



Destination competitiveness challenges: A Ugandan perspective



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HIGHLIGHTS

- Ugandan tourism statistics mask the complex challenges facing the destination.
- There is a mismatch between the tourism product and types of tourists attracted.
- Systemic and endemic challenges undermine tourism competitiveness in Uganda.
- Ugandan tourism exhibits regional competitive parity but not competitive advantage.
- Complex challenges pose limits to competitiveness in non-traditional destinations.

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ABSTRACT

This paper analyses and explicates the limiting role of multiple and varied challenges in the realisation of a country's tourism potential using Uganda as an exemplar. Two objectives are pursued, one that entails an assessment of the competitive potential of Uganda's tourism and another, an explication of the challenges that limit its full realisation. The study is based on secondary data supplemented through in-depth interviews with some key informants in Ugandan tourism. The paper identifies disparities in destination product and demand patterns, inadequate marketing budgets in the face of a persistent negative image and inadequate institutional and managerial capabilities as key challenges. It concludes that the complexity of challenges faced by Uganda, a non-traditional destination, makes the notion of competitive advantage used in conventional strategy and tourism destinations competitiveness literature seem inappropriate. This has implications for tourism development and management in such destinations with particular focus on resource allocation and utilisation.

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1. Introduction

Most developing countries are drawn to tourism with the rich allure of deriving benefits such as the inflow of foreign direct investment, foreign exchange, increasing employment prospects, and crucially, alleviating poverty in order to achieve sustainable development (Akama & Kieti, 2007; Lea, 1988; Mbaiwa, 2005). In an increasingly globalised world, the intensification of competition among nation states, regions and cities directly influences the markets (goods and services), investment decisions, the flow of talents, travel and visitation patterns among other things (Anholt, 2007; Buhalis, 2000). This implies that prospective tourists have a wide variety to choose from in terms of their travel needs, whether these are for business or leisure purposes, and most destinations are substitutable. The question of how, destinations that have no

historical precedence for tourism and ones that face several, complex challenges can effectively compete and succeed in such an environment ought to constitute an important area of inquiry in tourism studies.

The aim of this research is to provide a context-specific description, analysis, and explication of the competitive challenges facing Uganda as a tourism destination within Sub-Saharan Africa (SSA) and the East African (EA) region. It attempts to answer the question why and how, despite the various and on-going interventions, and the possession of unique tourism resources, Uganda struggles to gain competitiveness within the region. In so doing, two specific objectives are pursued. First, the study assesses the competitive potential of Uganda's tourism by examining the most recent trends in the sector and the region. Secondly, it analyses and explicates what are perceived to be some of the competitive challenges facing Uganda's tourism sector in order to contextually demonstrate their role in limiting the attainment of competitiveness in this non-traditional destination.

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The term “non-traditional” destination is used here arbitrarily to depict those destinations in a developing country context, which do not have a well-developed conventional tourism product (e.g. sun, sand and sea) or a highly developed and marketed niche tourism product. Such destinations have the potential to develop conventional or niche forms of tourism and there are indicators in place, for instance, the steady increase in annual tourist arrivals and expenditure as well as a plethora of mostly natural and cultural tourism resource base. However, such non-traditional destinations remain relatively unknown in the global tourism industry, their tourism market shares are significantly low compared to their resource potential; hence, their capacity to benefit from tourism development is limited (cf. De Holan & Phillips, 1997).

A tourism destination is variously defined by different authors. A few examples include an area that contains a critical mass of development that has the potential to satisfy traveler needs (Gunn, 1994), or a place that a tourist has an intention to visit, owing to its attractions (Keller, 1998). The attractions might exist prior to the phenomenon of tourism or are purposively created to fulfil its objectives (Keller, 1998). A destination is also considered to be an amalgamation of tourism products that offer an integrated experience to prospective tourists (Buhalis, 2000). Similarly, Vanhove (2012, p.21) defines a destination as ‘a specific geographic area under one or more government authorities, that draws visitors from a substantial distance away by its attractions and provides paid accommodation facilities’. However, as noted by Buhalis (2000, p. 97), ‘it is increasingly recognised that a destination can also have a perceptual element which can be interpreted subjectively by consumers depending on their travel itinerary, cultural background, purpose of visit, education level and past experience’. These definitions reflect a geographical interconnectedness between socioeconomic, perceptual and spatial characteristics of a place and its potential to meet multiple and varied needs of prospective tourists. It is in this relatively wider sense that the destination concept is used throughout this paper. The rest of the paper is structured as follows: first, a review of the relevant literature is presented; followed by study context and methods, an in-depth analysis and discussion of the study findings and the concluding remarks.

2. Conceptual framework

The past decade has seen unprecedented interest in the notion of a tourism destination competitiveness (TDC) within the academe, as evidenced in several publications on the topic (e.g. Claver-Cortes, Molina-Azorin, & Pereira-Moliner, 2007; Crouch & Ritchie, 1999; Dwyer, Edwards, Mistilis, Roman, & Scott, 2009; Dwyer, Mellor, Livaic, Edwards, & Kim, 2004; Enright & Newton, 2004; Mazanec, Wöber, & Zins, 2007; Ritchie & Crouch, 2003, 2011), including a special journal issue in *Tourism Management* in 2000 (Volume 21, Issue 1). What might justify this remarkable interest in TDC is the observation that some previously well established tourism destinations are increasingly being perceived as unsustainable while others are on the verge of decline (Agarwal, 2002; Zhang & Jensen, 2007), unless major rejuvenation and market re-adaptation efforts are prioritised (cf. Mazanec et al., 2007). But, a more poignant rationale is the increasing global competition, and, the realisation that many more destinations continue to emerge, offering the contemporary tourists variety of choice (e.g. Buhalis, 2000; Dwyer et al., 2009).

Besides, there is now an increasingly sophisticated demand side that comprises experienced tourists whose lifestyles favour flexibility and independence over standardisation (Claver-Cortes et al., 2007; Dwyer et al., 2009). This complexity in tourism demand is further exacerbated by the availability of information,

facilitated by the advances in information and communication technology (ICT) (Buhalis & Law, 2008), the prevalence of social media used in online information sharing (Xiang & Gretzel, 2010) and the perceived influences of electronic word of mouth (eWOM) on consumer behaviour (Sparks, Perkins, & Buckley, 2013). However, the global tourism demand patterns, undeterred by these changes, continue to manifest an intriguing paradox in which very little has changed in terms of the top ten tourism destinations in the last decade (UNWTO, 2013). The commentaries in the extant literature (cited previously) have in various ways, sought to identify and explain what makes some destinations more competitive than others and what (if any) can be done to attain a competitive edge. The framework adopted in most cases focuses on strategic management literature, particularly the work of Michael Porter (1990), with an implied acceptance of the view that there are parallels between the administration of a country and that of a business and that both can benefit from a strategic management approach.

Three main TDC frameworks that are perceived to be “universally applicable” are briefly discussed in this section. It must however be noted that a detailed discussion of the TDC models falls outside the scope of this paper, but reference can be made to Hassan (2000), Dwyer et al. (2004), Ritchie and Crouch (2003, 2011), Mazanec et al. (2007) for such purposes. Whilst seeking to understand the behaviour of firms in relation to national competitive advantage, Porter considered the question ‘why do firms based in particular nations achieve international success in distinct segments and industries’ (Porter, 1990, p. 18)? Here, Porter developed the so-called national diamonds, a framework for analysing the external environment and one that has been recontextualised into some TDC analysis, with crucial insights into its significance and limitations (e.g. Buhalis, 2000; Claver-Cortes et al., 2007; Crouch & Ritchie, 1999; Ritchie & Crouch, 2003, 2011). These studies underscore the importance of competitive strategies, i.e. ‘the search for a more favourable competitive position within an industry’ (Buhalis, 2000, p. 104) as an imperative that any firm (or destination) ought to possess. And yet, the notion of competitiveness is inherently difficult to measure (Crouch & Ritchie, 1999), particularly when applied to a tourism destination as opposed to a conventional firm (Claver-Cortes et al., 2007).

Competitiveness in a tourism destination context means different things to different people, it is not a concept that is objectively defined and understood (e.g. Hassan, 2000; Ritchie & Crouch, 2003, 2011). For instance, destination competitiveness, to Hassan (2000) entails its ability to create value-added tourism products, sustain the resource base and to ensure it has and thus maintains a superior market position relative to competitors. Meanwhile to Enright and Newton (2004, p. 778), it entails the destination’s ability to ‘attract and satisfy potential tourists [such that] competitiveness is determined both by tourism-specific factors and a much wider range of factors that influence the tourism service providers’. In both cases, competitiveness remains a subjective concept that is defined based on contextual variables (resource base, tourists, service providers, other factors, etc).

The most insightful re-conceptualisation of Porter’s national diamonds to an analysis of TDC can be found in Crouch and Ritchie (1999) and Ritchie and Crouch (2011). These authors assert that TDC is influenced by five main components. The first of these includes core resources and attractors, that comprise the primary elements of destination appeal and hence the key motivators for visiting a particular destination, (e.g. the physiography and climate of a destination, cultural and historic attractions, the market ties with originating countries, special events, tourism superstructure, and the range of activities) (Crouch & Ritchie, 1999, p. 146–148; Ritchie & Crouch, 2011, p. 341–342). The second component entails

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