

Tourism Entrepreneur Market Efforts and Destination Competitiveness - A Study

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Tourism developmental plans, organizational structures, and Tourism Entrepreneur marketing strategies drive destinations in their quest to compete, but these efforts must inevitably rely on some knowledge of fundamentals that makes a destination more competitive. Development of tourism is based on integrated approach, which integrates all the subsystems of tourism, along with the quality establishments of the tourism entrepreneurs. Quality standards at each particular segment of tourist destination must offer the quality standards at all levels. Only service quality and combined efforts by various agencies within the destination can result in a quality and bring consistency image building resulting in addressing the better market challenge with innovative base. Benchmarking in market challenges and competitiveness analysis of Tourism Entrepreneurs is the best method of comparison with the best competitors and sub elements of tourism sector. Interactive Destination Evaluation System (IDES) diagnosis systems are some of the tool for internal and external benchmarking in determining the strategic destination advantage. This paper also proposes an integrated approach towards strategic tourism marketing as the most appropriate concept for inclusive tourism development.

Keywords: Psychoanalysis System, Destination Competitiveness, Market Efforts, Site analysis, Tourism Entrepreneur.

INTRODUCTION

Marketing competitiveness strategy is the most important parameters in determining the economic progress and overall infrastructural improvement. Competitiveness includes investments cost effectiveness, maintainability, and above all, productivity and touristic inflow. While sustained development and increase in the quality of service delivery at the destination level is also an important tool in this direction. Sustained Development includes those models which enhances balanced growth. Market competitiveness demands vast analysis with the aim of locating weaknesses and creating the possibilities for shaping the propositions of destination competitiveness and brand value.

Tourism Entrepreneurship at tourist destinations are the capabilities of destination management to develop and optimally combine natural elements and to offer to the tourists' best services. Every natural or cultural attribute of Tourism Entrepreneurship has some potential to attract tourists, which adds to tourism development in a specific destination. It is possible to achieve tourist competitiveness in all areas using a balanced approach and marketing quality, together with creation of sustainable approach. Every region should be focused on development of the specific qualitative and valuable offer, which will be based on the specifics of the destination. Today, tourism development needs the organizing the indicators' system in order to enable the evaluation of every tourist destination competitiveness. It is possible to estimate the offer quality, as an element of competitiveness capability of a certain destination, with the help of

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objectivity (offer structure, income, expenditures etc.) and subjective information (grading guest's satisfaction, price competitiveness-value for money). Destination Quality Evaluation (DQE) is also important in relation to tourists' expectations and tourists' satisfaction during the visit to the destination. Thus, It is necessary to ensuring monitoring the specific destination competitiveness using a special indicators' system (score) (information, presentation, reports). Continuous research needs to ensure the advancement of methodology with a gradual introduction of benchmarking system to verify record and maintain tourist destination competitiveness.

Tourism Entrepreneurship Benchmarking and Site Analysis

Quality standard in the tourism activity as a key factor of competitiveness and market competition implies continuous evaluation of market trends. Therefore, a need for continuous comparison with the best-practice among Tourism Entrepreneurs in the market arises.

Benchmarking provides gradation and measuring results and sets up norms and standards for Tourism Entrepreneurs. The ways service users, buyers are given valuable information on accommodation, types of destinations in overall. Benchmarking is one of modern, effective methods of adaptation to market changes and needs. Aim of tourist destination benchmarking lies in the possibility of comparison, evaluation and better results' achievement when contrasted to its competitors. It implies continuous cooperation between public and private sector at the level of destination, as well as the vertical and horizontal integration between different stakeholders for overall and sustainable development. In destination benchmarking is a most important tool is the quantitative and qualitative measurement based on the indicators mentioned above.

Evaluating a specific tourist destination, in destination benchmarking, an integrated 'evaluation systems' is needed with the aim of an early discovery of 'destination deterioration' as the destinations go without proper planning parameters and carrying capacity mechanism.

Destination Evaluation Strategy and Planning

Destination evaluation is the beginning point for making strategies and planning. Interactive Destination Evaluation System is a integrated diagnostic system which can also be used to simulate different scenarios. Interactive Destination Evaluation System can be used as a measuring tool for internal and external benchmarking, which enables certain destination dynamics' monitoring and provides a balanced comparison between different destinations, and after all, it can be used as a warning system. From a set of selected indicators, a dynamic and user-friendly decision-making tool, which summarizes the following three main functions, can be built:

1. gives destination managers strategic information about current situation and risk of decline that can be easily interpreted
2. in an effective way shows (by means of a series of snapshots) the evolution of the destination over time
3. simulated by means of images (created with a simple interface) the effect of changes in variables

Using the tools' assistance, following variables have been identified as adequate in order to achieve a proper implementation of Interactive Destination Evaluation System:

- A. Tourists/Residents
- B. Excursionist share
- C. Economic role of tourism

- D. Gini seasonality index
- E. Gini demand structure index
- F. Co-operation. This variables can be expressed by "Degree of co-operation", which is measured by the percentage of operators and organizations involved in all partnerships.
- G. Environmental impact. This variable represents the physical pressure which
- H. Affects the destination as a consequence of tourism, and can be expressed most easily by means of use intensity indicators (i.e. number of visitors / surface).

Benchmarking method is not used enough in tourism practice, weather talking about tourist organizations or tourist destinations; it has not been explored nor exploited enough as learning-from-the best-practice tool. The aim of the evaluation is determining the direction of a future destination development system, i.e. ensuring its sustainability in a long run. In those aims, a great support could be provided by benchmark standards, as well as the systems for tourist destination evaluation. Integrated Approaches towards Strategic Destination Marketing Competitiveness.

Complexity of relationships in an international tourism market, exceptional competitiveness and a constant rise of new tourist destinations set new challenges for tourist destination management. Complex nature of tourism demands an integrated approach towards strategic management and cooperation (formal and informal) between the offer carrier, local community and other stakeholders at the destination level. Concept of strategic management includes a variety of management decisions and actions, which, in a long run, have a job of determining business of subjects within the managerial system of tourist destination. Strategic management also takes into account leadership of business subjects, together with key influence from the surroundings and all intern factors (Stacey, 1997; Wheelen & Hunger, 1995).

Strategic management of tourism and as a sector needs an integrated approach at all management levels taking into account all their interests, with a constant striving to reach optimum balance of interests in a long run.

Management matrix of the tourism consists of following levels (Milohnic, Peric, Cetinski, 2006):

- a) National (macro level)
- b) Regional and destination (mezzo level) and
- c) Hospitality companies (micro level).

Efficient system management will determine the rhythm and potential tourist destination growth, its capability of attracting confident investments and prosperity between local population and visitors, which includes implicit system sustainability in a long run. Therefore, tourist destination should be conceived as a business system that would recognize all the relevant demands present in system of globalization, but, at the same time, be recognizable by its specific offer. Demands of tourist destination are based on previously mentioned starting points; destination becomes a business unit of tourism offer and should be managed on new bases and create basic presumptions for converting comparative into competitive advantages as starting points of its better positioning in the world tourism market.

Destination Site Analysis - An Integrated Approach

Although not all tourism related projects require physical site location, a very large proportion do. An economic feasibility study can either specify a site, or determine if an appropriate site exists within a given geographic area. A tourism project site normally requires certain specific characteristics for it to be successful. This is not true of all industry sectors in an economy, as there are many "footloose" enterprises that are not location dependent. In tourism, location has an extremely important

bearing upon financial viability. The first step in the site analysis must, therefore, be to identify the criteria that are crucial to the project being considered. Tourism project site criteria or characteristics can be delivered into three parts.

- Market related site criteria.
- Criteria related to the physical characteristics of sites.
- Other criteria.

The market related site criteria encompass the site's proximity to potential markets, transportation facilities/routes, essential support facilities, and competitive facilities. When the site analysis is not site specific, it is a common practice to first identify a "long list" of potentially suitable sites and then to rank these sites on the basis of their compatibility with the project. This is often accomplished by attaching a weighting factor to each site selection criterion characteristic and by then giving each site under consideration a numerical score for that criterion/ characteristics. The evaluation of sites for some forms of recreational and tourism project requires a high degree of specific technical expertise. Generally these cases occur when the project is highly dependent for its ultimate success on the characteristic of the natural resource base and when also the construction costs are high(Mill, Morrison and Alastair, 1985).

SWOT Analysis of a Destination

The condition confronting a destination can be analysed by a comprehensive deliberation of the strength and weakness of its current operations and from examining the different socio-cultural-economical and environmental impact for prospective threats or opportunities.

Market Analysis- Some Issues

The goal of a market analysis is to determine the attractiveness of a market and to understand its evolving opportunities and threats as they relate to the strengths and weaknesses of the

industry. David A. Aaker and Shanby, J. Gary outlined the following dimensions of a market analysis:

- Market size (current & future)
- Market growth rate
- Market profitability
- Industry cost structure
- Distribution channels
- Market trends
- Key success factors

Market Size

The size of the market can be evaluated based on the present sales and on potential sales if the use of the product is expanded. The following are some information

Source for Determining Market Size

- Government data
- Trade association
- Financial data from major players
- Customer surveys

Market Profitability

While different firms in a market will have different levels of profitability, the average profit potential for a market can be used as a guide line for knowing how difficult it is to make money in the market. Michael Porter devised a useful framework for evaluating the attractiveness of an industry or market. This framework, known as Porter's five forces, identifies five factors that influence the market profitability:

- Buyer power.
- Supplier power
- Barriers of entry.
- Threat of substitute products.

- Rivalry among firms in the industry.

Industry Cost Structure

The cost structure is important for identifying key factors for success. To this end, Porter's value chain model is useful for determining where value is added and for isolating the costs. The cost structure also is helpful for formulating strategies to develop a competitive advantage.

Distribution Channels

The following aspects of the distribution system are useful in a market analysis:

- Existing distribution channels - can be described by how direct they are to the customer.
- Trends and emerging channels – new channels can offer the opportunity to develop a competitive advantage.
- Channel power structure – for example, in the case of the product having little
- Brand equity, retailers have negotiating power over manufacturers and can capture more margins.

Market Trends

Changes in the market are important because they often are the source of new opportunities and threats. The relevant trends are industry-dependent, but some examples include changes in price sensitivity, demand for variety, and level of emphasis on service and support regional trends also may be relevant.

Key Success Factors

The key success factors are those elements that are necessary in order for the firm to achieve its marketing objectives. A few examples of such factors include:

- Access to essential unique resources

- Ability to achieve economies of scale
- Access to distribution channels
- Technological progress

It is important to consider that key success factors may change over time, especially as the product progresses through its life cycle. Peters says that the majority of analysis undertaken shows that the tourist market to be made up on three elements: recreational travellers, business travellers and travellers for purposes other than pure recreation or business. Recreational travellers probably make up two-third or even more of the total travel for holiday or pleasure purposes. In recreational travel the choice of destination lies in the hands of the travellers. Subject to certain contingencies or restrictions such as political constraints currency, restrictions, availability of time etc; and secondly the costs involved in transportation and at the destination are borne by the individual or his parents or perhaps a friend.

The amount of income, and especially discretionary income, the amount of time at the travellers, disposal and the length of paid holiday and the social and educational background of the travellers, will all influence the choice of destination and the demand for foreign holiday travel, but the current fashions in a holiday destination or national controls designed to restrict travel abroad or even the marketing activities of other countries within the traveller's homeland may also exerts an influence. Cost may well be the main factor and the opportunity of a cut - price "inclusive tour" may decide the holiday traveller's destination (Bhardwaj, Kamra, Chaudhary, Bhushan, Boora, Chand and Taxak, 2006).

Business travel differs from recreational travel in three principal ways: (i) the destination of the business travellers is determined for him and is normally not influenced by personal considerations; (ii) the costs incurred in the business travellers is determined for him

and is normally not influenced by personal considerations; (iii) business travel, which is regarded as an essential part of the business process, is not greatly affected by travel cost. In contrast to the recreational component of the travel market, the business component is usually considered to be relatively price-inelastic: reductions in the cost of travel would be unlikely to affect material increase in business travel. Any increase in the volume of business travel is related essentially to expanding trade relationship. The business component of the travel market is expanding although its numerical growth rate does not show the spectacular increase which have occurred in recreational travel, particularly as a result of the developments in inclusive tour holidays. Business travel is a valuable part of the tourism industry however since the business traveller tends to be a higher spender than the holidaymaker.

The business end of the travel market is highly specialized and is becoming more so; this whole complex industry is now geared to providing what the businessman wants quickly and smoothly. Indeed, so specialized is business travel today it has developed its own service industry (Financial Times, 1973). The third sector of the travel market comprises those who travel for other purely holiday or business reasons and into this category fall those who travel for the purpose of visiting relatives or friends, for personal health reasons, for educational purposes, for attending international conferences when the cost is borne by the individual (Robinson H., 1997). There is no satisfactory all-embracing definition for this third group of travellers and so it is usual to categorize them as travellers for other purposes. These three groups of travellers are not mutually exclusive, for the private individual visiting friend or relative frequently combines this with a holiday while the business traveller often includes a holiday break in his journey. For such reasons, statistics based on purpose of visit may be misleading and caution must be taken in their interpretation.

CONCLUSION

Developmental procedure and action plans have to be designed in such a way that it generates quality and sustainability to the environment. Therefore, all elements of tourist offer should offer the highest possible level of quality in the segment of the tourist product specificity, which they have offered in the market. New and changed standard of development is based on an integrated approach, horizontal and vertical connecting of the all sub-system elements of a total management system, together with the establishment of quality partnership relationships, which enable reaching the results measurable in market and financial sense. Tourist destination state evaluation demands vast analyses with the aim of locating the weaknesses, as well as the creation of possibilities for shaping propositions for increasing the destination competitiveness. It also enhances the power to counter the market challenges.

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