the physical demands of the job, poor conditions of work, job insecurity, low pay, long working hours, high labour turnover and lack of training (Beech and Chadwich, 2006).

Labour turnover is a cost to tourism businesses and can create severe operational difficulties. High labour turnover affects the quality of services and goods. Research (HtF, 2001) has shown that high staff turnover militates against investment in employee development and training.

In this sector the part time jobs are preferred in a greater extent than in others and there are applied flexible methods to the work force employment (the hiring during the weekend, on the occasion of certain events, holidays, or for certain activities-guides, instructors, etc). These flexible formulas of occupation respond to the needs of certain segments of the population—women, students, retired people, creating however difficulties in the recruitment of the working force (Gruescu, 2007).

These particularities influence the number and the dynamic of workers, the level of the labour productivity, the recruitment policies and the organization of the professional preparation. Because of the seasonality, it is hard to obtain a more stable, mature development of tourism, and hence of more stable jobs, the seasonality limiting this way the innovation and the development of the labour force. On the other hand, the structure of the seasonality can be used as a means of obtaining high abilities.

While labour flexibility may be a positive attribute, it can also be detrimental. Although labour markets are increasingly flexible, occupations requiring a flexible workforce may not be identified as viable career choices – in the UK part-time tourism and hospitality employment is significantly higher than in other European Union countries (Keep and Mayhew, 1999). The high proportions of casual and part-time staff employed within the industries may be less inclined to view the tourism industry as a long-term career option, perceiving it to be a transient job. Subsequently, part-time and casual employees may be unwilling to invest in industry-related qualifications. (Beech and Chadwich, 2006).

One factor likely to contribute to poor qualification attainment within the tourism industry is the willingness of the employers to recruit people without the necessary qualification. The concept professionalism is closely associated with status but may incorporate personal attributes, requires qualifications to access employment in particular management and skill areas (Baum, 1995).

The low entry threshold for tourism entrepreneurship leads to a dominance of micro-business (less than ten employees) in the tourism industry. Some owner-managers are seriously deficient in management skills, notably financial management and human resource skills. This affects the viability of small tourism
business as well as impacting on their ability to offer an attractive career package for
ambitious employees (Beech and Chadwich, 2006).

Tourism is a traditional, fragmented industry, dominated by small businesses and
led by managers, which, mainly, have no education or formal training in tourism. There is a point of view that a well qualified generalist can be very soon trained in the
specific touristic problems of an operation and is preferred to a highly qualified
specialist in tourism. This ‘bottom to top’ may suffocate both the innovation and the
leadership. Indeed, considering the rapid change of the nature of tourism, there is a
danger of overspecialization in knowledge and detailed abilities.

Liu and Wall (2006) are rightly critical of this neglect when they state that
‘tourism’s human resource issues are poorly conceptualised and the many studies of
tourism development approaches, both theoretical and practical, provide no
consolidation of useful recommendations to situate the human dimension as an
integral part of a comprehensive planning framework for tourism’.

The tourism sector offers many and varied opportunities for working lives across
its diverse sub-sectors and at different levels throughout the world. The industry’s
heterogeneity, geographical spread and stochastic demand cycle provides both
opportunity and challenge in terms of mapping these against the aspirations and
expectations of those attracted into the tourism industry, either as new entrants to the
labour force or in the context of change opportunities within their working lives. In
most developed countries, traditional models of one sector working lives, built on the
notion of a logical and progressive career ‘ladder’ represents a reality which will face
fewer and fewer entrants to the jobs market in the future.

For some people, this is not a concern or a fear but provides the basis for challenge
and opportunity, the ability to take control of aspects of their lives and to respond to
changes within the external environment in a positive manner. Unlike their
grandparents, today’s school leavers and college graduates are more likely to think of
their working lives in terms of finite segments rather than sustained and permanent
careers, viewing the future in terms of what have been called ‘boundaryless careers’
(Arthur, 1994) or ‘fragmented futures’ (Buchanan et al., 2004).

The number of institutions and organizations involved with tourism education and
training delivery today is immense. Businesses, themselves, often assume a
significant proportion of training, in addition to professional associations,
proprietary and vocational schools, high schools, community colleges and
university. The training modes for tourism education in the past were often based on
guesswork, and since advancement in the industry is characterized by ‘coming up
through the ranks’, or through in-house promotion, the value of a degree was and
frequently still is questioned. Exacerbating, the problem was the fact that the tourism
industry lacks basic consensus on the need for education (Ritchie, 1993).
Shepperd and Cooper (1995) suggest that there is even a ‘distrust and a lack of understanding of the new range of tourism courses among large sections of the tourism industry’.

There is a general agreement that businesses in tourism should play a relevant role in the training and practical education of their employees. Within the educational system there are permanently producing modifications, in order to adapt to the demand in continuous change:

- the training institutions in tourism will have to improve their share from the education syllabus which refers to the businesses abilities.
- the constant technological change will affect the traditional teaching methods, together with the introduction of some alternatives such as distance education, interactive training etc.
- the industry will have an increased responsibility for the preparation of their employees at all levels.
- the companies will continue more and more the continuous preparation in order to maintain the commitment and to keep their employers.
- international exchange programs at all hiring levels will become usual.

Over the last decade, a number of tourism academic and continuing education institutions have been dedicated to raising the standards for tourism education and training curricula not only to keep pace with the rapidly growing global tourism industry but also to take leadership roles in its quality and direction.

The response to global trends in tourism, by educational and training providers, has been mixed. Baum (2000) points to the institutional and cultural barriers to change within most educational systems, factors that mitigate against the adoption of common tourism programmes and qualifications across national boundaries, notwithstanding the intentions of initiatives such as the Bologna agreement in Europe.

At the same time, there has been a growth in programmes in tourism education offered to a worldwide audience on-line and demand for education in this field through overseas study in Australia, Hong Kong, the UK, the USA and elsewhere remains high. However, such provision is largely structured upon demand from students from developing countries seeking to acquire skills and knowledge as imparted by academic and professional experts in the developed world. This is a questionable model of knowledge transfer and one that Botterill and Baum (2006) describe as neo-colonial in impact.

Increased requirements and opportunities for education and training for individuals within the tourism industry are direct and critical responses to these growth trends. New trends include collaborative organizations, which link traditional
competitors (educators at various colleges and universities) while attempting to address the changing needs of the industry (Edgell et al., 2008). The resulting curricular modules are designed for inclusion in existing traditional tourism and hospitality education courses and programmes around the world. This focus allows for the promotion and sharing of the latest best thinking and practices in tourism education.

An other important current and future trends in tourism education and training are closely tied to globalization and political stability. Only the free exchange of information, values, ideas, and people can build a sustainable global stability that enriches all who take part in it (Bremmer, 2006). This can best happen with the continued reduction of barriers to the flow of international tourism education and training. Today’s international students will be leaders of their countries tomorrow, and all will leave their host countries having contributed to and gained intercultural understanding and appreciation.

Using Information Technology for Tourism Businesses’ Strategic Advantage

Tourism businesses need to enhance their competitiveness by employing the emerging tools and re-engineering all processes. Tourism businesses need to become more flexible, more efficient and quicker in responding to consumer requests. The ICT revolution offers a variety of tools and mechanisms that allow innovative and dynamic players to take advantage and strengthen their competitiveness.

The use of ICTs in tourism businesses digitises all processes and value chains in the tourism, travel, hospitality and catering industries. All business functions - sales and marketing, finance and accounting, human resource management, procurement, research and development, and production, as well as strategy and planning for all sectors of the tourism industry, including tourism, travel, transport, leisure, hospitality, principals, intermediaries and public sector organisations - are influenced by the emerging capabilities of ICTs.

Technological solutions are normally incorporated to increase efficiency and reduce the cost and time required for undertaking particular activities and processes.

A wide range of information technologies applications is used in tourism and hospitality industries, as illustrated in Table no.1. Although each of these systems may be standing alone, it is their integration to a comprehensive information management system that can maximise their operational effectiveness and enable them to contribute to the organisational strategic competitiveness.
Table 1: Information technology and applications used in tourism

<table>
<thead>
<tr>
<th>Applications</th>
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<tbody>
<tr>
<td>• Internet/intranets/extranets</td>
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<tr>
<td>• Office automation, reservation, accounting, payroll and procurement management applications</td>
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<tr>
<td>• Internal management tools such as management support systems, decision support systems and management information systems</td>
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<tr>
<td>• Tailor-made internal management applications</td>
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<tr>
<td>• Databases and knowledge management systems</td>
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<tr>
<td>• Networks with partners for regular transactions (EDI or extranets)</td>
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<tr>
<td>• Networking and open distribution of products through the internet</td>
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<tr>
<td>• Computer reservation systems (CRSs)</td>
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<tr>
<td>• Global distribution systems (GDSs) (e.g. Galileo, SABRE, Amadeus, Worldspan)</td>
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<tr>
<td>• Switch applications for hospitality organisations (e.g. THISCO and WIZCOM)</td>
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<tr>
<td>• Destination management systems (DMSs)</td>
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<tr>
<td>• Internet-based travel intermediaries (e.g. Expedia.com, Travelocity.com, Preview Travel, Priceline.com, etc.)</td>
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<tr>
<td>• Wireless/mobile/WAP based reservation systems</td>
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<tr>
<td>• Traditional distribution technologies supporting automated systems (e.g. Videotext)</td>
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<tr>
<td>• Interactive digital televisiort (IDTV)</td>
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<td>• Kiosks and touch screen terminals</td>
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Source: Buhalis (2003); O’Connor (1999)

The rapid growth of both tourism demand and supply in the last decades has demonstrated that the industry could only be managed by powerful computerised systems. The development of international tourism is based upon the effective commercialization of tourist products to the countries providing tourism. Most of the countries that provide tourism are developed countries that have access to technology and constantly use the computerized systems of reservation and the Internet. The world networks of information and distribution – CRS- Systems of computerized reservation, GDS- systems of global distribution and the internet play a decisive role in the sector of international tourism, because they connect the producers to the consumers of touristic products (Gruescu, 2002). This systems represent the vertebral spine of the international networks of information, that offer the touristic operators, tour-operators, travel agencies, air lines, facilities in order to obtain and process information, to book and commercialize tourist products.

If, initially, the CRS were developed (1970) by the great air companies for the processing of flight reservations, afterwards they evolved and developed themselves
to offer a plus of services connected to the transportation by air: the stocking of information in a world wide bases, the emission of tickets, marketing- by informing the passengers on the cost of the travels, the discount and the specific conditions, or the sell of products and services. Nowadays they cover, beside the services offered by the air lines also the land ones, offered to tourists such as: travel packages (transportation, accommodation, meals, visits and shows) or rental of vehicles. Due to the enlargement of the range of services, they become known as systems of strategic alliances and of other forms of cooperation these systems interfere on the most important markets and allow the minimization of costs, reducing the need for the presence of the direct commerce.

CRSs and GDSs were the most important facilitators of tourism industry changes until the arrival of the internet, as they provided a comprehensive travel marketing and distribution system and were often called ‘travel supermarkets’ (Go, 1992).

GDSs have been used in order to facilitate and manage the drastic expansion of tourism enterprises and destinations globally. GDSs comprise the essence of the tourism industry as they connect the vast majority of the tourism suppliers with the travel trade and tourism intermediaries. They enable immediate itinerary building and reservation confirmations.

The internet has an advantage over any other media in its ability to permanently expose information to a global audience. The net vastly improves the information availability and user interaction. An effective web site keeps a company in business 24 hours a day, 365 days a year in a global market place. Anybody in any part of the world can access its marketing information at any time they desire. This ability will greatly reduce place and time utility woes. Accessibility is vital in international trade where business spans across different time zones.

The Web makes it possible for companies to improve the service quality at all levels of customer interaction i.e. pre-sale, during and post sale. The web provides four tangible improvements in customer service.

1. A wider range of products for the consumers: A website can display an array of products and services
2. Quick processing of payments: Automatic processing of cyber-cash or credit card charges.
3. Faster delivery: Especially for products like online software and music distribution
4. Making available a wealth of information that can be quickly and easily accessed.

In tourism the web-based distribution systems can help satisfy the consumer needs of easy access to a wide choice of information and hassle free reservations.
Increasingly tourist satisfaction depends on the timely availability of accurate and relevant information. Improved access to information on all aspects of tourist activities has made it possible for marketers to offer personalized services at the same prices as standard packages.

In tourism, the internet instantly bridged the gap between consumers and businesses enabling interactive communication and trade. The proliferation of e-commerce enabled electronic trading, both from enterprises to consumers (B2C) and perhaps more importantly between businesses (B2B). It also enabled consumer-to-consumer (C2C) services and communities to emerge providing a wide range of tourism information services online. Not only did it enable tourism businesses to increase their reach but also intensified online trading and globalised the market of all types of products and services (Beech and Chadwick, 2006).

Using the internet can help save on distribution costs. Promotion and distribution of tickets, is a big cost factor in the airline industry. Selling tickets on the internet can eliminate travel agent commission and GDS fees paid by the airlines. An internet based supply channel management can also save procurement costs for businesses.

There are mainly five areas where costs can be minimized on the internet:

1. Automation of the reservation processing and the payment system cuts down sales costs.
2. Implementing a menu-driven web-based travel reservation system as opposed to a command driven system where a sales clerk has to remember commands and airport codes.
3. Implementing direct links between the producer and the consumer, saving on huge distribution costs.
4. Saving on promotional costs due to the net’s ability to send customized messages through electronic communication.
5. Reduced rental costs on office and sales space, and on administrative overheads.

The electronic-business revolution gathers momentum everyday and transforms communication, collaboration and commerce. E-business replaces some of the offline business transactions, but more importantly it enhances the total transaction volume as both organisations and consumers take advantage of the new tools to purchase products and services that many were unable to purchase before. Although the internet is more suitable for trading services, since they do not require the transportation of products, it is increasingly evident that no organisation can escape its impacts (Buhalis, 1998). To the degree that producers develop their presence in the global marketplace and offer their products in favourable terms in comparison
with intermediaries, they will be able to attract consumers and sell directly, saving commissions and distribution costs.

Conclusion

Industry and education must work in partnership in order to promote the accessibility of tourism as an activity. The educational levels in schools- and among the general public- connected to the tourism, was been low in the past and contributed to the bad image of tourism and to its acceptability as an activity in general. This is why there is a desperate need in the future, for industry and education tie this lack and work together. The expansion of education and training in tourism has reached to the point of exerting an intense pressure on the budgets of the public sector. Traditionally, the public sector is expected to deliver educational programs which will produce the managers from tourism and the personnel in direct contact with the client. Faced with budget reductions, the educational institutions will have to cooperate much closer, and enforce the connections with the industry, the tourism boards and other organisms in tourism- including the community and the consumers.

For the future, a vision is needed, commitment and mutual respect both from the part of industry and the education. If education and training in tourism support a profitable industry in tourism, where the key position of the development of human resources is recognized, stronger partnerships will be able to be realized, a better communication and a mutual direction for an education, a training and quality products in tourism. The development of quality tourism and of a quality education and training in tourism will satisfy the conviction of a large spectre of clients-parents, students, employers, governments and the tourism clients- that tourism is a responsible, mature sector.

Next, at the strategic level, eTourism revolutionises all business processes - the entire value chain as well as the strategic relationships of tourism organisations with all their stake-holders (Buhalis, 2003). As with other industries, ICT’s penetration into tourism should provide strategic tools for the networking of the industry, for adding value to products and for enabling organisations to interact with all stakeholders in a profitable way. In addition, ICTs can improve the managerial processes in order to ameliorate control and decision-making procedures, and to support enterprises to react efficiently to environ-mental changes and consumer behaviour trends (Beech and Chadwich, 2006).

The emerging ICT developments have direct impacts on the competitiveness of enter-prises, as they determine the two fundamental roots to competitive advantage, i.e. differentiation and cost advantage. On the one hand, ICTs enable tourism businesses to differentiate and specialise their products to each consumer. By
unwrapping the tourism product and by enabling consumers to put together all the elements for their individual needs, ICTs offer the opportunity to target the market segment of one, i.e. each individual customer. This is only possible because ICTs support flexible and responsive value-added chains and empower consumers to repackage products through endless combinations. On the other hand, ICTs become instrumental to cost management in the industry and particularly for the distribution and promotion costs. Organisations around the world have reduced their costs by reducing commission to intermediaries, whether by trading directly from their web page, by paying lower distribution fees to electronic intermediaries, or by cutting commission levels and fees. In addition, redesign- ing processes and eliminating repetitive tasks reduced labour costs and increased efficiency.

REFERENCES