CHAPTER 2
REVIEW OF LITERATURE

2.1 INTRODUCTION

The purpose of a literature review is to document information of what has been published, create awareness, understanding, and appreciation for the work that has preceded the current study. It expresses the present state of knowledge as it pertains to a given topic. The existing bodies of knowledge help to shed light on the problem at hand, giving valuable insight on how best to study it and what some of the limitations might be. They serve as the theoretical and practical foundation and pivot point for learning, growing, and developing a deeper understanding and knowledge base. In short, the literature review informs the research design and helps assess the implications of any findings.

For a detail analysis of the research study, a clear understanding of the phenomena of tourism and its developmental issues is absolutely necessary. In this chapter an attempt has been made through a detail literature review, to understand the systems and frameworks of tourism along with the definitional meaning of tourists and tourism. The developmental issues, destination attractiveness, image, comparativeness and competitiveness as seen by experts have also been discussed in details.

2.2 DEFINITIONAL APPROACH OF TOURISM AND DESTINATION

Tourism is an ever expanding service oriented industry with high growth potential for national as well as for international community. Today, tourism has become both a global and a national level exhibition and description of places, prosperity, higher standards of living and the fast growing concept of paid holidays. This has evolved through a long process and has primarily been an off-shoot of civilization in technological advances. The origin of the practice of travel, could indeed, be traced back to genesis of man's faculty of walking. However, as a regular and professionally meaningful phenomenon it owes its roots to the onset of the transport revolution. Although a notable change in the nature of
tourism was there in 19 century, when mass tourism at the international level can actually be said to have come about. ‘Tourism’ remains a term that is subject to diverse interpretation, with a wide variety of definitions and descriptions proposed in the literatures. This reflects, in part, the multidisciplinary nature of the topic, and in part, the abstract nature of the concept of tourism (Burns & Holden, 1995). Despite difficulties, it is important to establish a working definition of tourism as the activity or process that allegedly acts as a catalyst for development. As a starting point, Chambers English dictionary refers to tourism as ‘the activities of tourists and those who cater for them’, immediately reflecting the dichotomy between tourism as a social activity and tourism as an industry.

In a similar vein, Burkhart and Medlik (1981) identify two main groups or classifications of tourism definitions. Technical definitions: Technical definitions of tourism attempt to identify different types of tourist and different tourism activities, normally for statistical or legislative purposes. The first such definition, proposed by The League of Nations in 1937, defined a tourist as someone who travels for 24 hours or more outside their normal country of residence. It includes those traveling for business in addition to those traveling for pleasure, health or other purposes, and it also introduced the ‘excursionist’ as someone who stays in a destination for less than 24 hours. According to international organization responsible for tourism, The World Tourism Organization (WTO):

Tourism is defined as the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited. The use of this broad concept makes it possible to identify tourism between countries as well as tourism within country. Tourism refers to all activities of visitors, including both tourists (overnight visitors) and same day visitors. (www.world-tourism.org).

Conceptual Definition: In contrast, attempts have also been made to define tourism conceptually from an essentially anthropological perspective. That is, a number of commentators have attempted to inject the meaning or role of tourism (to tourists themselves) into the definitional process. For Example: NASH (1981) considers that “at
the heart of any definition of tourism is the person we conceive to be a tourist'. Approaching tourism from the perspective of motivation and touristic practices, he defines tourism as simply the activity undertaken by 'a person at leisure who also travels' (Nash, 1981). Smith (1989) defines this theme with a more explicit reference to motivation, a tourist being a 'temporarily leisured person who voluntarily visits a place for the purpose of experiencing a change'. Similarly, Graburn (1983) emphasizes tourism's functional role in as much as it 'involves for the participants a separation from normal ‘instrumental’ life and the business of making a living, and offers an entry into another kind of normal state in which mental, expressive, and cultural needs come to the force'.

The technical and conceptual categories of tourism definitions evidently represent two extremes as a 'definition continuum' (Buck, 1975) which are constrained by their disciplinary focus. Ideally, therefore, a balanced, holistic definition that embraces both the factual and theoretical perspectives of tourism is desirable (Gilbert, 1990).

Raina and Agarwal (1992) have identified four comprehensive definitions of tourism on the basis of the country of origin, activity and purpose of people engaged in.

a. As per Herman V. Schullard, “Tourism as an industry comprises the sum total of operations, mainly of an economic nature which directly relate to entry, stay or movement of foreigners inside and outside a certain country, city or region”.

b. Hunziker and Kraph opines, “Tourism is the sum total of phenomena and relationship arising from the travel and stay of nonresidents, in so far as they do not lead to permanent residence and are not connected with any earning activity.”

c. As per L.J.Lickorish, “Tourism embraces all movement of people outside their community for all-purpose except migration or regular daily work. The most frequent reasons for this movement are for holiday.”

d. As per Robert W. McIntosh “ Tourism is the sum of the phenomena and relationships arising from the interaction of tourists, business suppliers,
host governments and host communities in the process of attracting and hosting these tourists and other visitors.”

Jafri (1976) goes someway to achieving this by epistemologically defining tourism as 'The study of man away from his usual habitat, of the industry which responds to his needs, and of the impacts that both he himself and the industry have on the hosts' socio-cultural, economic and physical environments.

In recent years, the tourism destination has begun to play an important place in the tourism literature. Some authors (Leiper, 1995, Martini, 2001 and Pechlaner, 2000) that have studied the tourism destination from a demand perspective identify a destination as a set of products, services, natural and artificial attractions able to draw tourists to a specific place, where the geographical location is simply one of the factors that comprises a destination.

Tamma (2001) and Brunetti (2001) define destination as a supply system correlated with a specific area. Some destinations are artificially determined by political jurisdictions which fail to take into consideration consumer preferences or tourism industry functions. Keller (2000) adds that people often use region, district, area, and locality as synonyms together with the adjective tourism to mean tourism destination. Buhalis (2000) claims that destinations are amalgamations of tourism products offering an integrated experience to consumers. Based on the various models of tourism development outlined by Pearce (1992), it is sensible to define a destination as a combination of products and services available in one location that can draw visitors from beyond its spatial confines. Hu and Ritchie (1993) conceptualized it as “a package of tourism facilities and services, which like any other consumer product, is composed of a number of multi-dimensional attributes”. Bieger (2000) define the tourism destination as the tourist product that in certain markets competes with other products.

A destination, according to the New Shorter Oxford Dictionary is defined as ‘the place to which a person or thing is going, the intended end of a journey.’ However when applied to the tourism context, authors have offered different perspectives of what constitutes a
tourism destination. For example, Buhalis, (2000) defines destinations as places that offer an amalgam of tourism products and services, which are consumed under a brand name of the destination. He argues that 'they are well defined geographical regions, understood by visitors as unique entities with a core of six main provisions, i.e. attractions, accessibility, available packages activities and ancillary services. Other definitions have also been proposed by Leiper (1990; 1995) and Hu and Ritchie (1993). The World Tourism Organization recently defined a destination as “...a physical space in which visitors spend at least one night and is made up of tourism products such as support services and attractions, and tourism resources with physical and administrative boundaries that define its management, images/ perceptions of market competitiveness” (World Tourism Organization 2003 b).

2.3 DESTINATION IMAGE

Increasingly, tourism destination image is becoming a research area in its own right. Especially, the increased focus on tourism destination image is based on widespread acknowledgement of the profound effects of such images on tourists’ perceptions of destinations and hence, on tourists’ decision-making in relation to tourist behaviour and their choice of destination (Echtner and Ritchie 1991; Stabler 1988). There are many possible approaches to studying destination image, because this formation has many implications for human behavior, as seen through disciplines such as anthropology (Selwyn 1996), sociology (Meethan 1996), geography (Gould and White 1992; Draper and Minca 1997), semiotics (Sternberg 1997) and marketing (Gunn 1972), with respect to the understanding of tourism consumer behavior. For some authors, image is a concept that can be applied to multiple objects, among them an area or a country (Markin 1974; Reynolds 1985). Generally, all authors agree that the concept usually corresponds to a global impression (Crompton 1979; Dichter 1985; Kotler et al. 1994; Lumsdon 1997; Parentau 1995). However, when determining the components that make up this global impression, some differences appear: for Crompton (1979) Tourism Destination Image (TDI) possesses cognitive components, for Embacher and Buttle (1989) and Baloglu and McCleary (1999) image comprises both cognitive and evaluative components, and for Gartner (1996) and Dann (1996) destination images are formed by three interrelated
components: cognitive, evaluative, and conative. Two approaches to the destination image formation process are considered: static and dynamic (Baloglu and McCleary 1999). The first one is the study of the relationship between image and tourist behavior such as satisfaction (Chon 1990) and destination choice (Hunt 1975). The second one is the interest in the structure and formation of Tourism Destination Image itself (Gartner 1996). As noticed by Baloglu and McCleary the second approach has had less success. Of all the studies reviewed, those carried out by Chon (1990), (1992) were considered of special interest, due to his emphasizing the importance of destination image to tourism as a whole. The image, as an overall output, comes from a sequence of stages where several elements and factors influence and interrelate. The Tourism Destination Image formation process produces two areas of research interest: destination choice and tourist satisfaction. The image formation process can be related to destination selection intention (Goodrich 1978; Hunt 1975) and to tourist satisfaction when actual visitation takes place (Chon 1990). In the intradisciplinary study of marketing, Tourism Destination Image has been the subject of considerable research during the last three decades. Investigation has been commonly based on either effective destination positioning (Carmichael 1992; Crompton, Fakeye and Lue 1992; Echtner and Ritchie 1991; Eizaguirre and Laka 1996; Reilly 1990) or on the destination selection process (Goodrich 1978; Gunn 1972; Hunt 1975; Oppermann 1996a). Despite its relevance for tourism marketing, the research on Tourism Destination Image faces many difficulties. One is the tourism product’s characteristics such as its complexity (Smith 1994) and multidimensionality (Gartner 1989). Another is that destination marketing involves the consumer physically moving to the behavior scenario (Seaton 1994; Sessa 1989). There is also great subjectivity in providing a tourism service: images are mixed with impressions about residents, retailers, other tourists, and/or employees (Calderón, Gil and Gallarza 1998). But most of all, the intangibility of tourism service hinders image assessment as it depends on invisible elements of pre-visit selection and a pre-taste of the destination (Fakeye and Crompton 1991). Consequently, in tourism research, “...images are more important than tangible resources”, all because “perceptions, rather than reality are what motivate consumers to act or not act” (Guthrie and Gale 1991:555). Image is crucial to the promotion of a tourist

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destination and must be carefully constructed and marketed in order to maximise its potential benefits.

2.4 DESTINATION MARKETING

Middleton and Clarke (2001) suggest that marketing is a subject of vital concern in travel and tourism because it is the principal management influence that can communicate and highlight the destination's value towards the customer. According to Vellas and Bécherel (1999), an intangible experience is offered, not a physical good that can be inspected before it is bought, and conclude that marketing plays a crucial role in tourism in order to communicate the destination's uniqueness with the consumer. Traditionally, destination marketing treats the destination like any other product. Kotler et al. (1999: 653) define destination marketing as 'an integral part of developing and retaining a particular location's popularity'. However, Buhalis (2000) argues that this approach fails to recognize the unique needs and limitations of each destination as well as their particular geographical, environmental and socio-cultural characteristics. Furthermore, Sautter and Leisen (1999) note that destinations are some of the most difficult entities to manage and market, due to the complexity of the relationships of local stakeholders. In a similar vein, Buhalis (2000) claims that destinations can not be managed or marketed as enterprises, due to the dynamics of interests and benefits sought by stakeholders. Nevertheless, Nielsen et al. (2000) suggest that destinations can be and are marketed as products, because like international enterprises, destinations have to operate in competitive international markets and until now, there are no tools from other disciplines rather than marketing useful in order to enhance awareness and attention of the destinations' unique benefits.

2.5 ATTRACTIVENESS AND TOURISM PRODUCT

Attractions are the primary elements of destination appeal. They are the key motivators for visitation to a destination (Crouch and Ritchie 1999). They are the fundamental reasons why prospective visitors choose one destination over another. Researchers have grouped, classified and categorized attractions differently. Goeldner et al (2000)
categorized attractions into five main groups; cultural, natural, events, recreation and entertainment (page 217). The range of activities within a destination is an important pull factor and represents some of the most critical aspects of destination appeal. Moreover, destination managers have significant control and influence over the mix of activities. The mix of activities is a result of initiatives and creativities by the destination. The activities are important as tourists increasingly seek 'experiences that go beyond the more passive visitation practices of the past' (Crouch and Ritchie 1999). A tourism product is in essence an 'experience good' meaning that the product is based upon a bundle of services and experiences which, by their very nature, are hard to assess prior to purchase (McIntosh 1972). Researchers have found it difficult to have a common definition of tourist attractions. An operational definition of tourist attraction is therefore advanced as follows: 'A tourist attraction is a named site with a specific human or natural feature which is the focus of visitor and management attention' (Pearce L. Philip: 1991). It is self evident that tourist attractions are important for the tourist industry and the analysis and development of tourism. Attractions provide major symbols and images for the presentations of destinations to the public (Gunn, 1985; Leiper, 1990).

The tourism industry has the challenging task of transforming natural and cultural resources into packaged tourist products. This is achieved when we identify and quantify the factors that make a country attractive to tourists. What is it that constitutes a tourism attraction? Jafari (1982, 1983) detected three tourism supply typologies that are interconnected and likely to compose the tourism attractiveness of a region: tourism-oriented products, resident-oriented products, and background tourism elements. The first typology is strictly related to tourist needs and includes hotels and motels, transportation services, recreation and entertainment, food services, etc. The resident oriented products (pharmacies, gyms, bookstores, etc.) are generally marketed to the community. However, they are increasingly used by tourists as they extend their stay at destination. The background tourism elements are the core tourism attractions, such as the natural, cultural, and man-made resources. There is no clear threshold between attractions and non-attractions. Ferrario (1979) states that there are a number of factors that cannot be defined as attractions but influence the attractiveness power of a given area. Among these
elements, there are: economic factors (exchange rates and cost of living); natural factors (climate and natural disasters); socio-cultural factors (welcoming residents and friendly police officers); and infrastructures. Richtie and Zins (1978) identify a number of factors influencing the attractiveness of a tourism destination. They are natural beauty and climate, culture and social characteristics, sport, recreation, and education facilities; shopping and commercial facilities; infrastructures; cost of living; attitudes towards tourists; and accessibility of the country. The services that develop around the attraction often become attractions themselves. A means of transportation is the principal attraction when it is a cruise ship or a historical train. Lodging facilities are perceived as the core attractions if famous people have lived there or when they offer continuing entertainment. Last, but not least, people—both residents and tourists—often become a tourist attraction.

The image of a destination is dependent on its mosaic of attractions and the profile of visitors to a region will be partly determined by the attractions available (Mill & Morrison, 1985). In spite of the wide spread acceptance of the role of attraction in the tourism industry, it becomes weak without the other components of the industry like accommodation, transport and other travel business components.

2.6 TOURISM AS A SYSTEM

The two essential components of a tourism system are an origin and a destination (Uysal, 1998). The origin is made of potential and actual visitors and refers to their residential areas. Literature refers to the origin as tourist demand. The destination is the area that is visited by travelers because of the attraction generated by its resources. Another critical element of the tourism system is the linkage, which includes transportation services, promotional activities, and information. Despite their complementary role within the tourism system, the linkage components are critical in the destination selection process and influence the entire vacation experience (Fesenmaier and Uysal 1990).

Literature on tourism as a system can be classified in four groups (Uysal, 1998).
They are the followings:

- **The early explicit models.** These models focus on the linkage component of travel.

- **Origin-destination models.** The underlying assumption of this school of thought is that the same area can serve as an origin and a destination.

- **Structural models.** These propose that the interaction of supply and demand is dependent on the economic and technological development of the generating areas. The foundation of these models is given by the control of the international transportation services that exist in the metropolitan areas of developed countries. This, in turn, influences tourist movement from the origin to the destination.

- **Evolutionary models.** Tourism as a phenomenon is in constant flux. Using evolutionary models it is possible to monitor these changes from a supply and a demand perspective and investigate the relative effects (Plog, 1974).

Lea (1988) offers a different view of interpreting the tourism system and explaining travel flows. Because of the uneven distribution of capital from country to country, travel flows are generated by wealthy individuals residing in well established metropolitan areas of developed counties to economically and politically depressed countries. Most tourism scholars have opposed this theory; however, a significant amount of international tourism flows in fact moves from developed to developing countries.

Despite Lea’s (1988) approach, literature supports the assumption that the interaction between demand and supply is the focal point of the tourism phenomenon. A natural consequence of this is that there is an interaction between demand and supply upon which tourism visitation is dependent (Uysal, 1998).

The theoretical model that best represents the demand-supply interaction within the tourism system is the functional approach (Leiper, 1990). Two core dimensions are considered by the functional approach: space and traveler behavior. The first is accountable for the spatial variance of travel flows and tourist attendance. Space allows
for the measurement and comparison of unevenly distributed resources (Hoover and Giarratani, 1984). The space dimension is readily quantifiable and relatively easy to measure. The behavioral dimension of attractiveness explores the perceived value that is assigned to a destination by the traveler.

Indeed, every individual has a perceived image of the destination and of the resources that are available there. According to Dann (1996) marketing activities undertaken by the destination influences the travelers’ perceptions of a destination. These activities encourage certain expectations about the destination and thereby influence tourist demand. The tourism system springs from the resources at destination. The variety and blend of resources in terms of physical distribution, importance, and value, determine the attraction power and uniqueness of a destination. However, visitors’ awareness and knowledge of the resources at destination influence destination attractiveness, too (Pearce, 1987).

In order to learn more about visitors’ desires, the supply side (i.e., hoteliers, restaurateurs, transportation carriers, and entertainment professionals) collaborate with the marketing travel link, often represented by travel agencies and tour operators. Their goal is to fulfill the needs of the prospective visitors. Crompton (1979) points out that traveler’s need generate from a lack of socio-psychological equilibrium.

From a demand perspective, the main task of the resources at destination is twofold: to deliver the experience that was promoted and to compensate for that disequilibrium by offering an opportunity for relaxation, escape, adventure, or change (Fesenmaier and Uysal, 1990). A systematic approach is essential to the understanding of tourism and the attractiveness power of tourist destinations. The very existence of tourism depends upon the availability of destination resources and upon the perception that visitors have of these resources. The literature is rich with models explaining the tourism system (Gunn 1988; Leiper 1979; Mill and Morrison, 1985).
2.7 EVOLUTION & APPROACHES OF TOURISM & DEVELOPMENTAL PROCESS

Development and Tourism have evolved along similar time lines since the Second World War. Tourism continues to attract growing focus of economic development policy in many regions and nations. Countries around the world are turning to tourism as a strategy for development and are fiercely competing for international tourism receipts, which are forecasted to total over US$2 trillion by 2020 and arrivals are recorded at 610 million from January to August in 2007 (November 2007, Madrid, WTO).

Traditionally, development has been defined in terms of western-style modernization achieved through economic growth (Redclift, 1987). This in a nutshell simply says that, as the national economy grows, the national productive capacity increases and, as long as output grows at a faster rate than the population growth rate, then development is assumed to be inevitable consequence.

Since the time between 1950s and 1960s underwent a deflection from underdevelopment to development with the help of a series of economic steps or stages and, as a result, development came to be defined according to economic measurements, such as GNP or per capita GNP, or according to economic structural criteria. Hence, as the economy grows — typically, at an annual rate of 5-7% and as social, economic and political structures modernize to encourage or accommodate such growth, and then development is considered to be occurring.

Moreover, although the aims of development had become more broadly defined with investment in education, housing and health facilities (with corresponding social indicator measurements) becoming part of the development process, economic growth and modernization remained the fundamental perspective.

During 1960s, tourism was essentially equated with development, which was a part of the modernization paradigm. There was a belief that tourism created increases in foreign exchange and employment and those tourist expenditures generated a large multiplier.
effect, which stimulated the local economy. Here we can see that the four main paradigm of development namely modernization, dependency, economic neo-liberalism and alternative development are looked in lieu of Tourism and then comparisons are being made.

Modernization & Tourism: Travel & Tourism are seen as being part of modern society. The production of tourism under modernity takes the form of consumption. Tourism appears to be symbolically commoditized and consumed as an end product of experiences and enjoyment. The agents of tourism development come from both the private and public sector. In developing countries where there is a weak private sector, the government may have to act as an entrepreneur to attract foreign investment for tourism development. This concept resembles that of modernization where the state maybe required creating the preconditions for economic growth.

Dependency & Tourism: One of the origins of dependency is structuralism, which has domestic industrialism as one of its main strategies of development. During the post-war tourism expansion a number of newly independent states pursued state-led tourism development including the creation of domestic hotel chains to modernize the country and to promote economic self-reliance (Curry, 1990).

Economic neo-liberalism and Tourism: The important aspects this development paradigm include an emphasis on competitive exports. Tourism is an export industry in the tertiary sector and international agencies have provided funding to develop tourism plans and tourism infrastructures.

Tourism is a growing sector of the economy and therefore attracts the interest of developing countries in need of economic boost. Admittedly, tourism can foster growth and might help the balance of payments by bringing hard currency, as mentioned by many authors (France, 1997; Jenkins & Lickorish 1997) as well as many other positive impacts.
Alternative development: Since the early post war period, mainstream development strategies have centered on economic growth and the top-down diffusion of growth impulses (Brohman, 1996). The alternative development paradigm is a pragmatic, broadly based approach, which arose out of the criticisms of these models. The alternative paradigm has been adopted most recently by tourism researchers and has the greatest potential to inform tourism development as it addresses the concept of sustainability. The difficulty in defining alternative tourism development has been raised by Butler (1992) and Brohman (1995). Butler (1992) links alternative tourism to sustainable development in that it sounds attractive and suggests a new approach and philosophy to an old problem.

After discussing the conceptual framework of tourism and development it is of immense interest to understand the impact that tourism has on destinations, local community and the environment.

Tourism can effectively become either a blessing or blight, as cited by Poon (1993). Whereas in one hand good examples of prosperity are related to the development of the tourism industry are announced, on the other many surveys point tourists as being the promoters of social and cultural dissatisfaction in local communities (Krippendorf, 1987) and also relate tourism to an economic dependence acting as a form of 'neocolonialism' (Britton 1982, 1989; Nash 1989 cited in Wall, 1997).

According to Oppermann et al (1997) the economic benefits are the prime reason for developing countries to get involved with tourism. It was listed by them as well as by other authors (Wahab, 1997) a number of 'positive impacts' of the activity. Among the most common and particularly important are, firstly the attraction that the activity can have on bringing hard currency, as mentioned before. Secondly, the generation of jobs that, even regarded by some authors as being low-level types, is one of the most important outcomes of the activity since most of developing countries – and some of the developed in a lower scale - suffer with unemployment and its social consequences. Thirdly, the multiplying effect that even in domestic tourism can have a huge effect in the economy, especially in big countries with enormous gaps between social-classes such as
Brazil, India and others. Authors also tend to consider tourism as a motivator for technological updating.

2.7.1 ECONOMIC IMPACT OF TOURISM

In recent years, tourism and its associated economic repercussions have taken place within a wider context of globalization of the world economy. Macroeconomic policymakers have been concerned to decrease barriers which impede international flows of goods, services and financial capital and to ensure flexibility of exchange rates, interest rates and wages, with the aim of inducing markets to operate more efficiently. Tourism has burgeoned in the last two decades worldwide and outshined traditional industries to become one of the world's largest and fastest growing economic activities. The view that tourism is an export industry is of considerable appeal to communities in search of economic development. Its growth has had large impact on employment, foreign exchange earnings, balance of payments and the economy in general. Although tourism has become a conspicuously large and fast-growing industry, pertinent economic analyses have been somewhat limited, possibly because it is not a single industry but rather comprises businesses from numerous industrial classifications (Tooman 1997). However, most of the studies since the 1980s have, in particular, measured the impacts of tourism operations on employment, income or overall economic activity.

In general, economic impact analysis estimates the changes in economic activity within a region resulting from some action. Archer (1989) states that impact analysis is an economic approach used to measure inter alia the amount of income, government revenue, employment and import generated in an economy by the direct and secondary (indirect and induced) effects of visitor expenditure.

Direct effects are the changes in the industries associated directly with visitor spending. For example, Rs. 1000 spent on lodging will directly increase sales in the hotel sector. This is the direct sales effect of the visitor spending. The hotel will hire employees and pay salaries, creating direct employment and income effects.
Indirect effects are sales, income, or jobs resulting from secondary rounds of purchases the hotel makes to other linked industries in the region. In the previous example, a hotel buys linen supply and food from other industries to deliver the services to its customers. The linen company, on the other hand, also buys raw materials and equipment such as cotton and machinery from other industries. The sales of these linked industries and the associated income and jobs generated from these sales come from indirect effects.

Induced effects are related to sales, income or jobs resulting from household spending as a result of income earned from visitor spending (either directly or indirectly). The employees of hotels and catering companies, for instance, will spend their salaries in the region and hence generate new rounds of sales, income and jobs. Tourism employment can be categorized as (Mathieson & Wall, 1982)

- direct employment resulting from visitor expenditure in tourist services,
- indirect employment in the tourist sector, not resulting directly from visitor expenditure, and
- induced employment, resulting from the effects of the tourism multiplier.

Tourism is frequently justified on the basis of its potential contribution to economic development. In fact, it is widely assumed that tourism can help to eliminate the widening economic gap between developed and less developed nations and regions to ensure a steady economic and social developmental growth.

The World Travel & Tourism is expected to generate US $9,060.3 bn of economic activity (Total Demand) in 2009, growing to US $ 13,231.6 bn by 2017. The World Travel & Tourism is expected to contribute 5.6% to GDP in 2009, rising to nominal terms to 4.8% of total by 2017.

International tourist arrivals continue sustained growth rate reaching 5.6% till August 2007, with a total 610 million international tourists arrivals from January to August 2007. Being a labour intensive industry, tourism increases employment opportunities. Additional jobs, ranging from low-wage entry-level to high-paying professional positions in management and technical fields, generate income and raise standards of living. World
Travel & Tourism Economy employment is estimated at 421,222,000 jobs in 2009, 9.2% of total employment. By 2017, this should total 262,634,000 jobs. The 76,084,000 Travel & Tourism Industry jobs account for 2.7% of total employment in 2007 and are forecast to total 86,637,000 jobs or 2.8% of total by 2017.

Tourism often induces improvements in public utilities such as water, sewer, sidewalks, lighting, parking, public restrooms, litter control, and landscaping. Such improvements benefit tourists and residents alike. As tourism grows, additional opportunities are created for investment, development, and infrastructure spending. Likewise, tourism encourages improvements in transport infrastructure resulting in upgraded roads, airports, public transportation, and non-traditional transportation (e.g., trails).

Although tourism is an accepted way of stimulating regional development and economic regeneration (Richards, 1996; Eadington and Redman, 1991), it is an unstable industry (Davidson, 1998) and the benefits are often leaked outside the community. It does not always bring greater prosperity because employment in the tourism industry is usually unskilled, low-paid, part-time and seasonal (Krippendorf, 1987).

2.7.2 ENVIRONMENTAL IMPACT OF TOURISM

Tourism development induces both positive and negative environmental consequences while, over time, the increasing number of tourists magnifies the pressures on and can lead to severe negative impacts on the environment (Wolfe 1983). As tourism develops, demand for land increases, especially for prime locations like beachfronts, special views, and mountains. Uncontrolled visitation or overuse by visitors can degrade landscapes, historic sites, and monuments. Natural resource attractions can be jeopardized through improper uses or overuse. Providing tourist services can alter the landscape's appearance. For instance, visual pollution may occur from billboard proliferation. Visitors generate waste and pollution (air, water, solid waste, noise, and visual). Negative environmental impacts have been reported by Cohen (1978), Pigram (1980), Mathieson and Wall (1982), Cater and Goodall (1992), Jenner and Smith (1992), Boers and Bosch (1994), Cater (1995), Croall (1995) and Wheeller (1991, 1995), amongst others. The focus of
such studies has mainly been on physical impacts, such as the deterioration of natural resources, the causes and incidence of various kinds of pollution, drinking water shortages, overcrowding and the production of litter.

Tourism is generally considered a "clean" industry, one that is based on hotels, restaurants, shops and attractions, instead of factories. Tourist income often makes it possible to preserve and restore historic buildings and monuments. Improvements in the area’s appearance through cleanup or repairs and the addition of public art such as murals, water fountains, and monuments (part of making a community ready for tourism) benefit visitors and residents alike. The positive impacts reported include the enhancement of public places, the protection and upgrading of valued places such as national parks and historical sites, and improvements in infrastructure and telecommunication facilities (Kültür 1997). Areas with high-value natural resources, like oceans, lakes, waterfalls, mountains, unique flora and fauna, and great scenic beauty attract tourists and new residents (in-migrants) who seek emotional and spiritual connections with nature. Because these people value nature, selected natural environments are preserved, protected, and kept from further ecological decline.

As tourist practices become more widespread, there tend be marked changes in the environment (Husbands and Harrison 1996): the capacity to absorb large numbers of people will be challenged (WTO 1990) and environmental problems tend to increase. Therefore, there will be a greater need to regulate tourism and the environment, not only to preserve the environment for future generations (WCED 1987), but also in the interests of tourism businesses and the quality of life of local residents.

2.7.3 SOCIAL AND CULTURAL IMPACT OF TOURISM

The social and cultural implications of tourism demands careful consideration, as impacts can either become assets or detriments to communities. Influxes of tourists bring diverse values to the community and influence behaviors and family life. "Tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the
facilities created to cater to their needs" (Mathieson & Wall, 1982, p.1). Interactions between residents and tourists can impact creative expression by providing new opportunities (positive) or by stifling individuality with new restrictions (negative). Increased tourism can push a community to adopt a different moral conduct. Safety and health facilities and staffing tend to increase at the same time safety problems such as crime and accidents increase. During their stay in the destination, tourists interact with local residents and the outcome of their relationship is changes in the host individuals' and host community's quality of life, value systems, labour division, family relationships, attitudes, behavioural patterns, ceremonies and creative expressions (Fox, 1977; Cohen, 1984; Pizam & Milman, 1984). The larger the cultural and economic difference between tourists and local residents, the more obvious and more significant these changes are (Mathieson & Wall, 1982). Individuals and the collective community might try to please tourists or adopt tourist behaviors. Tourism can improve the quality of life in an area by increasing the number of attractions, recreational opportunities, and services.

Changes in the host community's quality of life are influenced by two major factors: the tourist-host relationship and the development of the industry itself.

Tourist-host encounters occur in three main contexts:

- where the tourist is buying some good or service from the host,
- where they are in the same place at the same time, and
- when they meet and share ideas and information (de Kadt, 1979)

As the last type of encounter is far less common than the first two, tourism often fails in promoting mutual understanding among different nations and stereotypes prevail (Nettekoven, 1976, 1979; Boissevain & Serracino-Inglott, 1979; Kadt, 1979; Krippendorf, 1987; Nunez, 1989; Pi-Sunyer, 1989; O'Grady, 1990).

The tourist-host relationship is characterized by four major features: it is transitory, unequal and unbalanced, lacks spontaneity and is limited by spatial and temporal constraints (UNESCO, 1976). The tourist usually stays in the destination for a short time, so there is no opportunity to develop the superficial relationship into a more meaningful
one (Sutton, 1967). The traditional spontaneous hospitality turns into commercial activity (de Kadt, 1979; Greenwood, 1989; Jafari, 1989). Tourists are on holiday, served by locals, which results in different attitudes and behaviour (Sutton, 1967). The obvious relative wealth of the tourists often leads to exploitative behaviour on the hosts' side (Nettekoven, 1976, 1979).

The main impacts affected by the tourist-host relationship are the demonstration effect, when the hosts' behaviour is modified in order to imitate tourists (Boissevain, 1979; Wilson, 1979; Duffield & Long, 1981; McElroy & Albuquerque, 1986; Crandall, 1987; Greenwood, 1989; D.G. Pearce, 1989; Tsartas, 1992); the change in language usage in the destination (White, 1974; Nettekoven, 1976; Brougham & Butler, 1977; Jeffs & Travis, 1989; Nunez, 1989; Wallace, 1997); the growth of alcoholism, crime, prostitution and gambling (Young, 1973; Graburn, 1983a; Gay, 1985; Pi-Sunyer, 1989; O'Grady, 1990) and the transformation (revitalization or commoditization) of the material and non-material forms of local culture (Graburn, 1976, 1984; UNESCO, 1976; Andronicou, 1979; Mathieson & Wall, 1982; Greenwood, 1989; Mason, 1990; Mill, 1990; O'Grady, 1990; Evans, 1994).

Tourism offers resident's opportunities to meet interesting people, make friendships, learn about the world, and expose themselves to new perspectives. Experiencing different cultural practices enriches experiences, broadens horizons, and increases insight and appreciation for different approaches to living. At the same time, tourism often promotes higher levels of psychological satisfaction from opportunities created by tourism development and through interactions with travelers. Calamities such as natural disasters, energy shortages, terrorism, political upheaval, disease outbreak, a chemical spill, or even widespread negative publicity could shut down tourism abruptly but sometimes can attract curious visitors.

2.8 DESTINATION DEVELOPMENT

A destination, according to the New Shorter Oxford Dictionary is defined as 'the place to which a person or thing is going, the intended end of a journey.' Destination is the
fundamental unit, on which all the complex dimensions of tourism are based, being the focal point in the development and delivery of tourism products and the implementation of tourism policy. It is also the basic unit of analysis in tourism. The terminology of tourism has been used for a long way and in contemporary theory and practice of tourism it has got a new meaning (Salah Wahab & Pigam J.J.J.2000)

They say that basically the term destination derived from the Latin word ‘destinatio, Onis has been used as a synonym for a place, that is, an end of a journey. In past this has been the meaning of ‘tourism destination’.

“A tourism destination is a physical space in which a tourist spends at least one overnight. It includes tourism products such as support services and attractions and tourist resources within one day’s return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. Destinations incorporate various stakeholders often including a host community, and can nest and network in a global way.” (WTO Think –Tank 2-4 December 2002 Madrid)

A tourism destination consists of mainly 4 dimensions: -

- Spatial characteristics such as scale and boundary
- Host community elements
- Management (supply) orientation
- Marketing (visitor) orientation.

Developmental aspects for a destination would include proper planning and policies both at macro and micro levels and managing them along with correct implementations. With the fast paced globalization, destination development’s main goal would be to attract more tourists for economic benefits without harming the destinations’ interests including that of the local community.
For this the destination development has to be done by:

i) Offering diverse products (due to fierce competition)

ii) Maintaining and restoring properties

iii) Sustainable development practice

iv) Building a positive image

Destination image building is extremely necessary and the development of destinations remains incomplete without it. A destination image is the expression of all objective knowledge, impressions, prejudice, imaginations, and emotional thoughts an individual or group might have of a particular place (Lawson & Baud-Bovy, 1977). Destination image, according to Etchner and Ritchie (1991), is composed of perceptions of individual attributes (e.g., friendliness of the people, climate) as well as more holistic impressions (i.e., mental pictures and imagery) of the place. Destination image may also be affected by the social meaning attributed to the environment in which the destination is located. For example, a destination located in a countryside may elicit very different perceptions and impressions than a destination located in the middle of a city. Images held of destinations are important because they influence both the decision-making behavior of potential tourists (Crompton, 1979; Mayo 1975) and levels of satisfaction regarding the tourist experience (Chon, 1992).

2.9 PERSPECTIVES ON DESTINATION COMPETITIVENESS

Some researchers claim that a destination is competitive to the extent that its market share of tourism (measured in visitor numbers or expenditure) is high and/or growing (Harteserre 2000, Hassan 2000). This indicator accords with the commonly held view that competitiveness is essentially linked to visitor numbers or visitor expenditure.

"Competitive strategy is the search for a favourable competitive position in an industry. It aims to establish a profitable and sustainable position against the forces that determine industry competition" (Porter 1985). The search for the forces and factors that determine
the competitiveness of the tourism industry is an area that has not been fully explored (Dwyer et al. 2003a). In tourism context, the concept of competitiveness has been applied to different settings. Various authors have linked competitiveness to economics, marketing and strategic perspectives, price, quality and satisfaction.

A destination can be said to be competitive if its market share, measured by visitor numbers and financial returns are increasing (Hassan 2000). This approach supports the widely held view that competitiveness should be linked to high visitor numbers and increasing destination income. Recent studies have shown that growth in tourism often crowds out other economic activities; hence tourism simply replaces the industries that have been there before, to other researchers (Buhalis 2000), destination competitiveness is linked to the economic prosperity of the residents of the country. Because of the multifaceted nature of the tourism industry and the diversity of the industries that are involved in making destinations competitive, it is important to look beyond inter firm rivalry (Hassan 2000). Destination competitiveness could be associated with the ability to deliver an experience that is more satisfying than that offered by other destinations. Pearce (1997) posit destination competitiveness as the techniques and methods that can be used to analyze and compare the diverse attributes of destinations in the context of planning. The evaluation of the major destination components can provide a better understanding of the competitiveness of such destinations. Competitiveness in tourism destinations has also been discussed from an environmental perspective (Mihalic 2000).

According to other researchers destination competitiveness is associated with the economic prosperity of residents of a country (Crouch and Ritchie 1999, Buhalis 2000). Development designed to attract international visitors may have a range of purposes. Ultimately, however, it seems reasonable to focus attention on economic prosperity. That is, nations' (or destinations) compete in the international tourism market primarily to foster the economic prosperity of residents. Other objectives may hold: of course- the opportunity to showcase the country as a place to live, trade with, invest in, do business with, play sport against, etc. Tourism may promote international understanding, peace, and goodwill. But, in long term, the economic well-being of residents is of central concern to the notion of destination competitiveness.
Although the end result of achieving destination competitiveness might well be enhanced economic prosperity for residents, it should be emphasized that the link between tourism numbers (expenditure) and economic contribution is not always obvious. Thus recent studies of tourism's economic contribution to an area using Computable General Equilibrium modeling reveals that the expansion of tourism will often “crowd” other economic sectors, resulting in a change in the composition of industry rather than an expansion of economic activity (Adams and Parmenter 1992, Dwyer and Forsyth 1998; Dwyer, Forsyth, Madden and Spurr 2000). More specifically, the economic impact of tourism will depend upon an economy's situational conditions such as factor constraints, industry structure, profile of traditional exports and import competing industry, exchange rate regime and current government macroeconomic policy stance (fiscal, monetary, labour market). (Dwyer, Forsyth, Madden and Spurr 2000).

A large number of variables appear to be linked to the notion of destination competitiveness. These include objectively measured variables such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry, as well as subjectively measured variables such as .richness of culture and heritage., .quality of the tourism experience, etc. Thus, for example, competitiveness has been defined as the ability of a destination to maintain its market position and share and/or to improve upon them through time. (Hartserre 2000: 23). Hassan (2000) defines competitiveness as the destination's ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors.

Given the diversity of industries that need to be involved in making destinations become competitive, it is essential to look beyond rivalry among firms (Hassan 2000). Destination competitiveness would appear to be linked to the ability of a destination to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered to be important by tourists. Dwyer, Forsyth and Rao (2000) state that .tourism competitiveness is a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of a destination.

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Poon (1993) suggests four key principles which destinations must follow if they are to be competitive: put the environment first, make tourism a leading sector; strengthen the distribution channels in the market place, and build a dynamic private sector. Clearly these principles are too broad and general to be meaningful to tourism stakeholders and policy makers. Go and Govers (1999), in a study of conference site selection, measure a destination’s competitive position relative to other destinations along seven attributes—facilities, accessibility, quality of service, overall affordability, location image, climate and environment, and attractiveness. The selected attributes appear not to be based on any model of competitiveness, however, and, in any case, apply specifically to the conventions sector of tourism.

Dwyer, Forsyth and Rao (2000) have provided the most detailed study on tourism price competitiveness published to date. Measures of price competitiveness may be expected to play an important part in any framework of overall price and non-price tourism competitiveness. Salah Hussan has recently introduced a new model of competitiveness that focuses on environmental sustainability factors associated with travel destinations (Hassan 2000). Hassan points out four determinants of market competitiveness. These are: comparative advantage (includes those factors associated with both the macro and micro environments that are critical to market competitiveness; demand orientation (the destination’s ability to respond to the changing nature of the market demand); industry structure (existence or absence of an organised tourism-related industry); and environmental commitment (the destination commitment to the environment). Underlying his model is a conviction that a global perspective to understand key determinants of market competitiveness is critical for the tourism industry to sustain its growth and vitality (Hassan 2000).

Two international tourism journals have devoted entire issues to the theme of destination competitiveness. The journal Tourism in a special issue, Competitiveness in Tourism and Hospitality (Volume 47, Number 4, 1999), featured articles which addressed price competitiveness by journey purpose (Dwyer, Forsyth and Rao), the international competitiveness of Croatia’s hotel sector (Cizmar and Seric; Osmagic-Bedenik); the role of public administration in the competitiveness of Spain’s tourism industry (Bueno); and
the competitiveness of Alpine destinations (Pechlaner). The journal *Tourism Management*, in its special issue *The Competitive Destination* (Volume 21, Number 1, February 2000), included articles that address destination price competitiveness (Dwyer, Forsyth and Rao), competitiveness variables in the area of destination policy, planning and management (Crouch and Ritchie), overall destination competitiveness (Hauteserre; Buhalis; Go and Govers), competitiveness and transport (Prideaux), and competitiveness and the environment (Mihalic).

Bruce Prideaux, in an attempt to develop a framework for analyzing bilateral tourism flows, classifies the various influences on tourism flows under four main headings—government responsibilities, private sector factors, intangible factors and external political and economic factors (Prideaux 2000). Essentially, Prideaux is proposing a framework of destination competitiveness, although he does not label it as such. It is therefore useful to discuss each of the elements of his proposed framework.

1. *Government Responsibilities*

Prideaux argues that governments are responsible for developing and maintaining international relations thereby creating the conditions necessary for the development of bilateral trade. Tourism is one trade sector that requires substantial government-to-government agreement on a range of issues, including recognition of visas and agreement on the operation of transport links. Factors effecting bilateral tourism at the government level include: diplomatic recognition, government policy (restrictions on outbound travel and currency taken from country, restrictions in inbound tourism, visa requirements, and transport policy (bilaterally negotiated air services agreements, destination promotion, regulations, government supplied goods and services (infrastructure, health care facilities, education etc.) and economic policy.

2. *Private Sector Factors*

Prideaux recognizes that the operation of the private sector will also influence the strength of bilateral tourism flows. Investment in a variety of businesses in different sectors is required to meet customer needs for accommodation, food and beverages,
entertainment, transport, touring and sightseeing etc. Relevant factors include: provision of travel infrastructure, the domestic price levels (including differential inflation rates compared to competitor destinations), efficiency of the national economy (affecting cost of utilities, rate of economic growth).

3. **Intangible Factors**

These factors are associated more with the natural endowment, national character and national icons than the operation of the economy (Prideaux 2000). The quality of the nation’s attractions including its heritage and culture can influence tourism flows and so will destination image.

4. **External Economic and Political Factors**

Prideaux recognizes that some factors influencing tourism flows are beyond the control of the destinations linked on a bilateral basis. The following factors, generally associated with the operation of the global economy, can influence tourism flows: price competitiveness (which Prideaux, wrongly, labels as competition.), the state of international relations, exchange rates, income effects (real rates of economic growth in origin markets) and substitution effects (tourist price elasticity of demand).

While the Prideaux framework provides a useful way of categorizing factors influencing tourism flows it is not grounded conceptually on concepts of destination competitiveness. To adequately understand tourism flows between origins and destinations we must understand the factors underlying destination competitiveness.

Kim (2000) has developed a competitiveness model for the tourism industry and its indicators. It seems that Kim's model may be arbitrary. But it is worth examining the model and indicators in terms of expanding research related to tourism competitiveness model and indicators. Kim's model of competitiveness in the tourism industry has four dimensions of competitiveness.
Firstly, subject, environment and resources are the primary sources of competitiveness. Tourism policy, tourism planning, tourism management, tourism investment and tourism taxation rates and prices are the secondary sources of competitiveness. The tertiary sources of competitiveness are tourism infrastructure, a reception system, and attractiveness of resources, publicity and tourism manpower. Finally, the fourth sources of competitiveness are tourism demand, tourism employment, tourism performance and tourism export. These four dimensions of competitiveness are the dominating determinants of competitiveness in the tourism sector.

1) Primary Sources of Competitiveness

2) Secondary Sources of Competitiveness

3) Tertiary Sources of Competitiveness

4) Fourth Sources of Competitiveness (Resultant Sources of Competitiveness)

Kim(2000) regards the above seventeen factors in resources of competitiveness as determinants dominating national competitiveness in the tourism sector. These factors are indicators for evaluating competitiveness. The four dimensional sources of competitiveness have different weight. Kim states that, according to the results of research analysis by tourism experts in Korea, the fourth sources of competitiveness has much more weight than other sources.

2.10 DESTINATION COMPARATIVENESS & COMPETITIVENESS

The advent of globalization has coincided with a boom in the tourism sector. Tourism being a multidisciplinary phenomenon is influenced by a range of economic, technological, societal, legal, political and even psychological forces. The continuous quantitative growth of tourism has been accompanied in the last decades by significant quantitative changes which need new policies and strategies to reinforce the competitiveness of tourism destinations.
In an increasingly saturated market the fundamental task for the destination management, understands how tourism destination comparativeness can be enhanced and sustained. Comparativeness of a tourist destination is an important factor that positively influences the growth of the market share. Therefore tourism managers have to identify and explore comparative advantages and analyze the actual comparative position. Comparativeness is a broad concept, which can be observed from different perspectives: through products, companies, branches of the economy or national economies, in the short run or the long run. In general terms, the notion of destination competitiveness should be consistent with the notion of competitiveness in the international economics and international business literature. Destinations compete primarily for economic reasons with the aim of attracting more tourist expenditure, nevertheless, competitiveness is linked to the ability of a destination to deliver goods and services that perform better than other destinations on its overall “appeal” and the tourist experience offered.

In order to be competitive, any organization must provide products and services, which must satisfy the never ending desires of the modern consumer. For such products and services, customers or clients are willing to pay a fair return or price. Comparative advantage seems to relate to things like climate, beautiful scenery, attractive beaches, wildlife etc.

Comparative factors are close to primary tourism supply (natural, cultural and social attractiveness). We can never reproduce them with the same attractiveness. On the other hand, competitive advantage relates to tourism infrastructure, the quality of management, the skills of the workforce, government policy etc. (Ritchie and Crouch 1993). Competitive factors refer to secondary tourism supply. They can be produced and improved by the tourist firms or governmental policy. Both kinds of factors are co-dependent. Without secondary tourism supply the tourism destination is not able to sell attractions, e. g. primary tourism supply on a tourist market, and without primary supply the tourism infrastructure is not useful.

To understand the competitiveness & comparativeness of tourist destinations, we should consider both the basic elements of comparative advantage as well as the more advanced
elements that constitute competitive advantage. Where comparative advantages constitute the resources available to a destination, competitive advantages mean a destination’s ability to use these resources effectively over the long-term. Destination with a wealth of resources may sometimes not be as competitive as a destination with a lack of resources.

A destination that has a tourism vision, shares the vision among all the stakeholders, has management which develops an appropriate marketing strategy and a government which supports tourism industry with an efficient tourism policy, may be more competitive than one that has never asked what role tourism is to play in its economy (Crouch and Ritchie 1999).

Destination comparativeness appears to be linked to the destination’s ability to deliver goods and services that perform better than other destinations. A large number of variables are linked to the notion of destination competitiveness. They can be quantitative, such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry, or qualitative measured variables, such as richness of culture and heritage, quality of tourism services, etc.

The main elements of competitiveness highlighted in the presentation here. The model was developed in a collaborative effort by researchers in Korea and Australia (Dwyer, Livaic and Mellor 2003).

Figure 2.1  A Model of Destination Competitiveness (Dawyer:2003)
This model is displayed schematically above. The model brings together the main elements of national and firm competitiveness as proposed in the wider literature and the main elements of destination competitiveness as proposed by various tourism researchers, Crouch and Ritchie in particular. The integrative model proposed here contains many of the variables and category headings identified by Crouch and Ritchie (1995, 1999) and Ritchie and Crouch (1993, 2000) in their comprehensive framework of destination competitiveness, but differs some important respects. The present model explicitly recognizes demand conditions as an important determinant of destination competitiveness. It also explicitly recognizes that destination competitiveness is not an ultimate end of policy making but is an intermediate goal towards the objective of regional or national economic prosperity.

In the above Figure 2.1 the Resources category is divided into two types: Endowed (inherited) and Created. Endowed Resources, in turn, can be classified as Natural (mountains, lakes, beaches, rivers, climate etc.) and Heritage or Cultural (cuisine, handicrafts, language, customs, belief systems etc.). Created Resources include tourism infrastructure, special events, the range of available activities, entertainment and shopping. In the model presented here, Supporting Resources (or enabling factors) include general infrastructure, quality of service, and accessibility of destination, hospitality and market ties. Endowed and Created Resources are each allocated their own box, as is Supporting Factors and Resources. As Crouch and Ritchie state, ‘Whereas the core resources and attractors of a destination constitute the primary motivations for inbound tourism, supporting factors and resources exert more of a secondary effect by providing a foundation upon which a successful tourism industry can be established’ (1999: 148). These include general infrastructure, quality of service, and accessibility of destination, hospitality and market ties. In the integrated model presented here, these three boxes are, in turn, grouped within a larger box, indicating that destination competitiveness depends on the value added to core resources by these other factors.

Situational Conditions are forces in the wider external environment that impact upon destination competitiveness. Situational conditions relate to economic, social, cultural, demographic, environmental, political, legal, governmental, regulatory, technological,
and competitive trends and events that impact on the way firms and other organizations in the destination do business, and present both opportunities and threats to their operations (David, 2001). These conditions correspond to the Qualifying and Amplifying determinants as identified by Crouch and Ritchie (1999). For present purposes it is useful to regard the situational conditions as falling within one of two interactive and interrelated contexts of organizations operating in the destination— the operating environment and the remote environment. The operating environments of the different private- and public-sector institutions in a destination are important because, to a large extent, the conduct and performance of these institutions depends on the overall structure of the industry in which they are situated (McGee, 1988; Porter, 1980, 1990). The remote environment comprises those forces and events outside the destination that constrain the strategic options of organization managers but over which management have no control (Johnson & Scholes, 1997: 89; Tribe, 1999: 158).

Destination Management factors are those that ‘can enhance the appeal of the core resources and attractors, strengthen the quality and effectiveness of the supporting factors and resources and best adapt to the constraints imposed by the [situational conditions]’ (Crouch & Ritchie, 1999: 149). The category includes the activities of destination management organizations, destination marketing management, destination policy, planning and development, human resource development and environmental management (Ritchie & Crouch, 2000). In the model presented here, a distinction is made between destination management activities undertaken by the public sector and Destination Management undertaken by the private sector. Included among the activities of the public sector we would find the development of national tourism strategies, marketing by the NTO, national and regional manpower programmes, environmental protection legislation etc. Included among the activities of the private sector we would find those of tourism/hospitality industry associations, industry involvement in and funding of destination marketing programs, industry training programmes, industry adoption of ‘green’ tourism operations and so on.

The model contains a separate box for Demand Conditions. This category comprises three main elements of tourism demand-awareness, perception and preferences.
Awareness can be generated by various means including destination marketing activities. The image projected can influence perceptions and hence affect visitation. Actual visitation will depend on the match between tourist preferences and perceived destination product offerings. A destination’s product must develop in a way that ‘matches’ the evolving consumer preferences, if the destination is to enhance or even maintain competitiveness.

The single direction arrows from Supporting Resources to Endowed Resources and Created Resources indicates that the mere existence of such resources is insufficient to generate visitation to a destination in the absence of tourism infrastructure (accommodation, transportation, restaurants), organized activities, entertainment, shopping and so, on which enable or facilitate visitation. Such attributes represent ‘value added’ by organizations in the destination to the overall tourism product.

There are two-directional arrows linking both Created Resources and Supporting Resources to Demand and to Destination Management. These arrows indicate a two-way causal link. Thus, specific features of Created Resources and Supporting Resources influence Demand, whilst the nature of Demand Conditions, specifically tourist preferences and motives for travel, influence the types of products and services developed within a destination. In similar vein, specific features of Created Resources and Supporting Resources influence Destination Management to achieve and maintain sustainability whilst the activities of public- and private-sector tourism organizations influence types of products and services developed.

The box representing Destination Competitiveness is linked backwards to the various determinants of competitiveness and forwards to one representing Socioeconomic Prosperity, indicating that destination competitiveness is itself an intermediate goal towards a more fundamental aim of socioeconomic well-being for residents. Each of these objectives is associated with a set of indicators. Indicators of destination competitiveness are many and varied and comprise both subjective attributes (destination ‘appeal’, ‘scenic beauty’) as well as those that are more objectively determined (destination market share, foreign exchange earnings from tourism). Indicators of
Socioeconomic Prosperity relate to key macroeconomic variables including productivity levels in the economy, aggregate employment levels, per capita incomes, rate of economic growth and so on (Dawyer:2003).

2.11 CONCLUSION

The present literature review gives an understanding of the tourism and tourist destination. Through the review of the literatures it may be concluded that tourism is dichotomy by nature as it is seen both as a social activity and as an industry. While technically, tourism can be viewed through the types and activities of tourists, conceptually it is seen in the perspective of anthropology i.e., motivation, function and impact. After a detailed study one can sum up that tourism is an activity that involves travel to a different place (other than where he resides) by strangers commonly known as tourists for a particular time, temporarily, in order to gain experiences on his or her interest.

Destination on the other hand can be viewed in two aspects, the demand side and supply side. The demand aspect involves the attraction that the destination holds and the supply aspect include the experiences of the tourists. Destination is better viewed as a package of demand and supply dimensions i.e., attractions and activities along with the experiences that a tourists undergo while his stay in a particular place.

While researchers have different opinions on the destination image determinants, they unanimously agree to the fact that image of a destination corresponds an overall impression of the destination globally. The determining components vary from one researcher to the other giving rise to at least two determining components for destination image namely a) Cognitive and b) Evaluative.

Static and Dynamic approaches to image formation process of destinations are widely debated. A widely accepted fact that has come out firmly from the reviews of related literature is that destination image influences destination choice of the tourists and appropriate positioning can lead to increase in tourist demand and subsequent tourist
satisfaction. As images create perception, the intangibility character of destination/tourism product makes it more difficult to market them.

Researchers have thrown light on the aspects of destination marketing as it plays a crucial role in communicating the intangible experiences offered by the destinations. According to the reviews destination marketing not only help to develop and retain popularity of the place but also help the stake holders to gain their respective interests. Creating a destination image, positioning it properly and doing a positive publicity of the destination are all different ways of marketing destinations.

The study of destination marketing and destination image will be incomplete without a clear understanding of destination attractiveness and tourism product. Different views have been gathered that gives a wider perspective of understanding of attractiveness. Attraction or tourism product is best seen in the lights of supply and demand perspectives. From the demand perspective attractiveness can be seen as:

1. Primary Element that appeals
2. Key Motivators
3. Fundamental reasons for visit
4. Pull factors
5. Range of activities

It can be further grouped as Cultural, Natural, events, Recreation, Entertainment and so on. Tourism products are the bundle of experiences and services that a tourist avails at a destination. From the supply angle tourism products can be tourist oriented (tourists’ needs), Host Oriented (residents’ need) and Background element (core attractions). The rate of attractiveness can be influenced by the destinations’ a) External Factors b) Internal factors. These factors can be further expanded as economic, sociocultural, natural, created, political etc.

In the context of tourism system, the components of tourism system framework have been discussed by researchers with different insights. They can be comprehensively compiled as
a) Origin or Tourists demand
b) Destination attraction or Tourism supply
c) Tourism linkages or the services like transport, infrastructure, publicity etc.

Hence it can be seen that tourism system comprises of demand and supply perspective. It is widely accepted that through well maintained tourism supplies and creating a favourable image, the demand of a destination can be influenced.

The literature review has brought forward four groups of thoughts for the system understanding of tourism namely the early explicit model, origin destination mode, structural model and evolutionary model. Apart from the groups Lea’s theory of tourism system study though arises a lot of debate and disagreement, stands as a well established fact that most of the tourists movement happens from the developed to the developing nations.

The conceptual framework of tourism and development look into the four paradigms of development and discusses them with the relevance of tourism. In can be seen that experience, enjoyment, regional development, industry perspectives, and sustainable development are the main focuses which are extremely important in the field of tourism. Linkages of tourism and development discipline is incomplete without the clear understanding of the impact, both positively and may be negatively, that tourism have on the economy, society, culture and environment of the destination.

Developmental studies of destinations not only give a clear understanding of the dimensions of the destinations but also throw light on the planning and policy aspects of the destination both at micro and macro level. A developed destination is said to be more competitive. Competitiveness of a destination is determined by market share of tourism. Different schools of thought opine competitiveness differently. Some linked it with economies, marketing, price, quality or satisfaction or may be the experience it offers. Destination competitiveness can be developed through proper Government responsibilities, Private sector participation, Enhancing and maintaining the quality of the intangible factors and by maintaining bilateral issues like external economic and political
factors. The key determinants of Comparativeness are the primary tourism supply while that of Competitiveness are the secondary tourism supply.

Comparativeness of a destination positively influence the image of a destination which results in increasing demand of the destinations and further results in better market share. The model of destination competitiveness of Dawyer gives an in-depth insight to the understanding of demand conditions as an important determinant of destination comparativeness. Resources have been categorized as two types namely endowed and created. Supporting resources are the enabling factors which provide assistance to the tourists. These factors increase the competitiveness of a destination and hence give the destination a comparative advantage.

2.12 REFERENCE


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