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# REGIONAL COMPETITIVENESS OF A TOURISM CLUSTER: A CONCEPTUAL MODEL PROPOSAL

## COMPETITIVIDADE REGIONAL DE UM CLUSTER DE TURISMO: UMA PROPOSTA DE MODELO CONCEPTUAL

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### ABSTRACT

Tourism is characterized for being a sector that has been highlighted as one of the activities with greatest potential for expansion on a global scale. For its growth potential and for being a product that can only be consumed in loco, tourism accepts the prominence role of being a strategy for local development. In this context the search for competitiveness is one of the key concerns of companies around the world. As clusters being a competent tool in companies' performance, in regional development and in countries' competitiveness, it is important to analyze its potential in tourism. This research aims to propose a conceptual model to analyze how a tourism cluster encourages its regional competitiveness.

### KEYWORDS

Cluster, Tourism, Regional Development and Competitiveness.

### RESUMO

O turismo caracteriza-se por ser um sector que se tem destacado, como uma das actividades com maior potencial de expansão em escala mundial. Pelo seu potencial de crescimento e por ser um produto que só pode ser consumido in loco, o turismo assume um papel de destaque como estratégia de desenvolvimento local. Neste contexto a procura pela competitividade é uma das preocupações centrais das empresas de todo o mundo. Sendo os clusters uma ferramenta competente no desempenho das empresas, no desenvolvimento regional e na competitividade dos países é importante analisar-se o seu potencial no sector do turismo. O objectivo deste artigo é o de apresentar um modelo conceptual teórico no sentido de verificar de que forma um cluster do turismo estimula a sua competitividade regional.

### PALAVRAS-CHAVE

Cluster, Turismo, Desenvolvimento Regional, Competitividade.



## 1. INTRODUCTION

The literature on clusters establishes that clustering generates externalities in terms of cheapest access to production factors (static externalities) as well as enhancing learning and innovation (dynamic externalities) through interactive learning. The success of clusters in the developed world diffused quickly to developing countries starting the interest of scholars, practitioners and policy makers. It is a basic observation that economic activity is concentrated in space and, following this, there is growing attention being paid to the forces of agglomeration and the role of location in economic development (Titze et al., 2008). Theoretical basics of the analysis of local industry concentrations are given by the concept of agglomerations economies (Marshall, 1920), external location economies (Capello, 2007) and the dominant cluster theory developed by Porter (1990).

While scholars have tried to clarify the specific dynamics of clusters in regions such as Asia or Latin America (Albu, 1997, Bair and Gereffi, 2001; Bell and Albu, 1999, Humphrey, 1995, Rabelotti, 1999), international organizations such as UNIDO and the OECD adopted the cluster as a policy and development tool (OECD, 1999; 2001; UNIDO, 2004).

Regional clusters have fascinated growing interest among both academics and policy-makers during the last decades; and this regional approach is increasingly recognized as a valuable tool to promote economic development. However, there is a need for a more accurate conceptualization of what constitutes a cluster, in general, and what forms a tourism cluster, in particular, in order to perform a theoretical framework and draw policy implications.

Tourism is an economic growth engine with particular focus at regional level, but its national impact is also significant (Sharpley, 2002; Jackson et al., 2005). But, if tourism importance is significant at a national level, at a regional level this sector is presented as an essential tool in regional development and economic growth,

believing to be one of the weapons to avoid desertification and regions economic stagnation, namely in the inner regions (Opperman, 1993).

Given the great unanimity that clusters increase the competitiveness of a regional industry (Porter, 2002; Rocha, 2004) and given that tourism is a powerful instrument for regional development (Engelstoft et al., 2006) is relevant and crucial to discuss the role of clusters in tourism. The discussion of tourism clusters is still in an embryonic phase (Rosenfeld, 1997; Nordin, 2003; Capone, 2004), explaining the low number of researches that approach this problem. That is why this research aims to propose a conceptual model to analyze how a tourism cluster encourages its regional competitiveness.

This research is structured as follows: it is carrying out a literature review that allows clarifying a number of concepts related to the clusters, in particular of tourism, according to several researchers' vision. Then it presents some evidences about regional development, and approaches tourism as a factor of regional development. After that, it does develop the competitiveness concept in general, and tourism competitiveness in particular. It is also propose a conceptual model of regional competitiveness of a tourism cluster, aiming to help filling the existent gap within this field and to provide as a tool for future researches in the tourism management field. In the end, the final considerations, and future lines of research are addressed.

## 2. LITERATURE REVIEW

In the last decades, academics and policy-makers have been increasingly involved in studying clusters with particular allusion to their regional atmosphere. In order to recognize the characteristics of regional competitiveness, a diversity of conceptual models have been developed (Ferreira et al., 2009). For example, Begg (1999) suggests a *maze*, Gardiner et al. (2004) a *pyramid*, and CE and Martin and Sunley (2003) a *bat*. Other researches refer to national or industrial cluster *a la Porter* that is, considering



them as an economic - not territorial - concept. Another typology of analysis concerns general mapping exercises of specific industries which among others identify regional clusters across a number of countries.

One of the reasons that justify the huge interest in the clusters theme is its presumed impact on companies' performance, regional development and countries competitiveness (Rocha, 2004). Objectively, Porter (2002) states that the clusters are synonymous of competitiveness given that they contribute positively to innovative processes, they facilitate relations with other institutions, better enabling the consumer needs, canalizing knowledge and information need for technology development. The purpose of this section is to clarify in general, a number of concepts related to clusters and clusters of the tourism sector in particular.

What is a (regional) Cluster? According to Martin and Sunley (2003), there is a great controversy surrounding the clusters concept. For these authors, it is simple to identify the clusters in space; however, the same does not happen with respect to its definition, which is very ambiguous. As discussed in Malmberg (2003), Malmberg and Power (2006), and Waxell and Malmberg (2007) it is problematic that the cluster concept as such has gradually taken on a number of distinctly different meanings, such that it is not always clear which of these should be included in the definition of the concept. This ambiguity is mainly because the definition of cluster fluctuates between its industrial and geographical definitions (Waxell and Malmberg, 2007; Fernandes, 2008).

The rush of interest in industry clustering during the past decade coincides with an increasingly rancorous debate over what the term means. The term or at least the concept has been used by so many academics in so many different ways, and has been attached to so many economic development efforts around the world, that one scholar has plaintively asked whether it is one of those atypical terms that has gone from obscurity to insignificance without any intervening period of coherence (Maskell

and Kebir, 2005). Porter (1998a), one of the leading advocates of cluster policy, defines a cluster as a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities. Clusters are so made up of different parties, arraying from specialized suppliers, service providers and companies in related industries, to universities, standards agencies and trade associations, as their geographical concentration is said to ease the association of ideas and people between them, in the process endorsing and promoting innovative behavior (Hospers et al., 2009).

Bergamn and Feser (1999) defining clusters as a group of companies, business organizations or not, for whom membership within the group is an important element of each member of the company's competitiveness. According to Martin and Sunley (2003), the definition of cluster is obscure and not accepted unanimously, which leads to an identification of clusters in an anecdotal way and less accurate. Swanw and Prevezer (1996) defined it in a simple way, that clusters were groups of companies within an industry in a given geographical area.

Clusters are used to represent concentrations of companies, so that they can produce synergy, through their geographical proximity and their interdependence (Rosenfeld, 1997). Feser (1998) points out those economic clusters do not refer only to industries and institutions, but to the highly competitive industries and institutions. This competitiveness is due to the relations between them. Porter (1994, 1998) states that clusters (groups, groupings or agglomerations), are geographic concentrations of companies and institutions in a particular activity sector, whose inter-relationships reinforce the competitive advantage. According to Porter (1998), the solid competitive advantages in a global economy increasingly depend on local factors - knowledge, relationships, motivation, etc. - with which the geographically distant competitors cannot compete. Porter (2000, 2003) reinforces his description, defining a cluster as a geographically close group of interconnected companies, suppliers, service providers and



associated institutions, in a particular field, linked by analogy and complementarity.

In this context, a regional cluster may be defined as a geographically delimited concentration of interdependent companies. Rosenfeld (1997) emphasizes that cluster should have dynamic channels for business transactions, dialogue and communication. This definition reveals two main criteria for demarcating regional clusters. Firstly, regional clusters are limited geographical districts with a relatively large number of firms and employees within a small number of related sectors. Thus, the clusters are specialized in a small number of industries. Secondly, even though companies in regional clusters may cooperate with firms, R&D institutes, and other institutions in many places, the companies are part of local networks, frequently in the form of production structures. These structures tend to integrate subcontractors, but could also engage horizontal co-operation between companies at the same production phase.

However, also Porter (1998) argues that clusters foment both competition and cooperation. Competitors compete intensely to win and retain their customers, and without that no cluster could be successful. But the cooperation is also present, most of it vertical, involving companies of related sectors and local institutions. The competition lives together with cooperation, because both occur in different dimensions and between different participants. The same author also mentions that the clusters cover a range of associated industries, as well as important entities to competition. Include, for example, the provision of specialized inputs, such as components, machinery and services, as well as specialized infrastructures. It should be noted that, many clusters include the government and public institutions such as universities, which are specialized in education, information, research and technological support.

By definition, a cluster is an interconnected system of companies and institutions whose value as a whole is greater than the sum of its parts (Flowers and Easterling, 2006). An innovative cluster is defined as a large number

of inter-related industries with a high degree of collaboration, and that operates in the same market with the same characteristics (Simmie and Sennett, 1999). For Crouch and Farrell (2001) clusters are a tendency for companies in likewise types of business to be located near each other. Although they do not have a particularly important presence in the location area, despite the variety of cluster's definitions, and although there is no clear definition of cluster, the authors agree with some of the characteristics that a cluster must have to be recognized as such. According to Simmie (2004) these features are agglomeration and interconnection. The agglomeration reflects the geographic concentration of an industry or related activities (Gordon and McCann, 2000). For interconnection, Simmie (2004) considers it as the competitive/cooperative relationship which is established between the local actors.

In sum, clusters are important for competition since they increase productivity, they direct the path of innovation and stimulate the formation of new businesses, in addition, the geographical concentration allow companies to operate with greater productivity in the search for inputs such as specialized labor and specialized machinery and components suppliers, aside from facilitate access to information and technology.

### 3. CLUSTERS IN THE TOURISM SECTOR

Since Beccattini's (1979) seminal work advocated the use of industrial districts as a crucial unit of analysis, numerous researchers have considered industrial clusters, or industrial districts, as an entity in itself (Rocha, et al., 2009). Case studies of specific regions have shaped some of the most reminiscent and insightful work on industry clusters. Among these studies are researches of well-known clusters - Silicon Valley (Saxenian, 1994), the Hollywood film industry (Scott, 2004), Kentucky houseboat cluster (Rosenfeld et al., 2000), Minnesota snowmobile industry cluster (Munnich *et al.*, 2002) among others. For example, Huggins (2008) presents case studies of four knowledge clusters as a means of understanding how the modus operandi of such clusters is evolving. The case study clusters



are Silicon Valley (United States), Cambridge (United Kingdom), Ottawa (Canada), and Helsinki (Finland). Ganne and Lecler (2009) edited a collection of researches using three models – industrial districts, industrial clusters, and poles of competitiveness - through an overview of the case of Japan, China, Vietnam, Thailand and Malaysia.

Tourism is an engine of economic development with particular focus at the regional level, but which national impact is also significant (Jackson *et al.*, 2005). However, theories and concept of clusters have been generally applied to manufacturing, but its applicability to the services sector has been reduced, particularly in tourism, however in the recent years it has been observed an exponential growth (Jackson and Murphy, 2002; Breda *et al.*, 2004; Flowers and Easterling, 2006).

For instance, Jackson and Murphy (2002) provided an analytical framework within which to improve understanding of successful tourism destinations; and Flowers and Easterling (2006) applied Porter's cluster theory and competitiveness strategies to the travel and tourism industry in the South Carolina Low country and Resort Islands region, this paper examines how grow the tourism cluster.

Jackson and Murphy (2002) even argue that the application of the cluster concept to the tourism industry is extremely appropriate given that the product interacts with the local bases, promoting joint actions of inter-related companies, leading to the formation of agglomerates. Although Porter (1998) develop studies particularly in the context of more traditional industries, this author mentions the importance of the elements belonging to the tourism cluster, saying that the satisfaction of tourists do not only depend on the appeal of the place's primary attraction, but also on the quality and efficiency of related business - hotels, restaurants, malls and transportation.

Tourism cluster is a geographic concentration of companies and institutions interconnected in tourism activities. This includes suppliers,

services, governments, institutions, universities and competitors (Capone, 2004). Beni (2003) defines tourism cluster as a set of attractions with touristic differential, concentrated in a limited geographical area with facilities and services of quality, collective efficiency, social and policy cohesion, with coordination of the production chain and of the cultural associations, and with excellent management of companies' networks that generate comparative and competitive advantages. For Novel *et al.* (2006), the objective of a tourism cluster is to bring companies, which generally work alone, to build a successful tourism product in a region. According to Ferreira (2003), a touristic destination is the comprehensive conjunction of several strategies that cross the tourism cluster. In other words, a tourism cluster is associated with a touristic product and a touristic destination.

Costa (2005) adds that to the cluster's development in the tourism field should be included, the accommodation services, restaurant and beverages services that represents the static elements of the sector, transport services for passengers, the agencies travel services and tour operators, and rent-a-car services, which are called as mobility elements. The author adds that leisure and cultural services and recreational services represents the sector's dynamic elements which are one of the major responsible for the moderate increase of permanence and for the increase of spending by visitors, since they are as the 'animation' subsectors of the sector.

According to Ferreira (2003) tourism cluster includes, in addition to the activities considered in the tourism sector, namely accommodation, catering, entertainment and various attractions, operators and travel agencies, guides, crafts, car rentals and touristic transport, other services and related and support activities, like organizations and support services, transport infrastructure, education and training, consultancy and other business services. It is needed the participation of other actors than just suppliers to develop a tourism cluster (Brown and Geddes, 2007). For these authors the government should



encourage and fund programs to attract private investment, invest in infrastructure, as well as promote the region tourism since a tourism cluster can overcome crises.

So we can verify that there are no substantial differences between the cluster's definition in a general scope, and the cluster's concept when applied to the tourism industry. The tourism cluster, as clusters in general, is defined as a geographical concentration in a region of companies and institutions inter-related.

#### 4. TOURISM AS A REGIONAL DEVELOPMENT FACTOR

The regional development results from the integration of the space variable in development subject matter, thus, it appears related to a specific spatial reference - the region (Albert, 2008). Clusters have become one of the most popular concepts of local and regional development for research and practice (Bergman and Feser, 1999). For many years, the tourism sector regretted that the government and population in general, systematically ignored its economic and social importance. However, in recent years, these "complaints" have been corrected and governments have increasingly recognized the economic importance of tourism (Crouch and Ritchie, 1999). Today, tourism has proven to be a prodigious source of value creation and employment (Botti *et al.*, 2008).

Tourism is an extremely important economic activity, which may play a decisive role in certain development areas, where sometimes there are no other alternatives to achieve this goal, and may even boost the natural and historical-cultural potential of most depressed regions (Cabugueira, 2005). The tourism sector is also an activity that is characterized by the enormous possibilities that have to produce direct, indirect and induced effects in an economy, whether through employment, or through the dynamics of other companies already established (Carvalho and Vaz, 2005). Campos *et al.* (2006) adds that tourism is an activity sector with increased expression and value to national and regional economies and primarily its developed

through services provision that are linked whether to the needs, expectations, demands and wishes of tourists customers, or to the activities that they develop at destination.

According to Jackson and Murphy (2002), the very governments are who identify tourism as a possible way to achieve economic development given the employment scarcity in the traditional sectors of economy. The same authors also argue that developing tourism is to be able to produce an integrated destination area (scenario, environment), able to attract and support the load that the same attraction can pull in the future. In other words, it means to develop human and relational capabilities, that combined with the capabilities of the very natural resources and buildings, are able to create an environment to host the visitors, so they feel comfortable when they enjoy a different scenario than the usual.

According to Cabugueira (2005) most of the activities and services that constitute the touristic product are usually linked to a natural or cultural attraction. This set of activities enables the realization of the touristic product through the services' productive activity. Thus, the natural and cultural goods become directly productive, participating in the general process of the economy expansion.

Rodrigues (2003) states that, while in other economic activities is the product that goes to the market, in tourism succeeds precisely the opposite. To have an effective consumption of the touristic product the tourist will go up to the structure that supports it: the touristic destination. The author also states that it is not possible to separate a touristic product approach of a touristic destination, being the second a central element of tourism. Tourism also generates multiplier effects on economic activity, reflected not only by the generation of significant added value, but also by the ability to motivate the development of other economic activities through extension (Silva and Silva, 1998; Cabugueira, 2005). According to Botti *et al.* (2008), geographical proximity plays an important role in the perception of the



performance of tourism organizations, in order to maintain the survival of tourism businesses and contribute to the competitiveness of the tourism sector.

## 5. TOURISTIC COMPETITIVENESS

Speaking of competitiveness has become frequent nowadays, because it is one of the central concerns of governments and industries of all countries. In a world increasingly global and competitive it is essential that companies develop a strategic management in order to follow the complexity of the environment, the trends and competitiveness of the market to gain competitive advantages (Estevão, 2008).

The concept of competitiveness may seem easy to understand, however the complexity of the concept is clear when we want to define and analyze, from various sources of literature (Porter, 1994a; Cooke and Morgan, 1998; Desrochers and Suatet, 2004). Porter (1990) argues that its ambiguity arises from the huge variety of definitions and perspectives on competitiveness, which makes it difficult to give an exhaustive and indisputable definition.

Ferreira and Alberto (2008) assume that the location is a source of business competitiveness meaning that the company cannot be dissociate of the region where it belongs. Thus, it should be understood what are the attractiveness factors that a region can offer so that businesses can be located there, and how these factors can (or not) be pronounced by the joint activity of all regional actors. The competitiveness concept and assessment of a touristic destination has received an increasing attention in the literature about the tourism economy. The reason for this interest arises from the increase of the economic importance of the tourism sector, as well as from the increasingly competition in tourism market, as a consequence of the transition process from mass tourism to a new era of tourism, which calls for a tailor-made approach to the attitudes and needs of tourists (Cracolici *et al.*, 2006).

For Crouch and Ritchie (1999) the competitiveness of a given industry is a crucial

determinant for its performance in the world market. Develop the touristic potential of any country or region depends substantially on its ability to maintain a competitive advantage in supplying goods and services to visitors. Competitiveness in tourism sector is defined as the capacity of tourism businesses to attract visitors - foreign and domestic - who spend on touristic destination serving to offset the costs of business development, and reward the capital invested, in an equal or above manner of the opportunity cost (Dominguez, 2001).

Trinidad (1999) concludes that the tourism competitiveness is - more than any other sector - a framework of strategic partnerships, involving all who directly or indirectly contribute to the construction of the global product. This author also adds that this partnership represents, ultimately, a culture, an attitude, focusing on tourism; an attitude of businesses serving the tourism, of the state, and citizens. Without this attitude there is no competitive tourism. For Dwyer and Kim (2003), tourism competitiveness is a very complex concept that combines several elements that may be observable or not, and that in many cases are not easy to measure. Furthermore, it is a relative concept whose extent may vary depending on the time period and the country that is taken as reference. To compete in the tourism field, a destination not only must have comparative advantages but also competitive advantages, in other words, is required not only to have a more or less broad variety of products and tourism resources, but also they must be managed efficiently to medium and long term.

According to Carvalho and Vaz (2005), touristic destinations, taken as a product, face increasingly competitive and differentiation situations that matters to know how to valorize and promote.

## 6. COMPETITIVENESS MODELS OF TOURISM DESTINATIONS

The application of analyzing models of competitiveness in tourism destinations, at the national and regional level, contributes for the development of the topic of tourism clusters.



The models presented by Porter (1990), Crouch and Ritchie (1999) and Dwyer and Kim (2003), are examples used in the analysis of the competitiveness of tourism destinations.

**(i) Porter's Diamond**

Porter (1990) considers that it is the company and not the country that compete in the international market; however the success of the company can be explained by the economic environment, institutions and the governmental policies. It means that the competitiveness of a nation or region builds itself - on the success that the companies reach in the international market. According to Porter (1990) the analysis must happen on specific industries or segments of industry and not in the economy as a whole, so that it is inconceivable that all the companies of all the sectors have competitive advantage.

The main indicator of competitiveness, according to Porter, is the productivity so that the productivity is the main determinant, at long term, of the living standard of a country; therefore it is the basic cause of the per capita national income. The competitive performance of a country, in a certain industry, results, according to Porter (1990), in the articulated share of four determinants that shape the environment in which the companies compete, stimulating or hindering the creation of competitive advantages. These determinants are: (i) factor conditions: endowment of a country in production factors, such as specialized work or infrastructures, necessary to the competitive activity of a certain industry; (ii) firm strategy, structure and rivalry: conditions that, in the country, regulate the creation, organization and companies management and the nature of the internal competition; (iii) demand conditions: characteristics of the internal demand for a certain good or service, namely the presence of sophisticated and demanding customers; (iv) related supporting industries: existence or not of supplying and/or related industries that is competitive in international markets. This determinative incorporates the question of agglomeration economies and their effect on the competitiveness. To these attributes, Porter (1990) connected to more dimensions:

government and change (events out of control of the companies).

According to Silva (2004) the tourism competitiveness is reached in the scope of the local destination, through one renewed innovation capacity and constant improvement, rising, growing and remaining themselves inside the tourist sets, considered as the basic units of competitiveness, that participate directly in the scene of the national or international competition, competing with other tourist sets. That is, also in tourism, in accordance with Porter's theoretical model, competition does not occur between countries, but between clusters and the tourist businesses. In this context, this author still affirms, that the public and the private sector must be integrated and cooperate mutually to conform an institutional and enterprising lost favourable to the accomplishment of the competitive activities in an efficient way and with a raised level of productivity in the use of the resources.

**(ii) Crouch and Ritchie's Model of Competitiveness**

Crouch and Ritchie (1999) had developed a conceptual model of constructed tourism competitiveness from the Porter's (1990) diamond of national competitiveness. In the development of this model, Crouch and Ritchie (1999) recognize that tourism is constantly influenced by a bound of global forces.

When it deals about analyzing competitiveness of the service sector and, more concretely, of the tourism destinations, Crouch and Ritchie (1999) introduce the theory of the comparative and competitive advantage. According to these authors, the comparative advantage refers to the factors related to tourist destination, including in such a way the factors that occur in a natural way as those that have been created. On this hand the competitive advantage make reference to the capacity of the tourist destination to use its resources in an efficient way at medium and long term. Thus a tourist destination can count on a great variety of resources and, however, not to be so much competitive as another destination, that counts on few tourist



resources, but that employs them in a more efficient way. Therefore, a tourism destination that convinces its inhabitants the possibility to explore its resources economically, that understand its strong and weak points in such a way that develops a policy of suitable marketing and uses it correctly could be more competitive than another destination that has not conceived the role that the tourism plays in its economic and social development. The concepts of comparative and competitive advantage provide the theoretical base necessary to develop a model of competitiveness of tourist destinations.

Crouch and Ritchie's (1999) model identified two distinct and linked environments: micro and macro, respectively. The macro competitive environment consists of a vast set of phenomena with impact in the totality of the activities human beings and, therefore, it is not specific of the tourism activity. To compare the micro competitive environment is part of the tourist system, so that it is related to the shares of entities and organizations of the tourist system that affect, direct or indirectly, the reach of the aims of any member of the system, which can be companies or a group of organizations that constitute the destination. The environment macro is global in its extension, the events in any part of the world has consequences in the varied tourism destinations, in any region. The global forces can modify the attractiveness of a destination for tourists; changes in wealth standards can create new emergent markets to suit the relative costs of trip for different destinations. These forces existing in a certain destination, with specific concerns and problems, must impel to suit it to new realities, to continue to be competitive. In relation to the micro competitive environment this is constituted for the organizations, influences and forces that if locate in the field of the tourist activities and competition. However the environment micro, given the felt proximity and of the immediate one, many times concentrates the managers' attention in terms of the capacity to satisfy the visitors and to continue competitive.

While the central resources of a destination constitute the primary motivations for the

receiving tourism, the factors and the support resources, as the name shows, provide the foundations on which a tourist activity of success can be established. A destination with wealth of resources of central offices and attractions, but fragile in terms of factors and resources of support, will have many difficulties in developing the tourist industry. A strategic framework, in terms of politics, for the planning and development of the destination results, as the model, of the factors related with the politics of the destination, planning and development. These factors, with social economic aims and others, enable an orientation for the management, shape and structure of the tourist development. This framework could help to guarantee that the tourist development occurs in a competitive and sustainable way, while it meets the aspirations of the resident populations in terms of improvement of the quality of life.

The component management of the destination focuses in the activities implemented for politics, planning and development of the destination, and develops the attractiveness of the resources central offices and attractions, strengthen the quality and the efficiency of the factors and resources of support and suits in the best way to the constraints and chances imposed or presented by the component of the qualitative determinants. This final group of factors, called qualitative determinants, represents factors that affect the competitiveness of the tourist destination in its scale, limits or potential. These qualifiers moderate or develop the competitiveness of the destination filtering the influence of the others three groups of factors. They can be so much important as conditioning the tourism demand, or the potential demand, but they are beyond the control and influence of the tourist sector.

### ***(iii) Dwyer e Kim's Model of Competitiveness***

Dwyer and Kim (2003) consider an integrated model that basically follows the previous model, introducing some important aspects. First, the endowed resources (inherited and the natural resources) have, each one of them, its proper identity, as the resources created and of support. These three factors are grouped



in a superior structure, since they provide the characteristics that make with that a tourist destination is attractive for the visitors and the reasons on which will combine a prosperous tourist industry. These three factors configure therefore the basis of the competitiveness of the tourist destination.

On the other hand, besides the management of the destination already considered by the previous model, the integrated model considers one another special part for the demand conditions that include three elements essential of the tourist demand: the tourist conscience, the perception and the preferences. According to Dwyer and Kim (2003) the management of destination, the local conditions of the demand, can exert a positive or negative influence on the competitiveness. The destination competitiveness is influenced by the competitiveness determinants described, influences the prosperity social and economic in the direction where the destination competitiveness is, in itself, an intermediate aim face to another much more important aim: social and economic well-being of the residents. For Dwyer and Kim (2003) the indicators of destination competitiveness include as many subjective attributes (the “enchantment” of the destination or the “scenic beauty”) as attributes determined objectively (tourist market share, tourism incomes, etc.), whereas the indicators of social and economic prosperity make reference the macroeconomic, employment levels, tax of economic growth, etc.

## 7. A CONCEPTUAL MODEL PROPOSAL

The tourism theoretical developments and conceptual models about the regional competitiveness reveal gaps, which have only recently been met by universities and researchers. The submission of a proposal for an alternative model is to contribute to the development of this issue in any kind of tourism cluster typology and can be used for regional and temporal comparisons.

The proposed model results from the combination of the several elements

constituting the competitiveness models previously presented. The model represents an interactive system for tourism, which moves if there is a consonance of three main components: the tourism product (consisting of the resources and attractions), the touristic destination and the tourism cluster. If the first two components interconnection is efficient, the tourism cluster will work in a productive way. The model presents determinants and factors that tourism clusters must have attention, in case of aspiring to have a competitive attitude and to have a sustainable position in a touristic market each more global. These determinants were based on Porter’s diamond (1990) and the factors were based on Crouch and Ritchie’s (1999), and Dwyer and Kim’s (2003) models.

The main characteristic of the model is that it emphasis the combination between determinants in order to achieve competitiveness. Each determinant also presents a set of agents that promote pressures on attributes of others determinants elements, so that the interaction degree defines the regional competitive advantage. In this model the competitiveness is the key element for the success of a cluster. However, is not enough to be competitive, is also necessary to have competition capability. Cabugueira (2005) argues that it is not tourism that fosters the development of a given country or region, but its own level of development, which converts tourism in an activity favorable to this process. The increasing competition among touristic destinations raises the question of reinforcement of the construction factors and of the conditions for the quality of touristic products and destinations in order to be attractive, identifying the strengths and weaknesses. Well, only this way is possible to reach the development of the touristic region. These factors pass for the efficiency in the management of the destination and for the resources and essential attractiveness of the tourist destination.

This model recognizes the role of government in policies’ definition that affects the competitiveness of the tourism cluster and



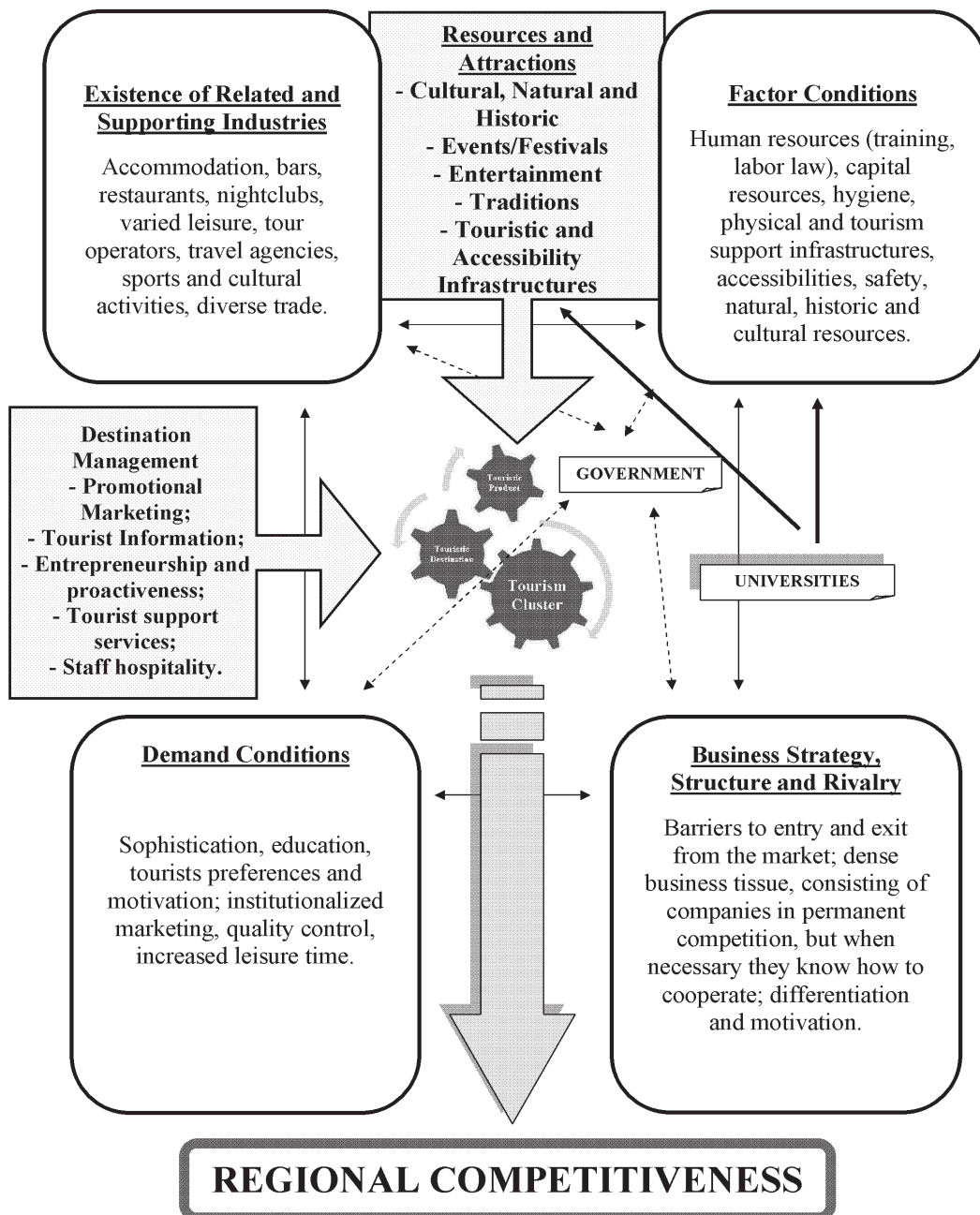
highlights the role of universities as a key strategic variable in research to develop innovations and differentiations in offering tourism products and services, as well as in training and education of human resources. The relations and the variables presented are fundamental to the competitiveness of a tourism cluster, and thus for regional development.

The following figure presents the conceptual model of regional competitiveness of a tourism cluster:

The conceptual model proposed above allows state the following research propositions:

- P1) The competitiveness of a tourism cluster is determined by:
  - P1a) The related and supporting industries;
  - P1b) The factor conditions;
  - P1c) The demand conditions;
  - P1d) The firm strategy, structure and rivalry;
  - P1e) The combination of all determinants.

Fig. 1 – The Conceptual Model of Regional Competitiveness of a Tourism Cluster:





P2) The competition strategies within and outside of the tourism cluster are based on:

- P2a) Cooperation;
- P2b) Creation of barriers at the entry;
- P2c) Creation of barriers at the exit;
- P2d) Differentiation and innovation of the offered products.

P3) The tourism products play an important role for the growth of regional development, through:

- P3a) The attractiveness of natural, historical and cultural resources;
- P3b) The entertainment activities;
- P3c) The holding of events and festivals;
- P3d) The quality of tourism support infrastructures.

P4) The touristic destination can efficiently manage the available tourism products that contribute to the attractiveness of the tourism cluster, through:

- P4a) The tourism marketing;
- P4b) The elucidative touristic information;
- P4c) The entrepreneurship and proactiveness;
- P4d) The creation of tourism support services (touristic guides);
- P4e) The hospitality of the staff working directly with the client.

P5) The Government plays a vital role in improving the competitiveness of the cluster, through:

- P5a) The creation of physical infrastructure and support for tourism;
- P5b) The creation of accessibilities;
- P5c) The financial support in investment projects for tourism;
- P5d) The security against terrorism in the touristic destination;
- P5e) The conservation of natural, historical and cultural resources of the tourism cluster.

P6) The universities play an important role:

- P6a) In the development of innovation and differentiation strategies for tourism products and services to make them attractive;

P6b) In education and training of human resources.

P7) The regional development is determined by the attractiveness of touristic products, the touristic destination management and the competitive potential of the determinants of the tourism cluster.

## 8. FINAL CONSIDERATIONS

Tourism reveals itself as one of the activities with the greatest potential in the world. For its growth potential and as a product that can be only consumed on local, this sector has a prominence role as a local development strategy. This research aimed to propose a conceptual model of competitiveness of a tourism cluster for regional development. The model demonstrates the advantage of being supported on variables and objective indicators that, in the majority, rely on secondary data that can be easily obtained. Its application as a model of competitiveness of tourism clusters for regional development may help to identify gaps and potential for competitive development, which will assist the competent entities in its management.

Observing the development that the tourism sector plays in competitiveness and regional, national and global development, is urgent to study it and develop models that are adapted to its peculiarities. If tourism clusters want to ensure their survival in the medium and long term, they need to promote competitive practices in a systematic way. The model presented in this research can be seen as a small step for the study of clusters in tourism.

The limitations of this study are related to the fact of the proposed model not to have been tested empirically, as well as to the shortage of specific studies about clusters phenomenon in the tourism. There is several theoretical research, but very little applied to the reality and therefore it must be reason of inquiry in future studies. In this sense, it is suggested the identification study through a suitable methodology that allows identifying and operationalizing the tourism clusters. Adopt



the proposed model in a study of tourism clusters of several regions making comparisons between them, find out which factors lead to different or the same results, would also be a way to contribute to this issue. We hope this research encourages other researchers to join us in addressing unsolved questions regarding the implications of regional competitiveness of tourism cluster. From a policy standpoint, regional competitiveness of cluster tourism is attractive instrument for development of the regions and it could promote an environment with high levels of competitiveness, and knowledge spillover effects.

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