

# Stages of formation of theoretical knowledge on the competitiveness of the tourist destinations

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**Abstract.** In this article, the stages of formation of theoretical knowledge about the tourist region competitiveness are substantiated by applying methods such as the concept of comparative and competitive advantages, the micro and macro approach, regional systematization of research. Also, the "Model of Competitiveness and Stability of Tourist Regions" created by G. Kruch and B. Ritchie was considered as a conceptual model with a systematic approach to the problem, and studies on determining the tourism competitiveness of countries based on the model were analyzed. It is scientifically substantiated that the country's (macro) tourism competitiveness can be achieved through the introduction of a management system based on the principles of self-management, mutual cooperation, and the consistent improvement of each link in the tourism sector on a 7M scale from bottom to top.

## 1 Introduction

In various sources, competitiveness is viewed from two sides, the first is a micro-approach, which is based on a specific firm or industry in the process of analyzing the category of competition, and the second is a macro-approach, which focuses on the country. These approaches are complementary and interrelated, with different analytical frameworks and measurement criteria. In many cases, in the process of determining the competitiveness of countries, the implementation of macro-level analysis by applying micro-criteria leads to disagreements and uncertainties about the nature and characteristics of competitiveness[45].

Since the global and macro environment is in a state of continuous change and development, it is essential that the professionals involved in the management of tourist regions, based on this nature of the field, can anticipate the consequences of the general situation and apply strategic management methods accordingly. The tourism industry is an open system, and it is very sensitive to the effects of situations and changes that occur outside of it on a global and macro scale. That is, the situation that has arisen in a certain part of the world can lead to a number of consequences in the territory of Uzbekistan. Macro environmental factors are divided into 6 groups and cover economic, technological, environmental, political and regulatory changes, social issues and demographic situation that is constantly changing.

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## 2 Literature review

The micro-approach to international competitiveness is closely related to entrepreneur's initiative (creativity), nature protection, technological development, qualified personnel and improvement of human resources. J. Spender, supporting M. Porter's thesis, states that the basis of international competitiveness can cause the formation of intellectual property and the emergence of new products, technologies, organizations and industries through technological growth through innovative ways, which is a risk-oriented culture of entrepreneurs. According to M. Porter, business entities are the main driving force leading to economic success on an international scale. The development of information and communication technologies and the ease of travel, as well as economic openness on a global scale, are important factors that make business entities internationally competitive. M. Porter points out that the competitiveness of business entities is determined by factors such as their size, structure, capabilities, resources and chosen strategies. According to E. Malecki [46], competitiveness depends on the level of participation in large cooperation projects and strategic alliances that lead to the enjoyment of technological innovations and knowledge that firms cannot achieve individually. Thus, "competitiveness is based on structural variables that affect productivity, efficiency, innovation and specialization in the medium and long term" [20]. Since the efficiency of enterprises depends on their ability to compete for markets and resources, from a micro perspective, their success is measured by indicators such as market share and profitability.

In the macro approach to competitiveness, countries form the basis of the analysis. Economic efficiency of countries is formed on the basis of political, cultural, social and economic situation. It is calculated in terms of GDP per capita, foreign trade balance and foreign exchange reserves, employment rate, inflation, foreign direct investment and value added industries. Factors such as size, location, stages of development, flexibility and openness of the labor market significantly affect the efficiency of the economy. M. Porter pays great attention to the strategic location and emphasizes that the factor of geographic proximity to the leading industry and innovation cluster regions is important for the competitiveness of countries. M. Porter, davlatning roli mamlakat ishlab chiqaruvchilarining raqobatbardoshligini oshiruvchi eng maqbul me'yoriy-huquqiy baza, institutsional va ta'lim tizimi, axborot va asosiy infratuzilma bilan ularni ta'minlashi, shuningdek ratsional makroiqtisodiy boshqarish bilan chegaralanishi, to'g'ridan-to'g'ri xorijiy investitsiyalarga nisbatan iqtisodiyotning jozibadorligini oshirishi hamda eng qulay biznes muhitni shakllantirishi maqsadga muvofiq, degan xulosaga keladi.

M. Porter concludes that the role of the state is limited to providing them with the most optimal regulatory and legal framework, institutional and educational system, information and basic infrastructure that increases the competitiveness of the country's producers, as well as rational macroeconomic management, correct it is desirable to increase the attractiveness of the economy in relation to foreign direct investments and to form the most favorable business environment.

## 3 Research methods

Logical, comparative, empirical, systematic analysis, analysis, synthesis, monographic observation, expert assessment, analysis were used in the process of researching the stages of formation of theoretical knowledge related to the competitiveness of the tourist destination.

## 4 Analysis and results

Competitiveness of a tourist region is the ability of tourist regions to maintain their position in all markets, to regularly increase their quality and scope over time[49]. In addition, **competitiveness** - the ability of tourist regions to create value-added products (services) and integrate them with the rational use of available resources while maintaining their market share in comparison to their competitors[42] as well as the needs of visitors are more fully met by the products and services provided by the region, compared to other tourist regions[15].

Along with the above definitions, in the last 20 years, various methods of determining the competitiveness of tourist regions have been developed. These include the four principles of competitiveness of tourist regions, that is, *favorable conditions for the development of the industry, the tourism as a leading industry, the presence of strong sales channels in various market and a rapidly growing private sector*[50]. According to other tourism industry researchers, the general models of competitiveness developed by theoretician M. Porter can be applied to the tourism industry. In fact, the "Calgary Model of Tourism Competitiveness" (Calgary Model of Tourism Competitiveness) was created in 1993 based on the model of competitiveness developed by M. Porter[35] and it is reflected in 5 basic concepts such as *attractiveness of the tourist region, management and marketing of the tourist region, inter-sectoral cooperation, mutual information exchange and scientific research, ability of the region to meet tourist needs*[51].

All scientific research on the international competitiveness of tourist regions is based on the paradigm of comparative and competitive advantages. In order to develop a theoretical concept of the problem of international competitiveness, approaches that are sharply different from each other are put forward in the sources of economic theory[29] and management[35]. It should be said that, based on industrial competitiveness, these two conceptual models complement each other, helping to understand the processes of international competition of tourist regions.

A number of foreign researchers have studied the problem of the competitiveness of the tourist region, and G. Kruch and B. Ritchie describe it as follows: "Competitiveness of a tourist destination is ensuring that the overall attractiveness and positive travel experience it offers to visitors is equal to or superior to the many alternative tourist destinations open to potential visitors" [10]. D'Hartererre says that "it is the ability of tourist regions to maintain their cope in the market and improve it over time" [49]. MAccording to Enright and J. Newton, "tourist regions capable of attracting and meeting the needs of potential tourists are considered competitive" [19]. S.Hassan puts forward the following belief "It is the ability to create and integrate value-added products using resources wisely while maintaining market share over other competitors" [42].

The problem of competitiveness of tourist regions has been actively researched since the 90s of the XX century. Taking into account that tourism development in the regions cannot be implemented without increasing their competitiveness, the issue of studying the experience and theoretical knowledge gained abroad and developing mechanisms for their introduction is considered urgent.

There are different aspects and theoretical approaches to the same problem in foreign economic literature. The conducted research on the issue of competitiveness of the tourist region can be systematized geographically as follows (see Table 1).

**Table 1.** Territorial systematization of research on the competitiveness of the tourist region

<i>The place where the research took place</i>	<b>Scientists</b>	<b>Research subject</b>
<b>Australia</b> [16]	Dwyer L., Livaic Z.,	Determining Australia's tourism competitiveness and sustainable

	Mellor R. Crouch G., Ritchie	development
<b>Asia Pacific region[19]</b>	Enright M. J., Newton J.	Tourism competitiveness of Asia Pacific countries
<b>South Africa[24]</b>	Heath E.	Tourism competitiveness of South Africa
<b>Korea[28]</b>	Kim C., Dwyer L.	A Comparative Analysis of Tourism Competitiveness in South Korea and Australia
<b>China[31]</b>	Lew A. A.	Problems of tourism development in China
<b>Russia [40]</b>	Aleksandrova A.Yu., Morozova N.S.	Issues of achieving competitiveness of the tourism sector in the Russian Federation
<b>Turkie[2]</b>	Baloglu S.	Analysis of tourism image of Turkey
<b>Malta[1]</b>	Azzopardi, E.	Malta tourism competitiveness issues
<b>Slovenia[14]</b>	Doris Gomezelj Omerzel	Comparative analysis of Slovenia's tourism competitiveness based on the Travel & Tourism competitiveness Index

(Note – compiled by the author based on company data)

The issue of increasing the tourist region competitiveness is the object of various researches, and in the process of studying it different methodological approaches were used such as strategic planning and management, marketing of tourist regions, market positioning, image and branding, price competitiveness, environmental protection, natural attractiveness (comparative advantages), concept of sustainable development.

The general conceptual model of tourism area competitiveness was proposed by J. Kruch and J. Ritchie[10] in 1999 and improved in 2005[11]. The research methodology chosen by the scientists is based on the results of the interviews with tourism experts (territorial managers) and the combination of theoretical studies. The methodological basis of the research is called “Analytic Hierarchy Process - AHP. AHP was developed by the American mathematician Thomas Saaty, referring to the application of a systematic approach through mathematical methods to decision making on complex problems[48]. Based on this methodology, G. Kruch and B. Ritchie distinguished 36 main factors of the competitiveness of tourist regions and came to the conclusion that the following 5 factors are the most important::

The first group is called “Supporting factors and resources” and covers the followings:

- **infrastructure:** roads, transport system, healthcare system, communication system, state services and state organizations, drinking water supply, law enforcement, banking system, education system;
- **supporting resources:** the quality of local human resources, acquired knowledge and capital resources, educational and research institutions, financial institutions, various areas of public service;
- **ease of entry into the country:** changes in air transport legislation, entry visas and permits, international road and air transport links, competition between different means of transport;
- **hospitality:** the warm attitude of the population towards visitors, the level of inclination to lend a helping hand;

- **business ability:** business ability of entrepreneurs operating in the tourist region;
- **political will:** all politicians and people working in management bodies should not only recognize that the tourism sector is a determinant of the socio-economic development of the country, but also should become an ideology.
- The second group is “**Key resources and sightseeing’s**” and covers the following factors:
  - **special events:** festivals, holidays, sports games, etc. that can attract tourists;
  - **nature and climate:** natural attractions of the tourist region, seasonal duration of favorable climate;
  - **culture and history:** cultural and historical heritage of the tourist region;
  - **diverse tourist activities:** the tourism area can offer visitors a variety of travel experiences and opportunities;
  - **entertainment venues:** theater, concerts, comedy festivals, opera and circus;
  - **tourism infrastructure:** accommodation facilities, restaurants, means of transport, recreation areas, theme parks, museums, art galleries, exhibition and conference centers, airports;
  - **market linkages:** the presence of deep cultural and economic ties with tourists-generating markets.
- The third group is called “**Tourist region management**” and includes the following factors:
  - **management:** the quality and reputation of the structure which manages the tourist region;
  - **marketing:** the ability of the tourist region to attract visitors and satisfy their needs through marketing activities;
  - **service quality:** the ability to deliver a positive travel experience to visitors;
  - **information and research:** formation of a system of collecting information useful in the decision-making process;
  - **development of human resources:** availability of training programs for qualified personnel for the tourism sector;
  - **finance and credit system:** availability of financial programs for the development of the tourism industry;
  - **visitor management:** programs to control negative or positive impressions of tourists;
  - **crisis management:** the level of preparedness for exiting emergency situations and crisis periods;
  - **resource management:** rational use of available resources and the extent of efforts to preserve them.
- The fourth group is called “**Policy, planning and development strategies for the tourist region**” and it covers the following factors:
  - **systemic approach:** the level of awareness that all state and non-state organizations operating in the tourist region are part of the whole system;
  - **priority directions of development:** selection of priority directions of development by state and non-governmental organizations;
  - **foresight:** the ability of all individuals and legal entities making up the tourist region to see the future;
  - **branding and market positioning:** actions taken to shape the image of the tourist region;
  - **development:** quality and relevance of tourism development policy;
  - **analysis of competitors and partners:** determining development strategies based on global analysis of competitors of the tourist region;

- **monitoring and evaluation of results:** evaluation of the results of the work being carried out in order to increase competitiveness, conducting monitoring and continuous improvement of programs;
- **audit:** due to periodic audit of the achieved financial results, it is possible to identify the strengths and weaknesses of the competitiveness of the tourist region.
- The last, fifth group is called “**Strengthening and determining factors**” and includes the following factors that serve to increase or, on the contrary, limit the competitiveness of the tourist region:
  - **geographic location:** geographic location relative to major tourist-generating markets;
  - **security and peace:** the level of tourist safety of the tourist region;
  - **price-value:** factors affecting the affordability of the tourist region;
  - **interdependence:** proximity or distance to other tourist regions;
  - **popularity and image:** the level of popularity of the tourist region;
  - **capacity:** the capacity of tourism infrastructure formed in the tourist region.

According to the scientists, the systematization of the competitiveness factors shown in the model allows for more effective management of tourist destinations. From the point of view of theoretical research and practical application, the distinctive feature of the "Tourist destination Competitiveness and Sustainable Model" proposed by G.Kruch and B.Ritchilar is the separation of comparative and competitive advantages.

Comparative advantages include human resources, natural resources, accumulated knowledge, capital, infrastructure and tourism infrastructure, historical and cultural resources. That is, according to scientists, comparative advantages cover all available resources in the tourist destination, while competitive advantages mean effective use of the same resources.

## 5 Conclusions

In short, the “*Tourist destination Competitiveness and Sustainable Model*” created by G. Kruch and B. Ritchie serves as a conceptual model with a systematic approach to the problem. This model has been widely used by various researchers to improve and study certain aspects of competitiveness. In particular, E.Heath[24] widely used the same model to determine the prospects of increasing tourism competitiveness of South Africa. L. Dwyer and S. Kim based on the indicators presented in J. Kruch and J. Ritchie "Tourist Region Competitiveness and Sustainable Model" in the process of evaluating several selected indicators of the competitiveness of the tourist destination in their research.

Comparative advantages cover all the resources available in the tourist region, while competitive advantages refer to the efficient use of the same resources. That is, the application of innovative management methods in the field is an important condition for the holistic concept of tourism development and the transformation of tourism into a strategic sector of the economy.

In our opinion, tourism needs have different scales and are realized in 7M (mono, mini, micro, meta, meso, macro, mega) scale depending on the purpose of travel. If the travel purpose is the museum in the Ark fortress located in Bukhara, the satisfaction or reflection of the client's needs is based on the tour guide working in the museum, which indicates the *mono scale of the tourist region competitiveness*. Thus, the service provided in the national guest-house hotel with the status of a family enterprise reflects *the tourist region competitiveness on a mini scale*. The service provided in catering establishments is a *micro-scale* of regional competitiveness and is delivered by an organization with the status of a limited liability company. Competitiveness at the *meta-scale* covers the situation in such areas as road infrastructure, regional transport services, regional ecological sustainable, and

communication. At the *meso scale*, it is evaluated by the introduction of interregional service networks. Competitiveness on a *macro scale* depends on the country's image, security, sustainable environmental conditions, population welfare, and the quality of national rail and air transport services. *Mega-scale* competitiveness is assessed by the development of interstate road transport infrastructure, the formation of tourist routes covering several countries, and the establishment of a system of mutually beneficial relations between tour operators. That is, the country's (macro) tourism competitiveness, consistent improvement of each link in the tourism sector from the bottom up to the 7M scale, management in the form of clusters based on the principles of self-management, mutual cooperation and competition implementation of the system and their support, will be achieved through the implementation of reforms based on the principles inherent in the concept of sustainable development.

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