



APEC Study Series 00-03

A Model Development for Measuring Global Competitiveness of the Tourism Industry in the Asia-Pacific Region

Chulwon Kim

**KOREA INSTITUTE FOR
INTERNATIONAL ECONOMIC POLICY
KOREA NATIONAL COMMITTEE FOR
PACIFIC ECONOMIC COOPERATION**

**A MODEL DEVELOPMENT FOR MEASURING GLOBAL
COMPETITIVENESS OF THE TOURISM INDUSTRY IN THE
ASIA-PACIFIC REGION**

Chulwon Kim

**KOREA INSTITUTE FOR
INTERNATIONAL ECONOMIC POLICY**

Executive Summary

This study developed the evaluation model of competitiveness, and suggested "four dimensional sources of competitiveness". The primary sources of competitiveness include the subject, environment, and tourism resources. The secondary sources of competitiveness are comprised of tourism policy, tourism planning, tourism investment, tourism tax and prices, and tourism management. The tertiary sources of competitiveness include tourism infrastructure, tourism reception system, tourism attractiveness, tourism publicity system, and tourism manpower. The fourth sources of competitiveness are comprised of tourism demand, tourism employment, overall tourism performance, and tourism export. These four sources of competitiveness are determinants which dominate competitiveness in the tourism sector.

The constantly growing number of travel destinations, and the enhanced quality of existing ones, is putting great pressure on those responsible for a given destination to find better ways to compete in the tourism marketplace and to do so in a sustainable manner. The first step in achieving this goal is to better understand those forces and factors that determine the competitiveness of major tourism destinations

Given the wide-ranging nature of the concept, and the problems of application, it is not surprising to find that there is no unique measure for competitiveness. The notion of *tourism* competitiveness must be consistent with the notion of 'competitiveness' in the international economics and international business literature. The literature on international competitiveness was critically reviewed with a view to developing a framework suitable for tourism research.

This research uses a concept of tourism competitiveness, mixing with national competitiveness, like the concept of M. Porter. Competitiveness in the tourism sector is defined as the ability of the tourism market environment and conditions, tourism resources, tourism human resources, and tourism infrastructure in a country create an added value and increase national wealth. That is to say, "the competitiveness in the tourism sector" is not only a measure of potential ability, but also an evaluation of present ability and tourism performance.

By this study, it is expected that a measurement to compare strengths and weaknesses in the tourism industry of every country will be developed, and that mutual cooperation among nations will be promoted to develop national, overall competitiveness in international tourism. This means that international cooperation should be strengthened through development of evaluation indicators of competitiveness. In the international tourism market every nation finds a way to strengthen international competitiveness through common efforts. Strategic cooperation among tourism industries, expansion and utilization of investment for a high value-added tourism industry, construction of tourism information system, and international cooperation among businesses for specialization of high-quality tourism can be suggested. For example, countries holding a dominant position in a field will increase attractiveness in the overall international tourist destination, and create much stronger potential power, as supporting other countries, and constructing cooperation system with their neighbour countries.

On the other hand, policies for positioning and raising the existing tourism industry, strategically supporting and improving, and developing a new category of tourism business can also be suggested.

According to the above, the following program of five stages for strengthening the competitiveness of every country in the international tourism community was deduced. In the first stage, changes in the international market are identified, and the position taken by each country. The second stage is to analyze the reasons for those positions to find key points to strengthen competitiveness. In the third stage, every country sets up its vision to demonstrate its potential power to the highest level, and to establish the purpose for objective measurement and scientific proof. In the fourth stage, every country recognizes the level of competitiveness and the reason why a gap of competitiveness exists. It is essential to construct an international cooperation system for choosing effective system and policy to bring about the highest continual benefit. The fifth stage is to suggest a substitute plan and establish an action program.

Dr. Chulwon Kim, earned Ph.D. in Recreation, Parks and Tourism Sciences from the Texas A&M University. He specializes in international tourism cooperation, tourism management, and social tourism.

Corresponding Address: *Korea Tourism Research Institute*, Naeja Bldg., 1-38, Sinmunno 2 -ga, Chongno-gu, Seoul, 110-062, Korea; (Tel) 822-3704-0621; (Fax) 822-723-3015; (E-mail) cwkim@ktri.re.kr

Contents

Executive Summary	1
I. Background	6
II. Literature Review	9
1. Debate on Competitiveness / 9	
2. Definitions of Competitiveness / 10	
3. Indicators of Competitiveness / 13	
4. Framework of Competitiveness / 14	
5. Tourism Competitiveness/25	
III. Developing Indicators and a Model of Tourism Competitiveness	28
1. Selection of Evaluation Indicators of Competitiveness / 29	
2. Verification of Evaluation Indicators of Competitiveness in the Tourism Sector / 33	
3. Development of a Competitiveness Evaluation Model of the Tourism Industry / 34	
4. Evaluation Indicators of Competitiveness/40	
5. Evaluation Method and Procedure /46	
IV. Conclusion and Policy Implications	49
References	51
.....	58

Table and Figure Contents

Table Contents

1. Selected Definitions on Competitiveness	11
2. Indicators Suggested to Understand and Measure Competitiveness	13
3. WEF Indicators of Competitiveness	23
4. Quantitative Indicators of Competitiveness in the Tourism Sector	31
5. Qualitative indicators of competitiveness in the tourism industry	32
6. Competitiveness evaluation indicators in the tourism industry	42
7. Quantitative Evaluation Indicators of Competitiveness	43
8. Qualitative Evaluation Indicators	45

Figure Contents

1. Porter' s Framework for International Competitiveness	16
2. Cho' s Nine Factor' s Model for International Competitiveness	21
3. Conceptual Model of Destination Competitiveness	27
4. Proposed Model for Measuring Competitiveness	39
5. Process of Measuring Competitiveness of the Tourism Industry	47
6. Steps for Evaluating Competitiveness of the Tourism Industry	48

I. Background

Tourism makes a significant economic contribution to the APEC region and APEC member economies. It is recognized that this contribution includes: 1) a key source of economic demand and growth in demand; 2) a major employer of both women and men at all economic levels and generator of sustainable employment opportunities; 3) a significant earner of foreign exchange; 4) an important generator of business opportunity for small and medium sized enterprises; 5) an effective vehicle for dispersing economic benefits within and between economies, particularly at provincial level; 6) an important contributor to the achievement of governments' economic and fiscal goals; and 7) a catalyst for partnership between the public and private sectors (APEC Tourism Charter 2000).

Tourism's economic contribution is highlighted by estimates provided by the World Travel and Tourism Council (WTTC) that tourism and travel in the APEC region presently accounts for more than 100 million jobs, generates over US\$2 trillion in travel and tourism related demand and approximately US\$400 billion in export earnings.

Furthermore, tourism within the APEC region accounts for one quarter of world international visitor arrivals and more than one third of global international visitor expenditure. Of greater significance is that more than three quarters of international visitor arrivals in the APEC region are generated by APEC economies, i.e. it is intra regional.

It is also forecasted that by 2010 employment in travel and tourism in the APEC region will increase by more than one quarter (more than 30 million new jobs), and export earnings will increase by almost two thirds. Total tourism and travel demand in 2010 is expected by the WTTC to exceed US\$3 trillion (WTTC 2000)

However, the Asia-Pacific tourism industry's capacity to continue to expand will depend substantially on its ability to continue to prosper in an increasingly competitive international market place.

The issue of competitiveness is one which the business community, not least in the tourism sector, must increasingly address in the face of growing globalization and more

intense domestic competition. It is an issue which is receiving increasing attention by industry, government and academia and is an international phenomenon, not restricted to any particular countries.

With increasing pressure for the opening up of foreign markets, as seen in the establishment and work of the World Trade Organization, businesses - and specifically tourism businesses - can no longer rely on protectionist policies by their governments to ensure their survival. Businesses now face the double threat of greater international competition to attract tourists on the one hand, and on the other from multi-national businesses which are increasingly moving into domestic markets. Any business which does not maintain a high level of competitiveness will be unable to withstand these pressures.

To ensure that the benefits from increasing globalization are shared, all countries need to ensure that they have the necessary level of competitiveness to share in those benefits. However, it is not always clear as to where inefficiencies which could be rectified might exist. To address this, it is proposed that standard indicators of “competitiveness” be developed, which allow consistent comparison between countries and between industries within the tourism sector. These measures should enable countries to identify those areas where their level of competitiveness may not be high, so that appropriate focus can be placed where improvement is needed.

In addition to the international perspective, such indicators, when applied to specific industries within the tourism sector, will help to identify in which particular industries inefficiencies occur, so that these can be addressed to the mutual benefit of the whole sector.

Tourism sector competitiveness is influenced by a range of factors, not the least of which is the price competitiveness of the tourism product in each country in the region. Moreover, the adoption of an optimum pricing structure will contribute significantly to maximizing the industry's economic well-being.

The relative cost of competing destinations can have a significant influence on the choice of travel destination by potential consumers. Accordingly, it is important to have an understanding of the cost structure of the tourism industry in each country and how it compares with competing destinations.

For many of the region's tourism markets, Asia-Pacific destinations are viewed as long haul destinations and the costs associated with travelling both to and within the region could be expected to represent a major component of an inbound visitor's overall travel costs.

It is important to understand the effect on the region's countries competitiveness of changes in the major cost components. For example, significant increases in commercial accommodation prices may impact significantly the overall cost of travel to particular countries, and result in a loss of competitiveness in those countries.

It is also important to understand that there are many non-price factors affecting the competitive advantage of countries in the Asia-Pacific region vis-a-vis other countries. These include:

- 1) Geographic proximity to wealth and population
- 2) The political stability of a country or the surrounding region will affect its attractiveness as a destination to the extent that this influences safety considerations, actual and perceived.
- 3) The policy environment of the destination. For example, the microeconomic reform agenda in Korea has enhanced its competitiveness as a destination through the impact of deregulation on the price and quality of domestic air services.
- 4) Impact of events (for example, in Korea the Seoul 1988 Olympic Games and 2002 World Cup). These can have a significant short-term effect on visitor numbers as well as a longer-term promotional effect.
- 5) For long haul destinations, international airfares, routings and seat availability.
- 6) Natural and man-made attributes affect the competitive position of a destination. These often less easily quantifiable aspects of the tourism experience, such as the quality, uniqueness and range of tourism products, affect its appeal as a place to visit and the effectiveness of the marketing of the destination.
- 7) Advertising and promotional activities are fundamental catalysts by virtue of the role they play in stimulating the overseas markets' awareness of, and interest in, travelling to a destination.

The factors affecting competitiveness are also likely to be transient over time. If this is the case, this suggests that any agreement on a common set of indicators or variables

will need to be regularly reviewed and that constant surveillance and analysis of factors are necessary if the dynamics of markets are to be properly understood.

The purpose of this study is to develop a model and indicators of competitiveness which will enable comparison between countries and between tourism sector industries. A model of competitiveness and a series of workable indicators should be developed, suitable for implementation in the APEC economies.

The development of a method of evaluating competitiveness in the tourism industry will be a new approach to improving the efficiency of the tourism sector. It is also expected that by providing internationally comparable measures of the economic strengths and weaknesses of each country's tourism sector, cooperation between countries to improve the overall competitiveness of the region's industry will be facilitated. Countries within the region which are strong in one area of competitiveness can work with and assist others in the region to improve their efficiency in this area so that the region becomes more attractive and available to a larger potential market.

II. Literature Review

1. Debate on Competitiveness

The study of international competitiveness has emerged as a "frontier area" for international business research (Buckley 1991). This development stems from strong research traditions that already exist in the areas of competitive strategy (e.g. Rugman 1985; Porter 1985). In addition, there is a significant body of empirical work examining export performance issues (Bonaccorsi 1992). While research in this latter area highlights key contributors to some measure of export "success," most studies focus on manufacturing firms, with little attention given to service organizations. Further, few studies have explicitly focused on examining international competitiveness measures relevant to and used by managers -measures that encompass competitive advantage issues, managerial processes, and market performance.

Despite all the discussions on competitiveness however, no clear definition or model has yet been developed. It has proved to be a very broad and complex concept, defying attempts to encapsulate it in universally applicable terms. It is a complex concept because

a whole range of factors account for it. Competitiveness is both a *relative* concept (ie. compared to what?) and is *multi-dimensional* (ie. what are the salient attributes or qualities of competitiveness?) (Spence and Hazard 1988).

There is even an ongoing debate about the "entity" of competitiveness. The notion of competitiveness can apply to 'bloc' economies, entire countries, regions within countries, industry sectors, individual firms, and even to individual products and services of firms (Moon and Peery 1995).

2. Definitions of Competitiveness

The definitions offered in the literature provide both a micro and a macro connotation for the term. From a macro perspective, competitiveness is a national concern and its ultimate goal is to improve the real income of its citizens. It is a very broad construct encompassing all social, cultural, and economic variables affecting the performance of a nation in international markets. On the other hand, from a micro perspective, it is seen as a firm level phenomenon; firm-specific behaviors determine competitiveness.

One of the primary goals of organizations in a free enterprise system is to be competitive. In order to be competitive, any organization must provide products and services for which customers or clients are willing to pay a fair return or price. In the long run, in a free enterprise system, competitiveness is measured by the ability of the organization to stay in business and to protect the organization's investments, to earn a return on those investments, and to ensure jobs for the future.

Table 1 lists several different macro definitions of competitiveness that have appeared in the literature. It is these macro definitions, rather than the micro definitions, that are more related to destination competitiveness.

Table 1. Selected Definitions on Competitiveness

“Competitiveness is the degree to which a nation can, under free and fair market conditions produce goods and services that meet the test of international markets while simultaneously maintaining or expanding the real incomes of its citizens.”

(Report of the President's Commission on Industrial Competitiveness, 1985)

“...refers to a country's ability to create, produce, distribute and/or service products in international trade while earning rising returns on its resources.”

(Scott and Lodge, 1985,p.3)

“...ability of country to realize central economic policy goals, especially growth in income and employment, without running into balance of payments difficulties.”

(Fagergerg, 1988, p.355)

“Competitiveness is a country's capacity to sustain and expand its share of international markets and at the same time to improve its people's standard of living.”

(Fajnzylber, 1988, p.12)

“International competitiveness means the ability of a country's producers to compete successfully in world markets and with imports in its own domestic market. Competitiveness is generally measured by results by the shares which a country attain in its markets, due allowance being made for its size and stage of development. Competitiveness in this very general sense comes to being synonymous with overall economic performance.”

(His Majesty's Treasury, UK, 1983, p.1)

“...the degree to which a country can, under free and fair market conditions, produce goods and services which meet the tests of international markets while simultaneously maintaining and expanding the real incomes of its people over the longer term.”

(OECD World Competitiveness report 1997)

“Competitiveness is an economy's capacity to improve or maintain its relative standard of living with respect to economies of similar character (e.g. developed countries) without lasting deterioration in its external position.”

(UNICE 1993 as quoted in European Commission 1995:116)

“...is about creating high skills, high productivity and therefore a high usage economy.”
(UK White paper on Competitiveness; HM Government 1994)

“A competitive economy is one that exports goods and services at world prices.”
(The Economist 1994:17)

“...claims that competitiveness ‘is about producing more and better quality goods and services that are marketed successfully to consumers at home and abroad. It leads to well paying jobs and to the generation of resources required to provide an adequate infrastructure of public services and support for the disadvantaged. In other words, competitiveness speaks directly to the issue of whether a nation’s economy can provide a high and rising standard of living for our children and grandchildren.’”
(Newall 1992:94)

Competitiveness can be defined as "the capacity of businesses, industries, regions, nations or supernational associations exposed, and remaining exposed, to international competition to secure a relatively high return on the factors of production and relatively high employment levels on a sustainable basis." (European Commission 1994: 17).

Whatever the definition, the notion of competitiveness seems to involve a combination of *assets* and *processes*, where assets are *inherited* (e.g. natural resources) or *created* (e.g. infrastructure) and processes transform assets to achieve economic gains from sales to customers.

An examination of the definitions given in Table 1 reveals some distinct aspects of national competitiveness. They are as follows:

As a construct, competitiveness is a cause, an outcome, and a means to achieving a given status level. The ultimate goal of competitiveness is to maintain and increase the real income of its citizens, usually reflected in the standard of living of the country. From this perspective, the competitiveness of a nation is not an end but a means to an end; its ultimate goal is to increase the standard of living of a nation under free and fair market conditions (through trade, production, and investment).

3. Indicators of Competitiveness

The literature reveals a variation in perspective in defining, understanding, and measuring competitiveness. Perspectives in various disciplines reveal that competitiveness is a multi-faceted concept. While economists placed emphasis on price and the country-specific economic characteristics of competitiveness, the management and strategy people focused on the firm-specific characteristics, and the focus of the cultural and socio-political studies was on various social, political and cultural characteristics. Each group made convincing arguments in support of their contentions, only to reflect a diversity in their thinking.

Competitiveness has been associated with four major groups of thought. These are comparative advantage and/or price competitiveness perspective, a broad schema and empirical studies, a strategy and management perspective, and a historical and socio-cultural perspective. Each group has suggested different indicators to explain or measure competitiveness. The four perspectives are outlined in Table 2.

Table 2. Indicators Suggested to Understand and Measure Competitiveness

Study Focus/Perspective	Indicators/Measures Suggested
Comparative Advantage and Price Competitiveness	Price (including effect of exchange rate) Durand and Giorno (1987), Fagerberg (1988)
Broad Schema and Empirical Studies	Levels of technology, capital, difference of labour skill, differences in productive capabilities, management and organization, overall industrial imports, factor conditions and industry competition, exchange rate, competition, government policy and expenditure, labour management relationship, globalization, and influence of multinationals. Fakiolas (1985), Clegg (1987), Fagerberg (1988), Hilke and Nelson (1988), Porter (1990), Rugman (1991), Bellak (1993), Cartwright (1993), Hodgetts (1993), Rugman and D' Cruz (1993)
Strategy and Management Perspective	Resources of the firm (the skills of the employees, assets, cash-flow, capital/investment, human, non-human and strategic), structure of the

	<p>organization (flexibility, balance, and dynamic aspects), organization-environmental interface (source and positional advantage, organizational alignment, generic strategy, strategic planning, and customer-oriented offering), and many firm-specific variables (core competencies, imitability of products, information, intelligence system, value-added by the firm, and quality)</p> <p>Day and Wensley (1988), Yip (1989), Porter (1985, 1990, 1991), Grant (1991), and D' Cruz and Rugman (1993), Mahoney and Pandian (1992), Peters (1988), Powell (1992a, 1992b), Mathur (1992), Williams (1992), Ghoshal and Kim (1986), Parsons (1983), Porter and Millar (1985), Kogut (1985), Mahmoud et al. (1987)</p>
History, Politics and Culture	<p>Race, climate, morals, power of the state, and cultural values including power distance indicator, individualism, and moral discipline</p> <p>Aron (1966), Hofstede (1980, 1983), Ng et al. (1982), Kennedy (1987), Hofstede and Bond (1988), Aakers (1989), Franke et al. (1991)</p>

4. Framework of Competitiveness

A. Porter's Framework of Competitiveness

A very broad conceptual framework developed to explain the competitiveness of nations was presented by Michael Porter (1990). In Porter's theory, a nation's overall competitiveness stems from the micro level, that is, individual firms. Porter clearly distinguishes between the activities of individual firms in seeking success in global industries and the determinants of national advantage in promoting such success. Porter's model, popularly known as the "dynamic diamond," consists of four major factors which he suggests promote or impede the competitive advantage of the firms operating in a nation (Porter, 1990, p. 71). They are:

(1) Factor conditions: the community's contribution to production, such as skilled labor or infrastructure, necessary to compete in a given industry.

(2) Demand conditions: the nature of demand for the industry's product. A nation will succeed internationally in particular industries where a conducive home environment exists. Such an environment will be dynamic and challenging for domestic firms; it will stimulate them to upgrade and widen their advantages over time.

Domestic demand includes both the quantitative and qualitative aspects of a market. The size of the domestic market determines the minimum economy of scale of domestic companies' activities and enables them to enjoy stable demand. The domestic market may also reduce risks by working as a test market for products shipped to overseas markets.

However, the real benefits of the domestic market for competitiveness abroad come from its qualitative aspects. Consumers' expectations for quality improvement motivate businesses to strengthen their competitiveness.

In a nation where consumers have sophisticated and strict standards for product quality, as well as a high degree of consumerism, businesses tend to build strong competitiveness in the course of satisfying the most critical demand of domestic consumers.

(3) Related and supporting industries: the presence or absence in the community of supplier industries and related industries that are internationally competitive. An important distinction is drawn between the quantity of services in a domestic economy and the degree of connectivity between services and other economic activities. The latter, it is argued, is far more important in determining the size of spillovers from service innovation enjoyed within a domestic economy, hence, to international competitiveness. Particular attention is paid to the role and impact of knowledge-intensive service sectors in this regard.

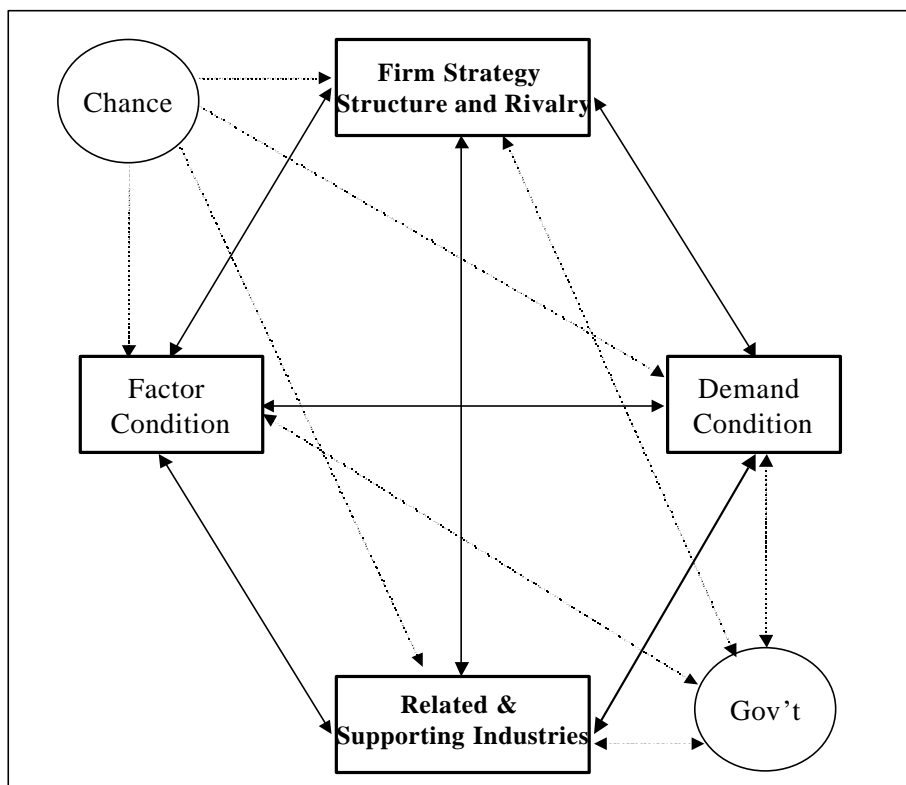
(4) Firm strategy, structure, and rivalry: the conditions in the community governing the nature of competition and the ways in which companies are created, organized, and managed. Porter (1991, 1990, 1985) sees sustainability built on securing either cost advantages or differentiation, linking the firm's value chain activities to input sellers' and output buyers' value chains. Porter's orientation leans towards cost advantages being

inherently less sustainable than advantages based on differentiation at both firm and national levels. The most important reason given for the sustainability of competitive advantage is constant improvement and upgrading (Porter, 1990, p. 51).

According to Porter, "the diamond is a mutually reinforcing system. "The effect of one determinant is contingent on the state of others". (Porter, 1990, p. 72). He indicates that the interplay of advantage among the determinants that yields self-reinforcing benefits (that are difficult for foreign rivals to nullify or replicate) ultimately determines the competitiveness of nations (Porter, 1990, p. 73).

Additionally, two factors outside the "diamond," chance (including major breakthroughs, innovations, wars, and political developments) and government policy also affect the competitiveness of nations. The role of government is particularly important in improving both physical and human factors in each stage. Government, as an external variable, can influence national competitiveness through its trade, education, and industrial policies.

Figure 1. Porter's Framework for International Competitiveness



B. Criticism of Porter

Porter's "diamond" received mixed reactions in the academic community. On the positive side, he was acclaimed for proposing a broad framework combining competitive strategy and international economics to explain the competitive advantage of nations (Grant, 1991). The strength of this model lies in the fact that it encompasses firm-specific, industry-specific and country-specific factors. By introducing the concept of the industry into the model, Porter integrated both microscopic and macroscopic perspectives on competitiveness into one framework. Prior to his publication, such a framework was not available.

On the negative side, Porter's framework has been criticized in several respects:

1) It is seen by many as a model that is more applicable to the more advanced developed nations of the world, lacking applicability in smaller or developing economies (Rugman, 1991). To overcome such criticism(s), Rugman and D'Cruz (1993) have suggested an interactive "double diamond" framework. In a "double diamond" framework the competitiveness of smaller nations would be determined by the dynamic interplay of the home country diamond and the diamond of the triad nations (US, Japan, and EC). This modification was necessary to embrace the profound influence of the triad nations on the competitiveness of the smaller nations. Studies in different countries, viz., Canada (Rugman and D'Cruz, 1993), Mexico (Hodgetts, 1993), New Zealand (Cartwright, 1993), and Austria (Bellak, 1993) upheld the views that suggested the need for modification of Porter's "diamond."

2) It has also been argued that Porter did not appropriately consider the dynamic aspects of the forces that are shaping the world; especially, the forces pertaining to globalization and the phenomenon of foreign direct investment were not properly taken into account in Porter's model (Dunning, 1992, 1993). In this connection it is argued that the dynamic interplay of the multinationals in various nations significantly affected the competitiveness of the countries in which they operated. This shortcoming in Porter's framework was also mentioned by Rugman and Verbeke (1993), who refuted Porter's assertion that foreign-owned firms did not contribute to a nation's competitiveness.

3) Many also argued that the dynamic influences of technology and international business (Narula, 1993), labor costs, and exchange rates (Daly, 1993) on international competitiveness were not duly taken into account in Porter's model.

4) By itself, this externally based orientation is not generally regarded as a very useful instrument for identifying the true sources of lasting competitive advantage. Any advantage identified by this analysis would be of short duration, as it could be copied and so competed away, absent of market failure, in a perfectly competitive market. The externally based approach to strategy is then a good ex-post facto description of external market conditions, but not particularly sensitive to the sources of sustained advantage within those conditions.

A firm's resources include its tangible assets, such as financial resources and physical facilities, as well as intangibles such as skill sets, goodwill, reputation, and brand names (Grant, 1991; Hill & Jones, 1992). Organizational knowledge is a prominent concept in the resource-based perspective.

C. Cho's Nine Factor Model of International Competitiveness

It attempts to prove that the level of competitiveness can be measured for any entities with different domains-product, firm, industry, nation, bloc, or the globe. The model suggests that the genuine purpose of its analysis of "competitiveness" should be to find ways to increase the level of "global competitiveness".

Cho's model is based on Porter's national competitiveness model (1990). These are the differences between his model and Porter's:

- subdividing Porter's internal factors into physical factors and human factors
- classifying 'government role' as an internal human factor

To identify sources of competitiveness, he proposed the "nine-factor model", which encompasses both physical and human factors.

1) Physical Factors

A) Endowed Resources: Endowed resources can be divided into mineral resources, agricultural, forestry into mineral resources, agricultural, forestry and fishery resources , and environmental sources.

B) Business Environment: Business environment can be divided into three domains: nation, industry and company. The business environment of a nation can be divided into two components: visible and invisible. Visible components include roads, ports, telecommunications facilities, and other social infrastructure needed for economic activities. Invisible components include capitalistic values possessed by the people, rules and orders observed in the market, etc. The business environment of an industry includes the number and size of competitors, the type and height of entry barriers, the degree of product differentiation, etc. The business environment of a company includes the strategy and organization of businesses and the attitudes and behaviors of the constituents in the organization.

C) Related and Supporting Industries: Related industries can be divided into vertically related industries and horizontally related industries. Vertically related industries can again be subdivided into upstream and downstream areas. Horizontally - related industries are those that use the same technology, raw materials, distribution networks, or marketing activities. Supporting industries include financial, insurance, information, transportation, and other services sectors.

D) Domestic Demand: Domestic demand includes both the quantitative and qualitative aspects of a market. The size of the domestic market determines the minimum economy of scale of domestic companies' activities and enables them to enjoy stable demand. However, the real benefits of the domestic market for competitiveness abroad come from its qualitative aspects. Consumers' expectations for quality improvement motivate businesses to strengthen their competitiveness.

2) Human Factors

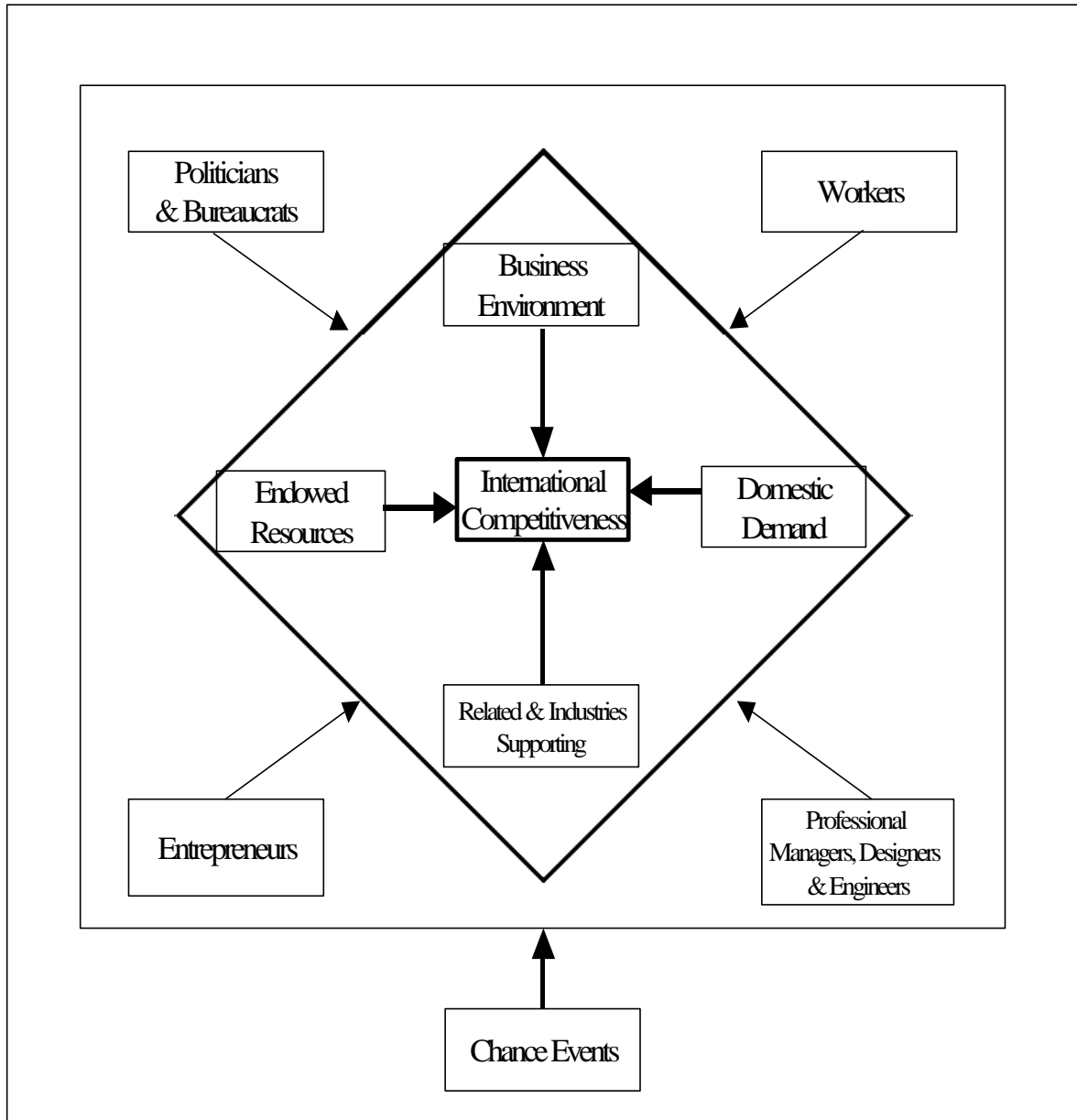
Human factors are the subjects that mobilize the above-mentioned four physical factors, thereby creating competitiveness. They include workers, politicians and bureaucrats, entrepreneurs, and professional managers and engineers. While physical factors are the basic factors that determine a nation's competitiveness, human factors drive the national economy by combining and arranging the physical factors to maximize competitiveness.

3) External Factors

Chance events are changes in the environment that cannot be predicted or that have little to do with the international system of the businesses. Such changes include unexpected breakthroughs of new technologies or products, oil shock, sharp fluctuations in world capital markets or foreign exchange rates, changes in foreign governments' policies, changes in international demand, and the outbreak of war. Such chance events manipulate physical and human factors and reconfigure the nation's competitiveness. Chance events strengthen a nation's competitiveness only when its human factors are ready to take advantage of such chance.

The following figure 2 represents Cho's nine factor's model for international competitiveness.

Figure 2. Cho's Nine Factor's Model for International Competitiveness



D. The World Competitiveness Report

Composite measures of competitiveness resulting in so-called “competitiveness scoreboards” have, inter alia, been developed by the World Economic Forum (WEF) and the International Institute of Management Development (IMD). The WEF approach makes an important distinction between the competitive and comparative advantage of nations. Comparative advantage is based on the abundance of resources in a country,

whereas competitive advantage is based on a country's ability to add value to the resources. According to the "World Competitiveness Report", a country's competitiveness is defined as "the ability of a country to proportionally generate more wealth than its competitors in world markets" (WEF, 1999). The basic premise is the recognition of the need to go beyond the standard GDP/GNP-based country definitions of wealth (e.g., Bottoms, 1994) and move towards assessments which recognize that (i) appropriate interrelated political, economic and social factors are essential to provide the structure necessary to make a nation-state competitive at the international level; and (ii) that a successful competitive position depends on producer orientation and policies that encourage efficient and effective use of factors of production.

The competitiveness of a country depends on various factors which include levels of technology, capital, skill differences of labor, the differences in productive capabilities, management and organization, overall industrial imports, factor conditions and industry competition, exchange rate, competition, government policy and expenditure, labor management relationships, globalization, and the influence of multinationals.

As shown in Table 3, the WEF model identifies 289 indicators of eight major factors which define or determine a country's ability to compete in the international marketplace.

The final consolidated ranking of national competitiveness was based on two sources: the statistical indicators of competitiveness as recorded by international organizations and national institutes, and the perceptions of business executives on the competitiveness of their country drawn from the yearly Executive Opinion Survey (WEF/IMD 1992: 14). The WEF thus also stresses the role of the so-called 'softer side' of competitiveness. The easily measurable hard facts underlying the competitive performance of a country, such as GDP, growth, balance of trade and inflation-must be taken in perspective with less easily measurable softer facts, such as motivation, education, attitudes and values.

TABLE 3. WEF Indicators of Competitiveness

Sectors	Contents of Evaluation
Domestic Strength	Macroeconomic evaluation of the domestic economy overall. -Value-added, Investment, Savings, Final Consumption, Economic Performance, Cost of living, Adaptiveness (30 indicators).
Internationalization	The extent to which the country participates in international trade and investment flows. -Current Account Balance, Exports of Goods & Services, Imports of Goods & Services, Exchange Rate, Portfolio Investments, Foreign Direct Investment, National Protectionism, Openness (45 indicators).
Government	The extent to which government policies are conducive to competitiveness. -National Debt, Government Expenditure, Fiscal Policies, State Efficiency, State Involvement, Justice and Security (46 indicators).
Finance	The performance of capital markets and the quality of financial services. - Cost of Capital, Availability of Capital, Stock Markets Dynamism, Banking Sector Efficiency (26 indicators).
Infrastructure	The extent to which resources and systems are adequate to serve the basic needs of business. -Basic Infrastructure, Technological, Business, Energy, Environmental Infrastructure (37 indicators).
Management	The extent to which enterprises are managed in an innovative, profitable and responsible manner. -Productivity, Labor Costs, Corporate Performance, Management Efficiency, Corporate Culture (37 indicators).
Science and Technology	Scientific and technological capacity, together with the success of basic and applied research -R&D Expenditure, R&D Personnel, Technology Management, Scientific Environment, Intellectual Property (25 indicators).
People	The availability and qualifications of human resources -Population Characteristics, Labor Force Characteristics, Employment, Unemployment, Educational Structures, Quality of Life, Attitudes and Values (43 indicators).
8 Sectors	289 Indicators

The competitiveness scoreboards produced in the “World Competitiveness Report”, while comprehensive, are of limited value because they appear to rely to a large extent on opinion surveys and non-quantifiable aspects.

The WEF evaluation is conducted annually. The final ranking for each country is a weighted sum of rankings on factors. However, no detail is provided on the nature of the weighting procedure used in transforming these indicators into various WCR indices. In the WEF model, country competitiveness is understood as a country’s ability to create and sustain economic value-added in the long- term, relative to its competitors.

E. World Bank’s Evaluation of Competitiveness

The database of "competitiveness" indicators is a collection of 49 indicators to quickly assess economic performance and the environment for competitive business development in a large number of countries. "Competitiveness" here refers to productivity, the magnitude and rate of change in value-added (per unit input) achieved by firms. It depends on a host of factors that can be firm-specific, industry-specific or country-specific. These indicators reveal aspects of competitiveness or the conditions for achieving competitiveness for firms and industries in a particular country (World Bank 1995).

The indicators have been collected from various sources (an exact definition with coverage and sources is provided for each indicator) by the Business Environment Group in the Private Sector Development Department of the World Bank. They are organized in five broad categories:

- Overall performance
- Macro and market dynamism
- Financial dynamism
- Infrastructure and investment climate
- Human resources.

The competitiveness indicators database allows the user to obtain a quick snapshot of the state of the business environment for a given country of interest, compare the situation for a given country with the averages for the region and the income group to

which the country belongs, and rank the relative standing of a country for a given indicator of interest.

5. Tourism Competitiveness

Tourism 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”.

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 Gower (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 have provided the most detailed study on tourism *price* competitiveness published anywhere to date (Dwyer, Forsyth and Rao, 2000). Measures of price competitiveness may be expected to play an important part in any framework of overall price and non-price tourism competitiveness.

Recently, two international tourism journals have devoted entire issues to the theme of destination competitiveness. The journal *Tourism* in a special issues, *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), articles addressed tourism price competitiveness (Dwyer, Forsyth and Rao), competitiveness variables in the area of destination policy, planning and management (Crouch and Ritchie), destination competitiveness (d'Hauteserre; Buhalis; Go and Govers), competitiveness and transport (Prideaux), and competitiveness and the environment (Mihalic).

The most detailed work undertaken by tourism researchers on overall tourism competitiveness is that of Crouch and Ritchie (1999, 2000). They examined the applicability to tourism destinations of competitiveness research and models in other contexts spanning companies and products, national industries, and national economies as well as competitiveness related to service industries. Crouch and Ritchie claim that, in absolute terms, the most competitive destination is one which brings about greatest success; that is, the most well-being for its residents on a sustainable basis. Thus the most competitive destination is that which most effectively creates sustainable well-being for its residents.

Crouch and Ritchie also argue that the true measure of destination competitiveness/sustainability must be a blend of two dimensions:

- 1) the actual success of the destination which tourism makes in enhancing the sustainable well-being of destination residents; plus
- 2) the extent to which the foregoing level of success has been achieved through an effective deployment of destination resources .

It seems reasonable to focus on long-term economic prosperity as the yardstick by which destinations can be assessed competitively.

Crouch and Ritchie state that "competitiveness is illusory without sustainability". To be competitive, a destination's development for tourism must be sustainable, not just economically and not just ecologically, but socially, culturally and politically as well (2000:5). Major elements of the model are: The competitive (micro) environment, (the global (macro) environment), core resources and attractors, supporting factors and resources, destination management, qualifying determinants. The following figure this.

Figure 3. Conceptual Model of Destination Competitiveness

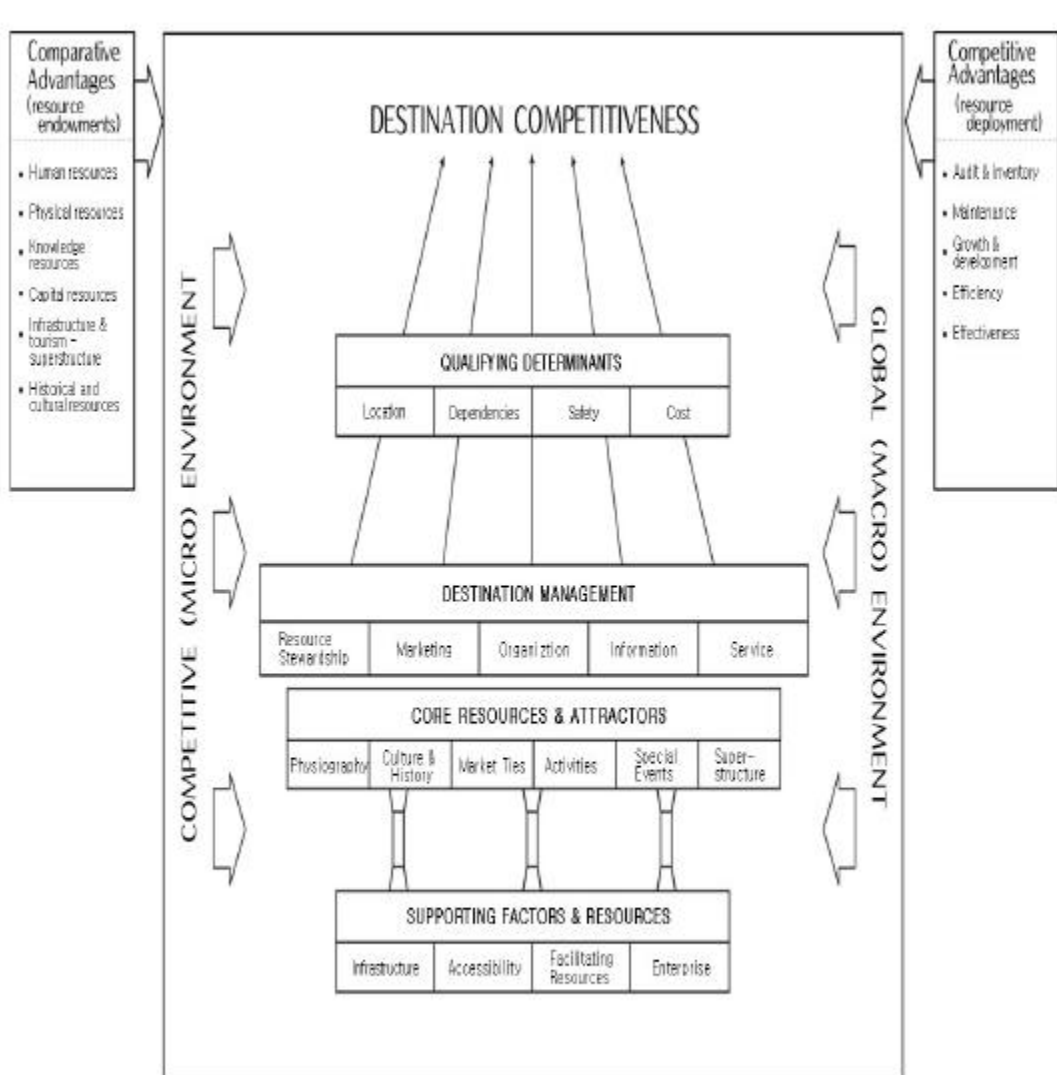


Figure 1. Conceptual model of destination competitiveness

III. Developing Indicators and a Model of Tourism Competitiveness

There are several arguments for developing a model of competitiveness which focus specifically on the tourism sector. The most compelling of these arguments relates to the fundamental difference between the nature of the 'tourism product' and the more traditional goods and services for which the WEF model was developed.

As indicated, the WEF model stresses competitive advantage. The WEF view is that by merely selling its natural richness, a country does not become better off in the long run. A sale must be written off as a minus on the national balance sheet. Selling the value-added (and not the resources) creates a surplus which a country can invest in its economic development. For this reason the WEF model focuses on value-added; and ignores comparative advantage when assessing a country's ability to compete.

However, in tourism, comparative advantage would relate to climate, scenery, flora, fauna, etc., while competitive advantage would relate to such items as the tourism infrastructure (hotels, events, attractions, transport networks), the quality of management, skills of workers, government policy etc.

Thus, a country's resources are clearly an important source of comparative advantage in international tourism. Further, these resources do not necessarily suffer depletion, despite the fact that people have paid for their use. Crouch and Ritchie thus claim that the tourism phenomenon represents a fundamentally different form of economic exchange than does the sale of physical resources. They claim that in the context of international tourism both comparative advantage and competitive advantage are important. 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) should compete in the international tourism market primarily to foster national (destination) prosperity.

Other objectives may hold, such as the opportunity to showcase a country as a place to live, trade with, invest in, or do business with. Tourism may promote international understanding and peace.

But, the long term, economic well-being of country (destination) is of central concern. A destination may be competitive in some markets but not in others. Indeed, it may deliberately not compete in certain markets.

An important distinction involves the *reality* of the situation, as indicated in objective measures of competitiveness (e.g. measures of price competitiveness, crime statistics involving tourists as victims), and traveler's *perceptions* (e.g. perceptions of relative price levels, safety/security).

Also, there are differences among individuals in how they view the same 'objective' reality. That is, "beauty is in eye of beholder" (Ritchie, Crouch, Hudson 2000).

1. Selection of Evaluation Indicators of Competitiveness

In order to verify and select, an evaluation indicator of competitiveness in the tourism sector, evaluation indicators for survey were developed through two focus group discussions. The evaluation indicators of competitiveness in the tourism industry were selected by examining the following questions, based on pre-selected indicators of the tourism industry:

- 1) What is the evaluation range of competitiveness in the tourism industry?
- 2) Has a correct indicator for measuring competitiveness been drawn?
- 3) Is there any missing criteria in measuring competitiveness?
- 4) Which method would be used for measuring the weight of the competitiveness indicator?
- 5) Is it possible to collect statistical data from the composed competitiveness indicator?
- 6) Would the result be reliable if competitiveness is measured with only a quantitative indicator?
- 7) If not, should a qualitative indicator be used with the quantitative indicator?
- 8) If so, what is a suitable qualitative indicator?
- 9) What method should be used for measuring the qualitative indicator?
- 10) What method should be used for rating the level of importance between

quantitative and the qualitative indicators?

11) How would each item be weighed within the quantitative and qualitative indicators?

As the following table shows, the presented evaluation set is divided into two indicators; a quantitative and a qualitative one. The qualitative indicator includes 9 categories and 28 items (including "others"), such as tourism performance, tourism capital investment, tourism tax, tourism employment, tourism demand, government expenditure, tourism export, and tourism price. "Other" includes average length of stay, rate of revisit, rate of tourism publicity budget, the number of international conferences held, and the number of international airports and seaports. The quantitative indicator is comprised of 6 categories and 28 items, including tourism attractiveness, tourism infrastructure, human resource development, marketing, tourism reception system, and tourism policy.

Table 4. Quantitative Indicators of Competitiveness in the Tourism Sector

Indicators	Evaluation Contents
Tourism performance	Number of foreign visitors Ratio of visitors per capita Growth rate of foreign visitors Tourism balance of payments Ratio of contribution to GDP
Tourism capital investment	Amount of tourism capital investment Rate of investment on the tourism sector Productivity of tourism capital investment Efficiency of tourism capital investment Annual real growth rate of investment
Tourism tax	Total tourism tax and index Car-rental tax and index Food & beverage tax and index Airport tax and index
Tourism employment	Number of employees in the tourism industry Rate of tourism employment in the overall industry Tourism labor productivity Annual real growth rate of employment,
Tourism demand	Total tourism demand
Government expenditure	Government expenditures on the tourism industry Ratio of government expenditures on the tourism sector
Tourism export	Total expenditures by visitors Expenditures per visitor Ratio of tourism export
Tourism price	Big Mac index Hotel expenses Food expenses
Other	Average length of stay Rate of revisits Rate of tourism publicity budget Number of international conferences held Number of international airports Number of international seaports
9 categories	34 items

Table 5. Qualitative indicators of competitiveness in the tourism industry

Indicators	Evaluation Contents
Tourism attractiveness	Tourism image Tourism resources Number and level of festivals and events
Tourism infrastructure	Tourism transportation system Tourism information system Tourism accommodation facilities Theme park facilities Exhibition and convention facilities
Human resources development	Training institutes for tourism human resources Level of tourism employees Quality of tourism services Number and level of tour guides
Marketing	Efficiency of tourism publicity activities Management scheme in strategic market Cooperating system of publicity activities Level of publicity monitoring
Tourism reception system	Foreign language information Tourism information signs National hospitality Tourism convenience services Financial services Immigration control
Tourism policy	Government intervention Traditional government subsidies Advancement of new enterprise Investment environment Environmental control Competitiveness in the public sector
6 categories	32 items

2. Verification of Evaluation Indicators of Competitiveness in the Tourism Sector

In this study, a propriety of evaluation indicator was verified through a survey of a group of experts. In the verification procedure, a method of technical statistics and the opinions of experts are mainly used to examine the propriety of an evaluation indicator.

For developing the evaluation indicator of competitiveness in the tourism sector, 100 random samples were selected, including professors in the department related with tourism of nationwide colleges and researchers from the research institutes. Questionnaires were sent to them by e-mail. This survey was conducted from November 27- 30, 2000. As a result, a total of 45 samples were received.

In this survey, questionnaires were composed by selecting 15 items and 62 sub-items, based on both a quantitative and qualitative evaluation standard, for objective evaluation. Each item had seven scale of measurement. The propriety of the evaluation indicator was analyzed by a frequency analysis and a technical statistics analysis, using SPSS 8.0.

Quantitative indicators for evaluating competitiveness in the tourism sector are comprised of overall tourism performance, tourism capital investment, tourism tax, tourism employment, tourism demand, government expenditure in the tourism sector, amount of tourism export, tourism price, and other factors. Qualitative indicators include tourism attractiveness, tourism infrastructure, tourism manpower, tourism publicity activities, tourism reception systems, and tourism policy. Then, there was an appropriate analysis of statistic. The propriety of the evaluation indicator was judged by the mean value of respondents.

The result of analysis shows each indicator in the survey is very adequate for measuring competitiveness of the tourism industry. However, it is suggested that some indicators should be modified to evaluate competitiveness of the tourism industry more objectively.

In addition, experts recommend that more indicators, quantitative and qualitative, should be developed in the model.

3. Development of a Competitiveness Evaluation Model of the Tourism Industry

This part shows characteristics and a model of competitiveness for tourism in aspects, basic direction, generality, synthesis, and internationally comparable aspects, in order to develop a model of competitiveness evaluation and indicators for the tourism industry.

A. Basic direction

A model of competitiveness evaluation for the tourism industry is shown in the nine factors presented by M. Porter and Dong-sung Cho. Although the model defines the tourism sector comprehensively, it is problematic when applied to the basic system of tourism subject, tourism object and tourism intermediary. Concerns for the complicated effect by tourism sector requires modifications of the model.

Above all, as per suggestions drawn through the expert survey, the competitiveness evaluation model should be classified by the following subjects: government, tourism employee, businessmen and experts. Because microscopic and macroscopic environments present unexpected outer variables, natural resources like nature, history, and culture resources will be considered as resources of the basic competitiveness model.

Applying subject, environment and resources to the tourism model as primary sources of competitiveness was the work of Dong-sung Cho. Tourism investment, tourism tax and price, and tourism planning are considered as secondary sources of competitiveness. Tourism infrastructure, preparation system to treat visitors, attractiveness of artificial resources (like theme parks), and public relations and image are considered as tertiary sources of competitiveness.

Tourism demand, tourism employment, tourism performance, tourism exports, which distribution and management of resources of each factor are fulfilled effectively on the basis of primary, secondary and tertiary competitiveness, and which show productiveness consequently, must all be considered as the resources of competitiveness. If resources work efficiently and effectively within one system, it will be judged that the competitiveness is higher in comparison with other countries.

In this aspect, this study proposes that a competitiveness evaluation model of tourism contain characteristics like universality, multi-dimension and will provide guidance for a competitiveness evaluation of tourism from now on.

A universal approach establishes government, tourism businessmen, enterprises related to tourism, universities and institutes as main subjects generating competitiveness in the model to express subject, tourism object, tourism intermediary (the basic system of tourism) from the overall model. In the tourism intermediary aspect of this model, accommodation and recreation facilities are the *time intermediary*; traffic facilities, roads, harbors, and the number of airports are the *space intermediary*; information and guidance system are the *functional intermediary*. In the tourism object aspect of the model, nature, history, culture and artificial resources are considered as the competitiveness resources. In the systemic aspect, these can be said to have universality.

A multi-dimensional approach is characterized by complexity, fluctuation, public nature, and national hospitality. Consequently, it is analyzed that there are limits if resources of competitiveness are distributed equally within one system. If the competitiveness model is made up of primary, secondary and tertiary sources, and if the power of influence each factor reached in each level is considered, the establishment of a competitiveness model will ensure fairness.

There are limits to previous studies because the competitiveness evaluation has been only a partial approach, encompassing only price competitiveness and attractiveness analyses. However, the general approach of this study has no such limits.

This study benchmarked the evaluation system for national competitiveness from the WEF, and shows the general model for evaluating tourism. In this tourism competitiveness evaluation model, international competitiveness is one of the main characteristics. Essentially, as competitiveness is the concept of comparison, it is necessary that indicators enabling comparison among countries be chosen. This study includes both measurable and non-measurable indicators.

B. A Model Development of Competitiveness in the Tourism Sector

The evaluation model of competitiveness in the tourism sector 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

The primary sources of competitiveness are subject, environment and resources.

A) The term "subject" includes politicians, officials, government that represents an administrative machinery related to tourism, airlines, hotels, travel agents, and business managers in the food and beverage service sectors who play a critical role.

Here, "employee" means a person engaged in the tourism sector, and "experts" mean a group of experts in colleges and institutions who have influence on tourism policy and planning.

B) "Environment" means environments which happen exogenously, such as political, economical, socio-cultural, and technological environments, environmental problems, international business environment, and the reunification environment.

C) "Resources" include historical, cultural and natural resources of a country.

2) Secondary Sources of Competitiveness

As this study shows, secondary sources of competitiveness are comprised of tourism policy, tourism planning, tourism management, tourism investment, and tourism taxation

and prices. These factors are the major determinants which decide competitiveness in the tourism sector, and lead to the tertiary and the fourth sources of competitiveness.

- A) "Tourism policy" includes submission of vision, effective policy-making and execution, the degree of regulation, traditional government subsidies, construction of an investment environment, environment control, and competitiveness in the public sector.
- B) "Tourism planning" means that the public and stake-holders connected with tourism suggest directions for establishment of sustainable tourism and the creation of high added value.
- C) "Tourism management" includes methods to manage tourism policy and planning, and to operate tourist destinations.
- D) "Tourism investment" means multi-valued investments for construction of competitive destinations and the training of tourism manpower.
- E) "Tourism taxation and prices" are a microscopic sector dominating competitiveness of tourist destinations. If a country has a high taxation and prices, its tourism competitiveness may weaken.

3) Tertiary Sources of Competitiveness

The tertiary sources of competitiveness include tourism infrastructure, reception system, attractiveness of resources, publicity, and tourism manpower. A country that has rich tertiary sources will attract and satisfy foreign tourists. Thus, it is expected that the country will have a high position of international competitiveness.

- A) "Tourism infrastructure" includes tourism transportation system which may play a major role in choosing a destination, tourist guide and information system that make offer of appropriate information possible, and facilities for accommodation, exhibition and international congress.
- B) "Reception system" means various conditions in terms of supply, providing visitors with needs and conveniences. (i.e. information and signs in foreign languages, hospitality, financial services and immigration control).
- C) "Attractiveness of resources" provides travelers with man-made attractions (i.e.

theme park), as well as natural, historical and cultural resources.

- D) "Publicity" is systematic tourism publicity activities, concentrating on strategic management and constructing a monitoring system.
- E) "Tourism manpower" includes an institute for training tourism human resource, the level of employees in the tourism industry, the quality of service and tour guides.

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

Fourth sources of competitiveness are tourism demand, tourism employment, tourism performance and tourism export. As these sources are results of the primary, secondary and tertiary resources, they are the resultant sources of competitiveness. As a microscopic concept, if competitiveness is the productivity of output due to input, the fourth sources of competitiveness will provide a direct indicator by which to compare and evaluate competitiveness.

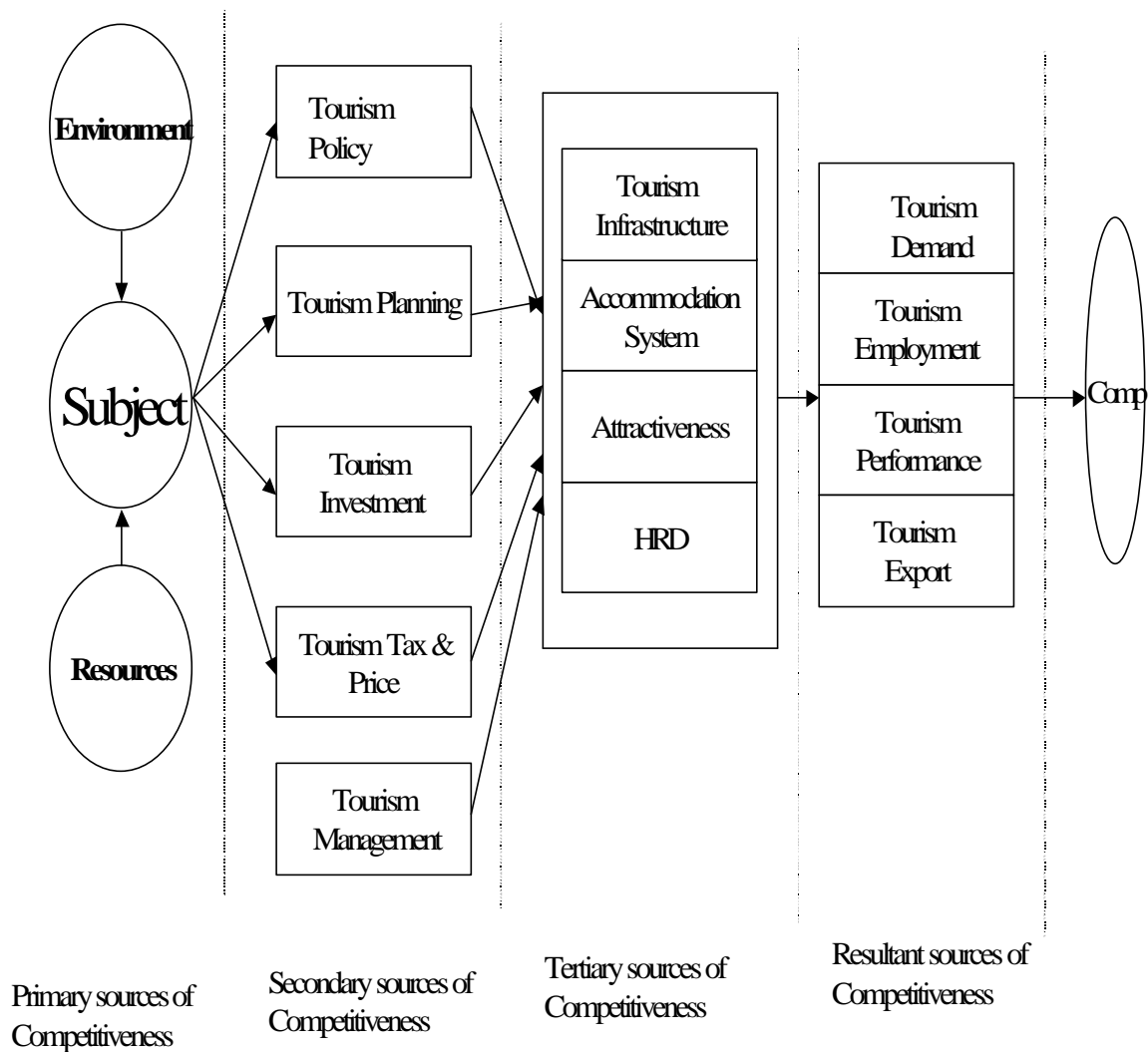
- A) "Tourism demand" is described by a total amount, which is to be presented after measuring the effect on final demand by tourism activities.
- B) "Tourism employment" refers to employment created within the tourism sector. It includes the overall rate that tourism employment occupies within the industry, labor productivity in the tourism sector, and annual real growth rates of employment in the tourism sector.
- C) "Tourism performance" means indicators resulting from tourism (i.e. growth rates, number of overseas entrants, growth rate of overseas visitors, balance of tourism payments, GDP rate in the tourism sector, average length of stay, and rate of revisit).
- D) "Tourism export" includes expenditure by overseas visitors, expenditure per a overseas visitor and the rate of tourism export in the overall industry.

As mentioned above, seventeen factors in resources of competitiveness are determinants dominating national competitiveness in the tourism sector. These factors are indicators for evaluating competitiveness. The four dimensional sources of

competitiveness have different weight. According to the results of research analysis by experts, the fourth sources of competitiveness have much more weight than other sources.

The following figure represents the evaluation model of competitiveness or model for four-dimensional sources of competitiveness in the tourism sector which is newly proposed.

Figure 4. Proposed Model for Measuring Competitiveness



4. Evaluation Indicators of Competitiveness

Based on expert surveys and a proposed model, this study suggested new evaluation indicators which enable them to express the model comprehensively. Indicators of competitiveness for the tourism industry are classified into fifteen factors and seventy-three items. In detail, quantitative competitiveness indicators have nine factors with twenty-nine items, while qualitative indicators have six factors with forty-four items. The nine quantitative factors include tourism performance, tourism capital investment, a tourism tax barometer and price, tourism employment, tourism demand, government expenditure on tourism, and tourism exports. The qualitative indicators include attractiveness, tourism infrastructure, tourism management, human resource development, tourism promotion system, tourism acceptance system, tourism policy, etc.

Concretely, in the quantitative factors, tourism performance includes the number of foreign tourists, the increase rate of foreign visitors, income and expenditure of tourism, and the GDP ratio of the tourism industry. Tourism capital investment includes amounts invested for tourism capital, the investment ratio for the tourism sector, productivity of tourism capital investments, efficiency of tourism capital investment, and a yearly real growth rate of tourism capital investments. The tourism tax barometer includes general tourism taxes and index, average food and beverage taxes and index, average accommodation taxes and index, airport taxes (or airport utilization taxes) and index. Tourism employment includes the number of employees in the tourism industry, the ratio of tourism employment among all industries, productivity of tourism labor, and the growth rate of yearly employment. Tourism demand includes all tourism demand. Government expenditure in tourism includes the total amount of government expenditure and the ratio of government expenditure in the tourism sector. Tourism exports include the total amount of consumption expenditures by visitors, the amount of expenditure per capita, and the ratio of tourism exports. Tourism price includes hotel prices and food expenses. The rest includes the average length of a visit, the ratio of revisits, ratio of the tourism publicity budget and the number of international conferences held.

In the qualitative evaluation factor, tourism attractiveness includes tourism image. Tourism resources are culture, history, artificial, and natural resources, and the existence

and non-existence of festivals and events. Tourism infrastructure includes traffic systems, tourism guidance and information systems, tourism accommodation facilities, theme park facilities, exhibitions and international conferences. Tourism human resources include existence and non-existence of tourism human resources institutes and the level of tourism employees, the quality level of tourism services and the qualification of tour guides. Tourism publicity activities include management of strategic markets, a cooperative system of publicity activities, and monitoring and evaluation of publicity. Tourism reception system includes guidance for foreign languages, tourism signboards, the degree of national hospitality, convenience services, financial services and evaluation of entrance and exit systems.

Government tourism policy includes the degree of government intervention, traditional practice of government assistance, conditions for new project advancement, the investment environment, environment regulation, and public sector competitiveness.

Table 6. Competitiveness evaluation indicators in the tourism industry

Indicators	Contents of Evaluation
Tourism policy	The degree of government intervention, traditional practice of government assistance, conditions for new project advancement, the investment of environment, environment regulation, public field competitiveness
Tourism planning	Efficiency of tourism planning
Tourism investment	Amounts invested for tourism capital, investment ratio for the tourism sector, productivity of tourism capital investments, efficiency of tourism capital investment, a yearly real growth rate of tourism capital investment
Tourism tax and price	General tourism taxes and indicator, average food and beverage taxes and indicator, average accommodation taxes and indicator, airport taxes, airport utilization taxes and index
Tourism management	Management of tourism policy, management of tourism plan, tourism businessman's management ability, financial management, marketing ability, consumer oriented, information orientation of management system
Tourism infrastructure	Traffic systems, tourism guidance and information systems, tourism accommodation facilities, theme park facilities, exhibitions, international conferences
Tourism Reception system	Guidance for foreign languages, tourism signboard and the degree of national hospitality, convenience services, financial services, evaluation of entrance and exit systems
Attractiveness	Tourism image, tourism resources, the number and quality of festivals and events, brand value of resources
Tourism promotion system	Management of strategic markets, a cooperative system of publicity activities, and monitoring and evaluation of publicity
Tourism human resources	Existence and non-existence of a tourism human resources institute and the level of tourism employees, the quality level of tourism services, and the temperament of tour guides
Tourism demand	All tourism demand
Tourism performance	The number of foreign tourists, the increase rate of foreign visitors, income and expenditure of tourism, the GDP ratio of the tourism industry
Tourism employment	All number of employees in the tourism industry, ratio of tourism employment out of all industries, productivity of tourism labor, and the growth rate of yearly employment
Tourism export	The total amount of consumption expenditures by visitors, the amount of expenditure per capita, and the ratio of tourism exports
14 factors	73 items

Table 7. Quantitative Evaluation Indicators of Competitiveness

Items	Sub-Items	Evaluation Contents	Evaluation Measure
1.Overall tourism performance(6)	1.01 Overseas visitors	Number of foreign visitors	Total number of visitors
	1.02 Growth rates of overseas visitors	Growth rate of overseas visitors	%
	1.03 Balance of tourism payments	Tourist receipts- tourist expenditures	US\$(with due regard to exchange rate of each country)
	1.04 GDP rates in the tourism sector	Rate that tourism industry contributes to GDP	%
	1.05 Average length of stay	Average length of stay of overseas visitors	Number of days
	1.06 Revisit rate	Revisit rate of overseas visitors	%
2.Tourism investment (5)	2.01 Amount of tourism capital amount invested	Amount invested to the tourism sector	US\$(with due regard to exchange rate of each country)
	2.02 Investment rate in the tourism sector	Investment rate in the tourism sector of total budget of GDP	% of total
	2.03 Tourism capital investment productivity	Total tourism output/total tourism capital amount invested	%
	2.04 Tourism capital investment efficiency	Income by overseas visitors and total amount of tourism capital invested	%
	2.05 Annual real growth rates of investment	Annual real growth rate in the tourism sector	%
3.Tourism taxation & price(8)	3.01 Total tourist tax and index	Tax added to international tourists per 5 days and 4 nights, and index	US\$, index
	3.02 Average food & beverage tax and index	Average food & beverage tax per 4 days (12 meals) and index	US\$, index
	3.03 Average lodging tax and index	Average lodging tax per 4 nights in hotel and index	US\$
	3.04 Tax rate of car-rental	Tax rate of car-rental per 1 day	US\$
	3.05 Airport tax and index	Entry and departure in international airport per 1 day	US\$
	3.06 Hotel charges	Price of 1 night in deluxe hotel	With due regard to exchange rate of each country
	3.07 Food expenses	Food expense per 1 day	With due regard to exchange rate of each country

	3.08 Big Mac index	Price of Big Mac (Mc Donald) in each country	%
Items	Sub-Items	Evaluation Contents	Evaluation Measure
4. Tourism employment(4)	4.01 Number of employees in tourism industry	Total number of employees in the tourism industry	Total number of persons
	4.02 Tourism employment rate	Tourism employment rate in overall industries	% of total
	4.03 Tourism labor productivity	Production in the tourism sector	%
	4.04 Annual growth rates in the tourism employment	Annual growth rates of employment in the tourism sector	%
5. Tourism demand(1)	5.01 Total tourism demand	Total demand in the tourism sector	US\$
6. Government expenditure (2)	6.01 Government expenditure to GDP	Government expenditure in the tourism sector to GDP	US\$
	6.02 Government expenditure rate	Government expenditure rate in the total budget	% of total
7. Tourism export (3)	7.01 Total tourism expenditures	Amount of export in the tourism sector	US\$
	7.02 Tourism expenditures per a overseas visitor	Expenditure per one overseas visitor	US\$
	7.03 Export ratio in the tourism sector	Tourism export ratio in the overall industry	% of total
8. Publicity system (1)	8.01 Tourism publicity budget rate	Publicity budget in total tourism budget	%
9. Tourism infrastructure (3)	9.01 Number of international conferences held	Annual number of international conferences held	Number held
	9.02 Number of international airports	Number of international airports in the destination	Number
	9.03 Number of international seaports	Number of international seaports in the destination	Number

Table 8. Qualitative Evaluation Indicators

Items	Sub-items	Meaning of Items	Evaluation Measurement
1. Attractiveness (5)	1.01 Tourism image	Tourism image is firmly established as the tourism destination	1= Definitely disagree 7= definitely agree
	1.02. Tourism resources	1. There are tourism destinations which overseas visitors prefer and which have an attractiveness like cultural, historical resources 2. There are natural resources that overseas visitors prefer 3. There is artificial resources that overseas visitors prefer	Same as the above
	1.03 Festivals and events	Festivals and events for overseas visitors are held yearly	Same as the above
2. Tourism infrastructure (6)	2.01 Tourism traffic system	Tourism traffic networking connected with tourism destination is well developed well	Same as the above
	2.02 Tourism guidance and information systems	1. Tourism guidance system is constructed properly 2. Tourism information computer and the Internet is spreading	Same as the above
	2.03 Tourism accommodation facilities	Tourism accommodation facilities are well-built from special grade to medium and low grade	Same as the above
	2.04 Theme park facilities	Theme park reaches international level	Same as the above
	2.05 Exhibitions and international conference facilities	Exhibitions and international conferences facilities are constructed well	Same as the above
3. Tourism Human Resources(4)	3.01 Tourism human resource institute	There are many institutes that train tourism human resources	Same as the above
	3.02 The level of tourism employees	The level of tourism employees providing services is high	The same relation
	3.03 The quality level of tourism services	High level of service is provided	Same as the above
	3.04 Tour guides	The quality level of tour guides is high	Same as the above
4. Tourism publicity system(4)	4.01 Efficiency of tourism publicity activities	Tourism publicity activities are performed efficiently	Same as the above
	4.02 Management of strategic markets	Target market is chosen and publicity concentrates on it	Same as the above

	4.03 Cooperative system of publicity activities	A cooperative system of overseas publicity activities is well constructed	Same as the above
	4.04 Monitoring of publicity	System for tourism publicity monitoring is well constructed	Same as the above
5. Tourism Reception system (6)	5.01 Guidance for foreign languages	Service for foreign languages is done well	Same as the above
	5.02 Tourism signboards	Tourism signboards are maintained well	Same as the above
	5.03 The degree of national hospitality	People give foreigners hospitality	Same as the above
	5.04 Services for tourism convenience	Service for tourism convenience like restroom relatively is in good condition	Same as the above
	5.05 Financial services	Financial service for overseas visitors(a change booth, ATM) is good.	Same as the above
	5.06 System for entrances and exits	Procedure for the entry and departure is simplified.	Same as the above
6. Tourism Policy (6)	6.01 Government intervention	A government hardly uses its influence to tourism enterprise.	Same as the above
	6.02 Traditional practice of government assistance	A government subsidy is focused on company having good prospect.	Same as the above
	6.03 New project advancement	Advancement of new project isn't difficult.	Same as the above
	6.04 The investment environment	the investment environment for tourism is clear and progressing.	Same as the above
	6.05 Environment regulation	An Environment regulation improves profit of tourism enterprise	Same as the above
	6.06 Public field competitiveness	Tourism Human resources power in the public field is above the average in comparison with private field	Same as the above

5. Evaluation Method and Procedure

The evaluation of competitiveness of the tourism industry compares practically related data, and quantitative and qualitative indicators presented in research by experts. In principle, the quantitative indicator should be based on statistical data, collected from APEC the twenty-one countries. Additionally, secondary data from WTTC (World Travel & Tourism Council), WTO (World Tourism Organization) and PATA (Pacific Asia Travel Association) is used. The qualitative indicator is analyzed by collecting and estimating optimum samples (300- 500 pieces) from governments, tourism industries and academics of the APEC member economies.

Once raw data is given, the method has merit in that it evaluates the ranking of competitiveness very promptly. But it has a weakness in that it can not control the weight. If the deviation of raw data is large, deviation of the standardized value will be too large. In the case of drawing the entire ranking, the influence will become too big.

This makes it easier to decide the ranking order. But, according to the opinion of experts, it is necessary to weigh indicators differently in the ranking of items; the measuring indicator should be 6, and the non-measuring one should be 4. It is possible that variability and bias may happen in the case of non-measuring indicator.

First, the ranking of each item is individually calculated, and the ranking of each item by country is decided. Then, ranking by field is decided in relation to each country, after classifying the fields of items that adjust synthetically the measuring and non-measuring indicator rankings.

Figure 5. Process of Measuring Competitiveness of the Tourism industry

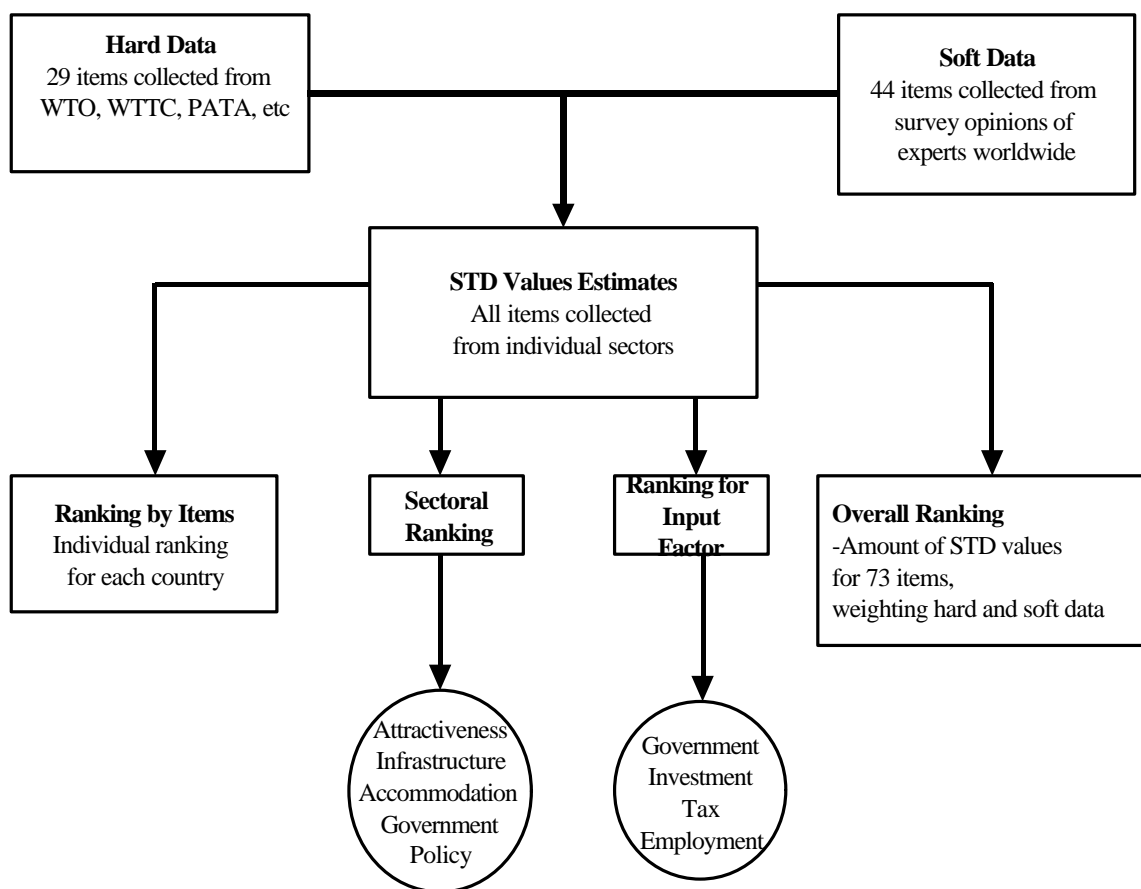
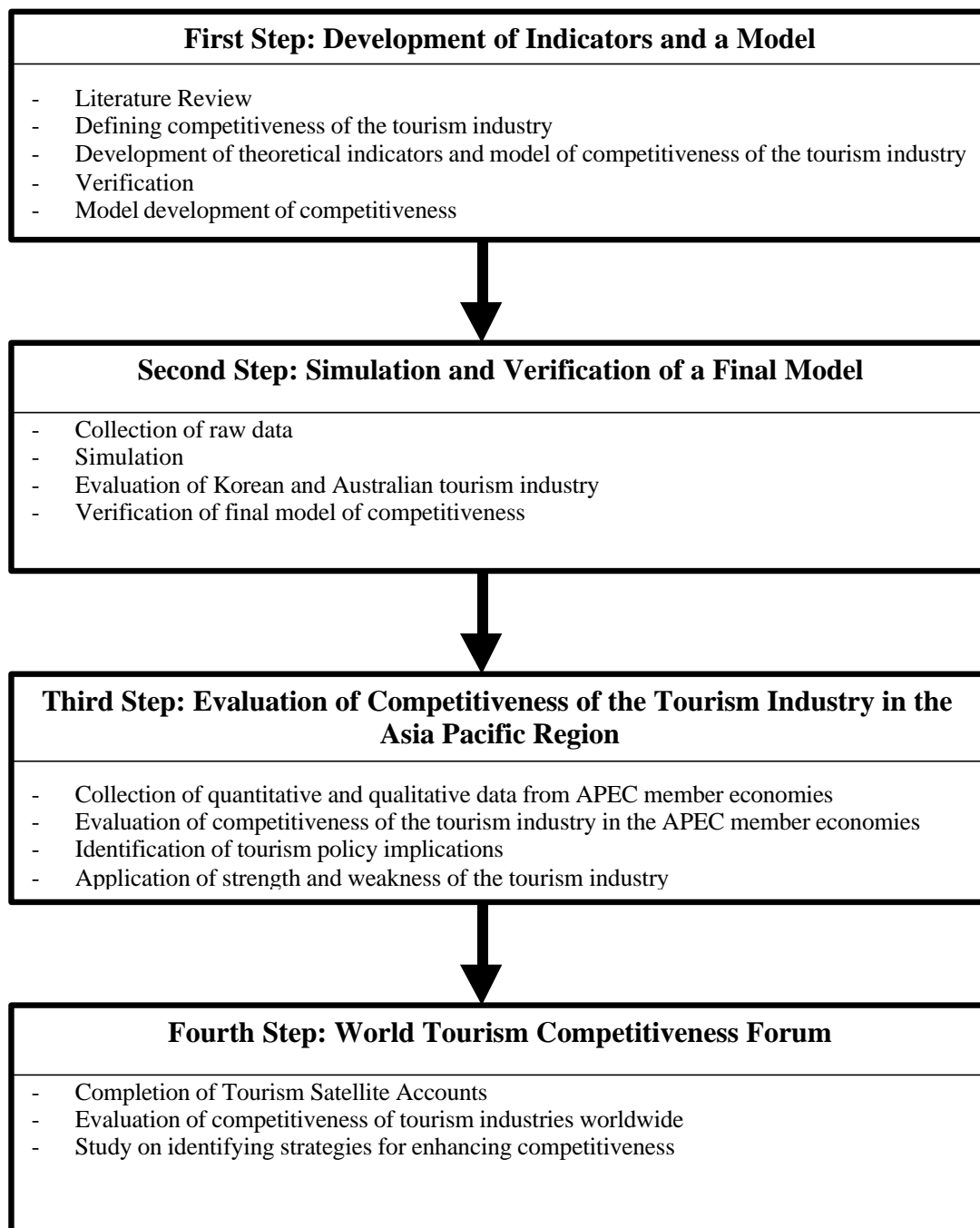


Figure 6. Steps for Evaluating Competitiveness of the Tourism Industry



IV. Conclusion and Policy implications

This study developed the evaluation model of competitiveness, and suggested "four dimensional sources of competitiveness". The primary sources of competitiveness include the subject, environment, and tourism resources. The secondary sources of competitiveness are comprised of tourism policy, tourism planning, tourism investment, tourism tax and prices, and tourism management. The tertiary sources of competitiveness include tourism infrastructure, tourism reception system, tourism attractiveness, tourism publicity system, and tourism manpower. The fourth sources of competitiveness are comprised of tourism demand, tourism employment, overall tourism performance, and tourism export. These four sources of competitiveness are determinants which dominate competitiveness in the tourism sector.

This research uses a concept of tourism competitiveness, mixing with national competitiveness, like the concept of M. Porter. Competitiveness in the tourism sector is defined as the ability of the tourism market environment and conditions, tourism resources, tourism human resources, and tourism infrastructure in a country create an added value and increase national wealth. That is to say, "the competitiveness in the tourism sector" is not only a measure of potential ability, but also an evaluation of present ability and tourism performance.

Following this study, through the Korea · Australia Tourism Cooperation Project, a program for verifying international evaluation indicators, developing a model, and evaluating competitiveness by collecting practical data should be implemented. After this, through APEC, a program should develop evaluation indicators and a model in the tourism sector. Also, the construction of a system of evaluation, a scheme for strengthening "APEC bloc competitiveness", and ways to evaluate and strengthen world competitiveness should be implemented. Additionally, recognizing that development an evaluation model of competitiveness in the national tourism industry is necessary, it is suggested to perform the development of the model step by step.

In order to accomplish measures in each stages effectively, every country must develop a "TSA" (Tourism Satellite Account), which will make it possible to compare the tourism industry objectively.

The purpose of TSA is to find a pattern of growth in tourism. It will be statistical data to measure tourism output, expenditure, the range of value added and employment in detail over long term. It will be also means for comparing the tourism industry to other industry.

Korea developed the first TSA on February, 2000, and measured the nature and size of its tourism industry. But, due to limited research, further study for internationally comparable TSAs was suggested. Henceforth, a perfectly developed TSA in Korea would be a basis to evaluate international competitiveness. For this, a budget and strategic support should be made. Additionally, APEC-TWG (Tourism Working Group) should suggest that every country develop TSA immediately, and should play a positive role in comparing the tourism industry in every country.

References

- Aaker, David. 1989. "Managing assets and skills: The key to a sustainable competitive Advantage." *California Management Review*, 91-106. (Winter)
- Anderton, R. and A. Dunnett. 1987. "Modeling the behavior of export volumes of manufactures: An evaluation of the performance of different measures of international competitiveness." *National Institute Economic Review*, 46-52. (August)
- APEC Tourism Charter 2000. Seoul Declaration on APEC Tourism Charter. Adopted at the 1st APEC Tourism Ministerial Meeting, 4-7 July.
- Baldwin, Robert E. 1971. "The determinants of the commodity structure of U.S. Trade." *American Economic Review*, 61: 126-46. (March)
- Bank of England. 1982. "Measures of competitiveness." *Bank of England Quarterly Bulletin*, 369-375. (September)
- Bellak, Christian J., and Andreas Weiss. 1993. "A note on Austrian 'diamond'." *Management International Review*, 33: 109-118.
- Borrmann, Warner A. 1986. "Strategic resource management: Securing international competition through competitive resources." In Klaus Macharzina and Wolfgang H. Staehle, eds. *European Approaches to International Management*. Berlin and New York: de Gruyter: 275-283.
- Bowen, Harry P. 1985. "U.S. comparative advantage: A review of theoretical and empirical literature." In *Report of the President on U.S. Competitiveness*, U. S. Department of Labor. Washington, D.C.: U.S. Government Printing Office.
- Branson, W. and H. B. Junz. 1971. "Trends in U. S. trade and comparative advantage." *Brookings Papers on Economic Activity*, 2: 285-338.
- Buckley, P. J. and M. C. Casson. 1976. *The Future of the Multinational Enterprise*. London: Macmillan.
- Cartwright, Wayne R. 1993. "Multiple linked 'diamonds' and the international competitiveness of export-dependent industries: The New Zealand experience." *Management International Review*, 33: 55-70.
- Cho, Dong-Sung . 1998. *From National Competitiveness to Bloc and Global competitiveness Comprehensive Review* v 8 (1).
- Churchill, Gilbert A., Jr. 1979. "A paradigm for developing better measures of marketing constructs." *Journal of Marketing Research*, 16: 64-73. (February)

- Clegg, Jeremy. 1987. *Multinational enterprise and world competition: A comparative study of U.S.A., Japan, the U.K., Sweden, and West Germany*. New York: St. Martin's Press.
- Crouch, G. I., & Ritchie, J. R. Brent. 1999. "Tourism, Competitiveness, and Societal Prosperity." *Journal of Business Research* 44, 137-152.
- Daly, Donald J. 1993. "Porter's diamond and exchange rate." *Management International Review*, 33: 119-134.
- Day, George S. and Robin Wensley. 1988. "Assessing advantage: A framework for diagnosing competitive superiority." *Journal of Marketing*, 52: 1-20. (April)
- D'Cruz, Joseph R. and Alan M. Rugman. 1993. "Developing international competitiveness: The five partners model." *Business Quarterly*, 60-72. (Winter)
- Duffey, Joseph. 1988. "Competitiveness and human resources." *California Management Review*, 92-100. (Spring)
- Dunning, John, H. 1977. "Trade, location of economic activity and the MNE: A search for an eclectic approach." In B. Ohlin, P. O. Hesselborn, and P. M. Wijkman, eds. *The International Allocation of Economic Activity*. London: Macmillan.
- Dunning, John H. 1992. "The competitive advantage of nations and TNC activities: A review article." *Transnational Corporations*, 1: 135-168.
- Dunning, John H. 1993.. "Internationalizing Porter's diamond." *Management International Review*, 33: 7-15.
- Durand, Martine. 1986. "Method of calculating effective exchange rates and indicators competitiveness." OECD Department of Economics and Statistics Working Paper No. 29. (February)
- Durand, Martine and Claude Giorno. 1987. "Indicators of international competitiveness: Conceptual aspects and evaluation." *OECD Economic Studies*, 9: 147-182. (Autumn)
- Elmuti, Dean and Yunus Kathawala. 1993. "Rightsizing for industrial competitiveness: Important thoughts to consider." *Business Forum*, 8-11. (Fall)
- Enderwick, Peter. 1989. "Multinational corporate restructuring and international Competitiveness." *California Management Review*, 44-58. (Fall)
- Fagerberg, Jan. 1988. "International competitiveness." *The Economic Journal*, 98: 355-374. (June)

- Fajnzylber, Fernando. 1988. "International competitiveness: Agreed goal, hard task." *CEPAL Review*, 36: 7-23.
- Fakiolas, T. 1985. "Basic causes of Soviet industry's low international competitiveness." *Journal of Economic Studies*, 12 (5): 39-52.
- Franke, Richard H., Geert Hofstede, and Michael Bond. 1991. "Cultural roots of economic performance: A research note." *Strategic Management Journal*, 12: 165-173.
- Ghoshal, Sumantra and Seok Ki Kim. 1986. "Building effective intelligence systems for competitive advantage." *Sloan Management Review*, 49-58. (Fall)
- Global competition: The new reality. 1985. Report of the President's Commission on Industrial Competitiveness. Washington, D.C., U.S. Government Printing Office.
- Geoffrey I. Crouch, J.R.Brent Ritchie. 1999. "Tourism, Competitiveness, and Societal Prosperity." *Journal of Business Research* 44, pp 137-152.
- Grant, Robert. 1991. "The resource-based theory of competitive advantage: Implications for strategy formulation." *California Management Review*, 114-135. (Spring)
- Henshall, B. D. & Roberts, R. 1985. "Comparative assessment of tourist generating markets for New Zealand." *Annals of Tourism Research*, 12: 219-238.
- His Majesty's Treasury. 1983. "International competitiveness." *Economic Progress Report*, 158: 1-3. (July)
- Hitt, Michael A., Robert E. Hoskisson, and Jeffery S. Harrison. 1991. "Strategic competitiveness in the 1990s: challenges and opportunities for U. S. executives." *The Academy of Management Executive*, 5 (2): 7-22.
- Hodgetts, Richard M. 1993. "Porter's diamond framework in a Mexican Context." *Management International Review*, 33: 41-54.
- Hofstede, G. 1980. *Culture's Consequences: International Differences in Work-related Values*, Beverly Hills, California: Sage.
- Hofstede, G. 1983. "Dimensions of national cultures in fifty countries and three regions." In J. B. Deregowski, S. Dziurawiec, and R. C. Annis, eds. *Expiscations in Crosscultural Psychology*, Lisse, Netherlands: Swets and Zeitlinger: 335-355.
- Hofstede, G. and M. H. Bond. 1988. "The Confucius connection: From cultural roots to economic growth." *Organizational Dynamism*, 16: 4-21.

- Hufbauer, G. C. 1970. "The impact of national characteristics and technology on the commodity composition of trade in manufactured goods." In R. Vernon, ed. *The Technology Factor in International Trade*. New York: Columbia.
- Kennedy, Paul. 1987. *The Rise and Fall of Great Powers*, New York: Random House.
- Kester, Carl W., and Timothy A. Luehrman. 1989. "Are we feeling more competitive yet? The exchange rate gambit." *Sloan Management Review*, 19-28.
- Klaus, Schwab, Michael E. Porter, Jeffrey D. Sachs, Andrew M. Warner, Macha Levinson. 1999. *The Global Competitiveness Report 1999*. Oxford University Press.
- Kogut, Bruce. 1985. "Designing global strategies: Comparative and competitive value-added chains." *Sloan Management Review*, 15-28. (Summer)
- Krugman, Paul. 1994. "Competitiveness: A dangerous obsession." *Foreign Affairs*, 73 (2). (March-April)
- Larry Dwyer, Peter Forsyth, Prasada Rao. 2000. "The Price competitiveness of travel and tourism: a comparison of 19 destinations." *Tourism Management*, 21 (1)
- Mahmoud, Essam, Gillian Rice, and Gary Anders. 1992. "Quality improvement programs: Tools for international competitive advantage." *International Executive*, 34 (4): 305-320.
- Mahoney, Joseph T. and Pandian, J. Rajendran. 1992. "The resource based view within the conversation of strategic management." *Strategic Management Journal*, 13: 363-380.
- Mathur, Shiv Sahai. 1992. "Talking straight about competitive strategy." *Journal of Marketing Management*, 8:199-217.
- Mintzberg, Henry. 1991. "The effective organization: Forces and forms." *Sloan Management Review*, 54-67. (Winter)
- Moon, H. C., and Peery, N. 1995. "Competitiveness of product, firm, industry, and nation in a global business." *Competitiveness Review*, 5(1), 37-43.
- Morrison, Catherine, McGuire, E. Patrick, and Clarke, Marry Ann. 1988. *Keys to U.S. Competitiveness*. Research Report No. 907. Washington, D.C.: The Conference Board.
- Narula, Rajneesh. 1993. "Technology, international business and Porter's 'diamond': Synthesizing a dynamic competitive development model." *Management International Review*, 33: 85-107.

- Newall, J. Edward. 1992. "The Challenge of Competitiveness." *Business Quarterly* 56, 94-100.
- Parsons, Gregory L. 1983. "Information technology: A new competitive weapon." *Sloan Management Review*. (Fall)
- Peters, Tom. 1988. "Restoring American competitiveness: Looking for new models of Organizations." *The Academy of Management Executive*, 2 (2): 103-109.
- Poon, Auliana. 1993. *Tourism, technology, and competitive strategy*, CAB International, Walingford, UK.
- Porter, Michael E. 1980. *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York: The Free Press.
- Porter, Michael E. 1985. *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: The Free Press.
- Porter, Michael E. 1990. *The Competitive Advantage of Nations*. New York: The Free Press.
- Porter, M. E., 1999. "Microeconomic competitiveness: Findings from the 1999 Executive Survey." *Global Competitiveness Report 1999*, pp.30-53. World Economic Forum.
- Porter, Michael E. and Millar, Victor E. 1985. "How information gives you competitive Advantage." *Harvard Business Review*, 63 (4): 149-160.
- Powell, Thomas C. 1992a. "Organizational alignment as competitive advantage." *Strategic Management Journal*, 13: 119-134.
- Powell, Thomas C. 1992b. "Strategic planning and competitive advantage." *Strategic Management Journal*, 13: 551-558.
- Prahalad, C. K. and Doz, Yves L. 1987. *The Multinational Mission*. New York: The Free Press.
- Prahalad, C. K. and Hamel, Gary. 1990. "The core competence of the Corporation." *Harvard Business Review*, 79-91. (May-June)
- President's Commission on Industrial Competitiveness. 1985. *Global competition: The new reality*. Washington, D.C.: U.S. Government Printing Office.
- Ricardo, David. 1817. *On the Principles of Political Economy and Taxation*. London.
- Ritchie, J. R., and Crouch, G. I. 2000. "The competitive destination: A sustainability

- perspective.” *Tourism Management*, 21 (1), 1-7.
- Richie, J. R., & Crouch, G. I. 1993. Competitiveness in international tourism: A framework for understanding and analysis. Proceedings of the 43rd congress of association internationale d’ experts scientifique de tourisme. San Carlos de Bariloche, Argentina. (October 17-23)
- Rugman, Alan M. 1991. “Diamond in the rough.” *Business Quarterly*, 55 (3): 61-64. (Winter)
- Rugman, Alan M. and D’Cruz, Joseph R. 1993. “The 'double diamond' model of international competitiveness: The Canadian experience.” *Management International Review*, 33:17-39.
- Rugman, Alan M. and Verbeke, Alain. 1993. “Foreign subsidiaries and multinational strategic management: An extension and correction of Porter's single diamond framework.” *Management International Review*, 33: 71-84.
- Rumelt, R. 1984. “Towards a strategic theory of firm” In R. Lamb, ed *Competitive Strategic Management*, 557-570. New Jersey: Prentice Hall.
- Scott, Bruce R. 1984. “National strategy for stronger U.S. competitiveness.” *Harvard Business Review*, 77-91. (March-April)
- Scott, Bruce R. and Logde, George C. 1985. *U. S. Competitiveness in the World Economy*, Boston: Harvard Business School Press.
- Spence, A. Michael, and Hazard, Heather A. eds. 1988. *International Competitiveness*. Cambridge, MA: Ballinger Publishing Company.
- Starr, Martin K. and Ullmann, John E. 1988. “The myth of industrial supremacy.” In Martin K. Starr, ed. *Global Competitiveness*, 43-71. New York: W. W. Norton & Company.
- The Economist. 1994. *The Economics of Meaning*, 17-18. (April)
- The World Competitiveness Report 1992, 1999. *World Economic Forum and IMD International*. Swizerland: Lausanne.
- Tourism Management. 2000. “Special issue: The competitive destination.” *Tourism Management*, 21(1). UK: Pergamon.
- Tyson, Laura D'Andrea.. 1988. “Competitiveness: An analysis of the problem and perspective on future policy.” In Martin K. Starr, ed. *Global Competitiveness*, pp. 95-120. New York: W. W. Norton & Company.

- Williams, Jeffrey R. 1992. "How sustainable is your competitive advantage?" *California Management Review*, 29-51. (Spring)
- World Bank. 1995. *World development report: Workers in an integrating world*. Oxford: Oxford University Press.
- WTTC. 2000. *Travel & Tourism's Economic Impact: 2000/2005*. London: World Travel & Tourism Council.
- Yip, George S. 1989. "Global strategy: In a world of nations." *Sloan Management Review*, 29-40. (Fall)

가 " (Tourism Satellite Account)

.

金哲源

George Washington (MBA) (1995)

Texas A&M 가 (1998)

1 (現, E-mail: cwkim@ktri.re.kr)

著書 論文

+ (2000)

(1999)

(1999)

Measuring a customer-based brand equity in travel market (1998)

**KOREA INSTITUTE FOR
INTERNATIONAL ECONOMIC POLICY**

300-4 Yomgok-Dong, Seocho-Gu, Seoul 137-747, Korea

Tel: (822) 3460-1114

Fax: (822) 3460-1122

URL: <http://www.kiep.go.kr>

**KOREA NATIONAL COMMITTEE FOR
PACIFIC ECONOMIC COOPERATION**



9 788932 200156

ISBN 89-322-0015-7

89-322-0012-2 (세트)