Competitiveness of Slovenia as a Tourist Destination

Doris Gomezelj Omerzel

In an increasingly saturated market the fundamental task for the destination management, is understanding how tourism destination competitiveness can be enhanced and sustained. Competitiveness of a tourist destination is an important factor that positively influences the growth of the market share. Therefore tourism managers have to identify and explore competitive advantages and analyse the actual competitive position. There exist different approaches that model the competitiveness (Ritchie and Crouch 1993; Evans and Johnson 1995; Hassan 2000; Kozak 2001; De Keyser and Vanhove 1994; Dwyer, Livaic and Mellor 2003). Among all we follow the framework (Dwyer, Livaic and Mellor 2003), which was developed in a collaborative effort by researchers in Korea and Australia and presented in Sydney in 2001, and conduct an empirical analysis on Slovenia as a tourist destination. The aim of this paper is to present the model of destination competitiveness. The paper presents the results of a survey, based on indicators associated with the model, to determine the competitiveness of Slovenia as a tourist destination.

Key Words: tourist destination, competitiveness, competitiveness indicators, tourism stakeholders, added value
JEL *Classification:* M31, M39

Introduction

We have entered the 21st century and realised that many new opportunities await us in the tourism industry. The advent of globalisation has coincided with a boom in the tourism sector and this has presented many new challenges. Free movement of capital and trade rules are the real forces behind globalisation. In the context of tourism, globalisation means dramatic increases in the number of destinations and also in distances among them. International tourism conditions have changed drastically and it has become necessary to address these challenges in order to remain competitive in the tourism market. Development of new tourism products and destinations is one of the manifestations of the tourism sector shift towards increased productivity (Fadeeva 2003).

Doris Gomezelj Omerzel is a Lecturer at the Faculty of Management Koper, University of Primorska, Slovenia.

Competitiveness is a broad concept, which can be observed from different perspectives: through products, companies, branches of the economy or national economies, in the short run or the long run. The definitions offered in the literature provide both a micro and macro connotation of competitiveness. From a macro perspective competitiveness is a national concern and the ultimate goal is to improve the real income of the community. From a micro perspective, it is seen as a firm level phenomenon. In order to be competitive, any organisation must provide products and services, which must satisfy the never ending desires of the modern consumer. For such products and services, customers or clients are willing to pay a fair return or price.

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

To understand the competitiveness of tourist destinations, we should consider both the basic elements of comparative advantage as well as the more advanced elements that constitute competitive advantage. Where comparative advantages constitute the resources available to a destination, competitive advantages mean a destination's ability to use these resources effectively over the long-term. Destination with a wealth of resources may sometimes not be as competitive as a destination with a lack of resources. A destination that has a tourism vision, shares the vision among all the stakeholders, has management which develops an appropriate marketing strategy and a government which supports tourism industry with an efficient tourism policy, may be more competitive than one that has never asked what role tourism is to play in its economy (Crouch and Ritchie 1999). The most important is the ability of the tourism sector to add value to its products. The primary attractiveness

can be a source for higher value added, but the value is only created through performing activities. It can happen that the comparative advantage is lost due to the un-competitive secondary tourism supply. The support of tourism stakeholders is essential for successful development and sustainability of tourism and could help to improve destination competitiveness. As a result, the tourism destination will receive many benefits from enhanced tourism destination competitiveness.

Despite the extensive literature on competitiveness, no clear definition or model for discussing tourism destination competitiveness has yet been developed. There is a fundamental difference between the nature of the tourism product and the more traditional goods and services. A model of competitiveness that focuses specifically on the tourism sector is based on the nature of the tourism offering product, which from a destination perspective can be regarded as 'an amalgam of individual products and experience opportunities that combine to form a total experience of the area visited' (Murphy, Pritchard and Smith 2000). A destination competitiveness appears to be linked to the destination's ability to deliver goods and services that perform better than other destinations. A large number of variables are linked to the notion of destination competitiveness. They can be quantitative, such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry, or qualitative measured variables, such as richness of culture and heritage, quality of tourism services, etc.

Poon (1993) suggested 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. Go and Govers (1999), in a study of conference site selection, measured 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. In any case, these attributes are based specifically on the conventions sector of tourism. De Keyser and Vanheove (1994) analysed the competitiveness of eight Caribbean islands and they included transport system determinants in their model. The model and its four determinants proposed by Porter (1990) were utilised as a fundamental source for explaining the determinants of destination competitiveness, proposed by Crouch and Ritchie (1999). According to them, the primary elements of destination appeal are essential for destination comparative advantage and can be key motivational factors for

tourists' visits. Physiography, culture and history, market ties, activities and events are examples of those resources. Furthermore, Crouch and Ritchie (1999) expanded the model on supporting factors and resources as secondary effective sources of destination competitiveness, and particularly on destination policy, planning and development and on the destination management.

All the above mentioned models served as a foundation for the development of the so called Integrated model, which was used for our research. From a perspective of our study, this model was the most relevant. It brings together the main elements of destination competitiveness, it provides a realistic display of the linkages between the various elements, the distinction between inherited and created resources seemed to be useful, and the category Management – which was the important issue of our research – included all relevant determinants that shape and influence a destination is competitive strength.

Slovenian tourism competitiveness has been insufficiently analysed and the results have not been used for an efficient economic tourism policy. The last study on the competitiveness of Slovenia as a tourist destination was done in 1998 by Sirše. The depth research was carried out (with interviews and brainstorming) on Slovenian tourism strategy, development, marketing, competitiveness and tourism policy. It has been shown that Slovenian tourism was stronger in non produced attractiveness than in its management's capability to add value. Services performed were the weaker point of the Slovenian tourism product (Sirše and Mihalič 1999).

The aforementioned competitive study was the last study which focused on international competitiveness of Slovenian tourism. The others analysed competitiveness sources of Slovenian tourism firms on the micro level (Mihalič and Dmitrović 2000).

The aim of this paper is to present the results of a survey made in summer 2004 on the competitiveness of Slovenia as a tourist destination. The article is constructed as follows: First, a model of destination competitiveness is presented; second, a methodological framework is presented and data collection is described. In the third part empirical results are presented and the article concludes with a summary of key findings.

Model of Destination Competitiveness

The model seeks to capture the main elements of competitiveness highlighted in the general literature, while appreciating the special issues involved in exploring the notion of destination competitiveness as empha-
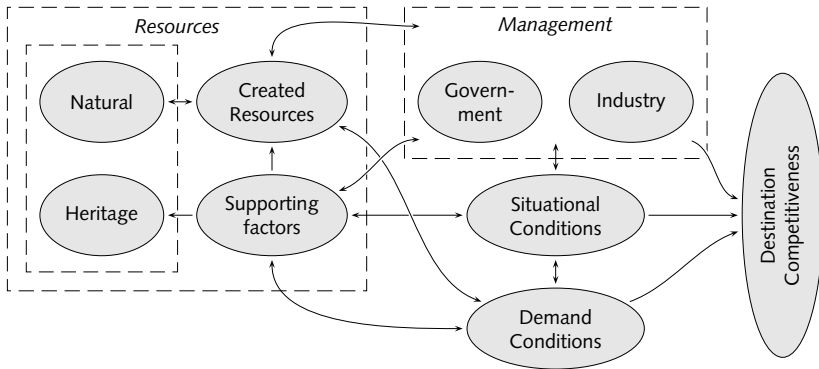
FIGURE 1   Model of destination competitiveness (adapted from Dwyer et al. 2003)

sised by tourism researchers. The model was developed in a collaborative effort by researchers in Korea and Australia (Dwyer, Livaic and Mellor 2003).

The model displayed in figure 1 brings together the main elements of destination competitiveness as proposed by tourism researchers. The determinants are classified under six main headings:

- Inherited Resources
- Created Resources
- Supporting Factors and Resources
- Destination Management
- Situational Conditions
- Demand Conditions

Taken together, Inherited, Created and Supporting Resources provide various characteristics of a destination that make it attractive to visit. This is why they are all placed in the same box. Inherited resources can be classified as Natural and Cultural. The Natural Resources include physiography, climate, flora and fauna etc. The culture and heritage, like the destinations' history, customs, architectural features, and traditions enhance the attractiveness of a tourism destination. Created Resources include tourism infrastructure, special events, entertainment, shopping and any available activities. The category Supporting factors and Resources provides the foundations for a successful tourism industry. They include general infrastructure, quality of services, hospitality, and accessibility of destination.

Destination Management includes factors that enhance the attractiveness of the inherited and created resources and strengthen the quality of the supporting factors.

The factors of Situational conditions can moderate modify or even mitigate destination competitiveness. This can be a positive or unlikely negative influence on the competitiveness. There would seem to be many types of situational conditions that influence destination competitiveness. These are Destination location, micro and macro environment, the strategies of destination firms and organisations, security and safety and the political dimension.

If we want a demand to be effective, tourists must be aware of what a destination has to offer. The awareness, perception and preferences are three main elements of the tourism demand.

Methodology

SAMPLE AND DATA COLLECTION

Following the model, a survey was conducted to determine the competitiveness of Slovenia as a tourist destination. Underpinning the survey instruments was a set of indicators of destination competitiveness. We agree that indicators of destination competitiveness are many and varied. There is no single or unique set of indicators that apply to all destinations at all times (Dwyer, Livaic and Mellor 2003). Generally they include objectively measured variables such as visitor numbers, market share, employment, earnings, as well as subjectively measured variables such as climate, richness of attractiveness, image, appeal, beauty etc.

The survey instrument was prepared. The questionnaire was tested on 11 tourism stakeholders. Some obscurities were discussed and some questions have been changed, but no essential corrections have been made. Those 11 questionnaires have not been included in the further analysis.

The most common research method of tourism attractiveness is from the visitors' perspectives. In our case this approach is limited due to the short period of visiting time and the limited knowledge of domestic and foreign visitors about a given destination, particularly about the destination management determinants. The use of tourism experts as tourism stakeholders have some benefits and advantages. Their knowledge about the entire portfolio of destination competitive resources can help to discover the tourist destination more appropriately.

The survey was performed from March to April 2004. The respondents were selected from tourism stakeholders on the supply side, that is

tourism industry stakeholders, government officials, tourism school academics and postgraduate students on tourism courses. Further use of the model would need to incorporate tourism consumer input and perception. Out of 291 questionnaires sent, 118 or 41% were returned.

The sample included 6.8% government officials, 12.8% tourist agency managers, 26.4% hospitality sector managers, 6% tourism school academics, 15% tourism services managers, 12% postgraduate students on tourism courses, 15% employers in local tourist organisations and 6% the others. The majority of the participants were young – up to 40 years of age (61.9%). The respondents' average length of residence in Slovenia was 36 years (SD = 11.29). The results revealed that 2 (0.02%) of respondents were residents for less than 20 years, 43 (36.4%) of them were residents for between 20 and 30 years, 18 (15.2%) of them for between 30 and 40 years and 55 (48.38%) of them for more than 40 years. Only four of them were not born in Slovenia, only one of all respondents has lived in Slovenia less than 13 years. The sample was not well balanced in terms of gender (66.1% female, 33.9% male). The majority of the participants had completed college or university (50.8%), so most of the respondents were quite highly educated.

This result implies that the survey questionnaires were collected from various tourism stakeholders who are currently involved in tourism-related organisations, associations and business.

VARIABLES AND MEASUREMENT

The respondents were asked to indicate their own group of five most competitive destinations and to rank them from the most to the least competitive. The aim of this study was not to rank Slovenia against other competitive destinations, but to indicate the weak points in Slovenia's tourism industry. Further, the survey required respondents to give a rating (on a 5 point Likert scale, for each of the 85 competitiveness indicators) for Slovenia compared to its major competitor destinations. The options ranged from 1 (well below average) to 5 (well above average).

In order to obtain a clearer picture of the assessment made by respondents to the various questions, we group them into each of the six categories of the Model of Destination Competitiveness.

Empirical Analyses

The data on competitiveness of Slovenia as a tourist destination were acquired by using the questionnaire. Slovene tourist stakeholders were

asked to rate Slovenia's performance, on a 5-point Likert scale, on each of 85 indicators, against a group of competitive destinations. In order to obtain a clearer picture, we grouped them into each of the six categories of the Model of Destination Competitiveness (see figure 1): Inherited Resources, Created Resources, Supporting Factors, Situational Conditions, Management, and Demand. For each of these groupings, tables were produced, where mean and standard deviation for each question is displayed. The question with the smallest mean response within the group is listed first; the remaining responses are listed in ascending order. Finally, a paired sample test was used to check the hypothesis. The spss standard package for personal computers was used in this regard.

INHERITED RESOURCES

Inherited resources are classified as Natural and Cultural/Heritage. The natural resources of a destination signify the environmental framework within which the visitor enjoys the destination (Dwyer and Kim 2003). They are crucial for many forms of tourism and visitor satisfaction. The culture and heritage of a destination, its history, traditions, artwork etc., provides a powerful attracting force for the prospective visitor (Murphy, Pritchard and Smith 2000).

Compared to the competitive destinations, Slovenia is regarded as above average in all attributes on this dimension (see table 1). The highest rating was accorded to the unspoiled nature, flora and fauna, attractiveness of climate and traditional arts. The relatively high rating given to Slovenia's natural resources is to be expected. It is well known that the country has areas of attractive natural resources, the nature is still unspoiled and the climate is really favourable. The smallest standard deviation in this group for the unspoiled nature with value 0.7 indicates quite high agreement between respondents. The high ratings should not be a cause for complacency. The maintenance of Slovenia's competitive advantage in this area requires constant environmental monitoring of the impacts of tourism development.

The relatively high standard deviation in the responses for historic sites, artistic and architectural features and heritage indicates that respondents share different views about their perceptions of these attributes. The means are lower too. This result is not unexpected, given the relatively short history of Slovenia compared to the historically and culturally rich competitors, such as Italy and Austria. It is unlikely that these attributes can be improved through appropriate tourism policy.

TABLE 1 Descriptive statistics: Inherited Resources

	Competitiveness indicators	M	SD
A7	Historic sites	3.21	0.90
A6	Artistic and architectural features	3.22	0.80
A8	Heritage	3.46	0.86
A9	National parks	3.58	0.98
A1	Cleanliness	3.66	0.76
A5	Traditional arts	3.73	0.79
A2	Attractiveness of climate for tourism	3.83	0.76
A4	Flora and fauna (e. g. animals, birds, forests)	4.00	0.79
A3	Unspoiled Nature	4.40	0.70

Notes: $n = 118$, M = mean, SD = standard deviation. Source: Own calculations.

In general, these destination attractions (inherited resources) have been considered as tourism supply factors, which represent the driving forces generating tourism demand (Uysal 1998) and also primary sources or determinants of measuring destination attractiveness (Hu and Ritchie 1993).

The survey, conducted by the Slovenian tourism organisation (STO 2004; 2005) showed that the visitors , residents of Austria, Italy and Germany, share the same opinion (well preserved nature, a great culture and history, a great diversity in a small area). German visitors perceive Slovenia as a country of friendly people and pleasant weather with beautiful nature, especially due to its splendid mountains and lakes (Konečnik and Ruzzier 2006).

CREATED RESOURCES

There are at least five types of created resources that influence destination competitiveness: tourism infrastructure, special events, range of available activities, entertainment and shopping.

Mo, Howard and Havitz (1993) have argued that destination service infrastructure is, after destination environment, the most important factor in a tourist's experience. The capacity of special events to generate tourism expenditure is well documented. The set of activities possible within a visit are undoubtedly important tourism attractors. These can include recreation facilities, sports, facilities for special interest etc. The category of entertainment can be found in many forms. The amount of entertainment is less important than its quality or uniqueness.

Slovenia is rated most above average on attributes of health resorts, visitor accessibility to natural areas, variety of cuisine, Casino, nature based activities, accommodation (variety/quality) and food service facilities, but most below average in amusement/theme parks, community support for special events and night life (see table 2). Variety of cuisine had the smallest standard deviation in this group with the value of 0.74, indicating agreement between respondents. The tourists from Austria, Italy and GB gave a high rate (3.94 on the scale from 1 to 5) to the excellent food and wine, too (STO 2005). Less consistency between respondents was found in the area of water based activities (standard deviation of 0.94) and winter based activities (standard deviation of 0.94).

The survey results indicate much room for improvement in the area of Created resources. Other attributes that may need attention are entertainment and special events. The survey also implies that Slovenia could develop greater community support for special events. Improvements should be made in the efficiency and quality of local transportation. If so, residents can benefit as well as tourists.

SUPPORTING FACTORS

Supporting factors underpin destination competitiveness. They include attributes such as general infrastructure, quality of service, accessibility of destination, hospitality, etc.

A destination's general infrastructure includes road network, water supply, financial services, telecommunications, health care facilities, etc.

Destinations have become reliant on the delivery of quality services. A commitment to quality by every enterprise in a destination is necessary to achieve and maintain competitiveness (Go and Govers 2000).

There exists a link between destination access and destination choice. The accessibility of the destination is governed by many influences including ease and quality of auto, air, train, bus, sea access, entry permits and visa requirements, airport capacities etc. (McKercher 1998).

Hospitality relates to the resident and community attitudes towards tourists and towards tourism industry. Resident support for tourism development fosters a competitive destination.

Slovenia is rated as above average in hospitality of residents towards tourists, communication and trust between tourists and residents, accessibility of destination, telecommunication system for tourists, quality of tourism services and in financial institutions and currency exchange facilities, but below average in animation, health/medical facilities to

TABLE 2 Descriptive statistics: Created Resources

	Competitiveness indicators	M	SD
B32	Amusement/Theme parks	2.06	0.77
B28	Community support for special events	2.39	0.86
B29	Night life (e. g. bars, discos, dancing)	2.50	0.84
B23	Airport efficiency/quality	2.54	0.81
B30	Local tourism transportation efficiency/quality	2.55	0.84
B10	Water based activities (e. g. swimming, surfing, boating, fishing)	2.85	0.93
B26	Entertainment (e. g. theatre, galleries, cinemas)	2.88	0.81
B31	Diversity of shopping experience	3.00	0.80
B25	Special events/festivals	3.06	0.79
B24	Tourist guidance and information	3.08	0.86
B50	Existence of tourism programs for visitors	3.08	0.82
B11	Winter based activities (skiing, skating)	3.10	0.93
B15	Adventure activities (e. g. rafting, skydiving, bungee jumping),)	3.10	0.88
B14	Sport facilities (e. g. golf, tennis)	3.22	0.76
B20	Rural tourism	3.33	0.89
B13	Recreation facilities (e. g. parks, leisure facilities, horse riding)	3.33	0.78
B19	Congress tourism	3.34	0.84
B17	Food service facilities	3.38	0.82
B22	Accommodation (variety/quality)	3.40	0.80
B12	Nature based activities (e. g. bushwalking, bird watching)	3.44	0.85
B27	Casinò	3.58	0.92
B16	Variety of cuisine	3.81	0.73
B18	Visitor accessibility to natural areas	3.92	0.85
B21	Health resorts, spa	4.27	0.74

Notes: $n = 118$, M = mean, SD = standard deviation. Source: Own calculations.

serve tourists, attitudes of customs/immigration officials, efficiency of customs/immigration, visa requirements as an impediment to visitation and destination links with major origin markets (see table 3).

Overall, the rating of these groups of attributes was considerably lower than for the inherited resources and Created resources. Hospitality in Slovenia was rated highly. Slovenia's residents were rated above average in their friendliness to tourists and the ease of communications between tourists and residents. Customs efficiency and attitude were rated above

TABLE 3   Descriptive statistics: Supporting Factors

	Competitiveness indicators	M	SD
C35	Animation	2.59	0.79
C33	Health/medical facilities to serve tourists	2.77	0.88
C41	Attitudes of customs/immigration officials	2.89	0.85
C40	Efficiency of customs/immigration	2.91	0.86
C44	Visa requirements as an impediment to visitation	2.91	0.85
C43	Destination links with major origin markets (e. g. business, trade, sporting)	2.95	0.84
C34	Financial institutions and currency exchange facilities	3.19	0.77
C36	Quality of tourism services	3.25	0.74
C37	Telecommunication system for tourists	3.26	0.91
C38	Accessibility of destination	3.31	0.85
C40	Communication and trust between tourists and residents	3.34	0.84
C42	Hospitality of residents towards tourists	3.45	0.76

Notes: $n = 118$, M = mean, SD = standard deviation. Source: Own calculations.

average. Maybe there is no need to spend time on this. The situation on state frontiers has probably changed since 1 May 2004, when Slovenia became a member of the European Union (the survey was carried out in April 2004). Room for improvement is indicated in animation. There is a lack in tourism products and programs for entertainment and attractive experiences. Of course there is nothing to do about Slovenia's location compared to the major origin markets.

Tourists from Austria, Italy and GB gave the highest rate to the Slovenia as a hospitable country (4.14 on the scale from 1 to 5).

DESTINATION MANAGEMENT

Destination management has a potentially important influence on destination competitiveness. It includes activities such as destination marketing, planning and development, destination management organisations and human resource development.

Destination management should focus on a systematic examination of unique comparative advantages that provide a special long term appeal of the destination (Hassan 2000). Tourism planning takes place on many levels: destination, regional, national, international. Planning is carried out by different organisations and agencies.

Compared to the group of competitive destinations, Slovenia is rated

TABLE 4   Descriptive statistics: Destination Management

	Competitiveness indicators	M	SD
D77	Extent of foreign investment in destination tourism industry	2.15	0.90
D71	Government co-operation in development of tourism policy	2.33	0.89
D51	Public sector recognition of importance of sustainable tourism development	2.38	0.98
D69	Quality of research input to tourism policy, planning, development	2.38	0.79
D68	Destination has clear policies in social tourism (e. g. disabled, aged)	2.39	0.92
D73	Public sector commitment to tourism / hospitality education and training	2.40	0.82
D74	Private sector commitment to tourism / hospitality education and training	2.50	0.88
D78	Level of co-operation (e. g. Strategic alliances) between firms in destination	2.53	0.71
D76	Development of effective destination branding	2.59	0.87
D70	Tourism development integrated with overall industry development	2.60	0.77
D61	Existence of adequacy tourism education programs	2.61	0.78

Continued on the next page

above average in resident support for tourism development, appreciation of service quality importance, tourism/ hospitality training responsive to visitor needs and private sector recognition of sustainable tourism development importance. The highest rating was accorded to the resident support for tourism development. As also in the group of supporting factors, the indicator hospitality of residents towards tourists was rated the highest, there are indications that residents are aware of the tourism development benefits.

Ap and Crompton (1993) profiled four levels of reactions by residents to tourism activities. The first level is embracement, which describes a euphoric stage where residents hold very positive attitudes toward tourists and their impact. Tolerance is next and describes residents who are positive on some impacts and negative on others. Adjustment, the third level, is where residents have learned to cope with tourists. The last stage describes a community where residents leave when tourists arrive.

According to Yoon, Gursoy and Chen (2000), who studied residents' attitudes and support for tourism development, local residents are likely

Continued from the previous page

	Competitiveness indicators	M	SD
D67	Developing and promoting new tourism products	2.66	0.85
D64	Destination vision reflecting resident values	2.71	0.75
D65	Destination vision reflecting stakeholder values	2.72	0.78
D81	NTO reputation	2.72	0.93
D75	Educational structure/profile of employees in tourism	2.72	0.73
D66	Destination vision reflecting community values	2.73	0.76
D80	Quality in performing tourism services	2.82	0.81
D63	Destination vision reflecting tourist values	2.83	0.80
D57	Entrepreneurial qualities of local tourism businesses	2.97	0.77
D60	Efficiency of tourism/hospitality firms	3.00	0.61
D52	Private sector recognition of sustainable tourism development importance	3.00	1.00
D62	Tourism/hospitality training responsive to visitor needs	3.02	0.75
D79	Appreciation of service quality importance	3.03	0.78
D72	Resident support for tourism development	3.16	0.74

Notes: n = 118, M = mean, SD = standard deviation. Source: Own calculations.

to participate in supporting tourism development as long as the perceived benefits of tourism exceed the perceived cost of tourism.

The human resource function is critical to the performance of any destination. Since competition between firms is determined by skills, human resources are central factors in achieving or maintaining competitiveness (Bueno 1999). Tourism stakeholders need to understand the HRM practices that strengthen the knowledge-sustained competitive advantage. The rating for private and public sector commitment to tourism education and training is quite below average. This indicates that the human resources development (HRD) in tourism operation and management is not understood significantly enough.

Countries which depend on tourism economic earnings know too well that popularity and continued sustainable growth of their destinations is directly related to the quality of their tourism workforce. Efforts in tourism education and training have to be undertaken by at least three main stakeholders: government agencies, private and public schools, and industry sector.

The perception is that Slovenia rates relatively low in many indicators of the group Destination Management. The lowest ratings were given

TABLE 5   Descriptive statistics: Situational Conditions

	Competitiveness indicators	M	SD
E56	Co-operation between public and private sector	2.35	0.84
E58	Access to venture capital	2.59	0.83
E59	Investment environment	2.63	0.80
E54	Use of e-commerce	2.86	0.72
E49	Manager capabilities	2.94	0.82
E53	Value for money in shopping items	3.06	0.68
E55	Use of IT by firms	3.06	0.78
E48	Value for money in accommodation	3.39	0.84
E47	Value for money in destination tourism experiences	3.44	0.86
E46	Political stability	4.11	0.71
E45	Security/safety of visitors	4.16	0.76

Notes: $n = 118$, M = mean, SD = standard deviation. Source: Own calculations.

to the extent of foreign investment in the destination tourism industry, government co-operation in development of tourism policy, public sector recognition of the importance of sustainable tourism development and quality of research input to tourism policy, planning, development. In this area there really is much room for improvements. In the field of tourism, scientific research has always been important. Now, when tourism consumers are changing their habits and preferences, this is even more evident.

SITUATIONAL CONDITIONS

Situational conditions may enhance or reduce destination competitiveness. The performance of the tourism industry depends on the overall structure of the industry and the positive environment in which it is situated.

A competitive destination depends both on the micro environment and on the macro environment. On the micro level, competition among firms creates an environment for excellence. On the macro level, tourism is influenced by a range of global forces including economic restructuring of economies, demographic changes, computerisation etc. The political dimension is a key factor that contributes to the nature of the destination. Safety and security can be a critical determinant of the tourism destination. The financial cost of the tourism experience is, however, important.

Slovenia is rated above average in security/safety of visitors, political

TABLE 6   Descriptive statistics: Demand Conditions

	Competitiveness indicators	M	SD
F83	International awareness of destination	2.00	0.87
F85	International awareness of destination products	2.15	0.84
F84	'Fit' between destination products and tourist preferences	2.70	0.69
F82	Overall destination image	2.83	0.89

Notes: *n* = 118, M = mean, SD = standard deviation. Source: Own calculations.

stability, value for money in destination tourism experiences, value for money in accommodation, use of IT by firms and value for money in shopping items, but below average in co-operation between public and private sector, access to venture capital, investment environment, use of e-commerce and manager capabilities (see table 5).

Slovenia is often perceived to be a safe country (STO 2004; 2005). The low standard deviation for the political stability indicates a high level of agreement in the rating of this indicator. In the case of bad performance of tourism industry, Slovene tourism managers should no longer excuse themselves by referring to the bad political situation or the neighbourhood of the Balkans.

DEMAND CONDITIONS

Demand factors assume special importance in determining destination competitiveness. The reason is that a destination may be competitive for one group of tourists but not for another group. It depends on their motivation for travel. We can distinguish between domestic and foreign demand. In many cases the domestic tourism drives the nature and structure of a nation's tourism industry. Foreign demand thrives more readily when domestic demand is well established. The competitiveness comprises three main elements of tourism demand: awareness, perception and preferences (Dwyer, Livaic and Mellor 2003).

Awareness can be generated by marketing activities, the image can influence perceptions and actual visitation will depend on perceived destination product offerings.

Slovenia is rated below average in all demand conditions indicators (see table 6). Each of these items is important for generating high and stable tourism flow in the future. The perceived 'fit' between destination tourism products and tourist preferences is very important in giving visitor satisfaction. Destination marketing managers should be-

come alarmed because of the very low rating for international awareness. Maybe they have already made a first move. At the Slovene tourism organisation (STO), they have set themselves the general task of enhancing awareness of Slovenia on the main target markets (Pak and Hauko 2002).

HYPOTHESIS TESTING

As mentioned above, extensive research was undertaken by Sirše in the late nineties. The research results were analysed in the case study presented at the 49th Congress of Aiest (1999) at Portorož. The study took into account comparative and competitive advantages aspects. The overall objective of this study was to show the importance of tourism for Slovenia and to evaluate the efficiency of the Slovenian Tourism policy. Slovenia tourism experts, 25 in all, were asked to appreciate different factors influencing competitiveness of the country. They shared the opinion that the management capability to add value to non-produced attractiveness is not satisfactory (Sirše and Mihalič 1999). Based on the key findings of the mentioned research and based on research questions of this case study, three hypotheses were proposed to determine the competitiveness of Slovenia as a tourist destination. For this purpose five new variables were defined:

1. IR, as a mean score of the first group of survey questions – Inherited Resources,
2. CR, as a mean score of the second group of survey questions – Created Resources,
3. SF, as a mean score of the third group of survey questions – Supported Factors,
4. SFR, as a mean score of the first, second and third group of survey questions – Supporting Factors and Resources,
5. MGT, as a mean score of the fourth group of survey questions – Destination Management.

We verified the competitiveness of Slovenia as a tourist destination following the hypotheses:

H1: Slovenia as a tourist destination is more competitive in the field of Supporting Factors and Resources than in the field of destination Management.

H2: Slovenia as a tourist destination is more competitive in the field of Inherited Resources than in the field of Created Resources.

TABLE 7   Results of paired sample t-test

Variable	M	SD	(1)	(2)	t	(3)
SFR-MGT	0.61	0.37	0.54	0.68	17.61	0.000
IR-CR	0.54	0.46	0.45	0.62	12.81	0.000
IR-SF	0.60	0.54	0.50	0.70	12.20	0.000

Column headings as follows: (1) lower 95% confidence interval of the difference;
(2) upper 95% confidence interval of the difference; (3) Sig. (2-tailed).
$n = 118$, M = mean, SD = standard deviation. Source: Own calculations.

> H3: Slovenia as a tourist destination is more competitive in the field
> of Inherited Resources than in the field of Supporting Factors.

For the purpose of obtaining these outputs, we set up three null hypotheses:

> H0: The average value of the variable SFR is equal to the average value
> of the variable MGT.
> H0: The average value of the variable IR is equal to the average value
> of the variable CR.
> H0: The average value of the variable IR is equal to the average value
> of the variable SF.

For testing the null hypothesis that the average difference between a pair of measurement is 0, we used a paired-samples t-test. The t test procedure also displays a confidence interval for the difference between the population means of the two variables.

The results in table 7 indicate the statistically significant difference between variables in all three cases. We can therefore reject all placed null hypotheses. The upper analysis corresponds to results of the study made by Sirše and Mihalič in the 1999. Slovenian tourism competitiveness is built mainly on the diversity and richness of its attractions. The secondary tourist supply is much less competitive. Unfortunately this primary attractiveness itself can be a source for higher value added, but the value is only created through performing activities and successful management. Thus it can happen that the advantage, due to the attractions is lost through the non-competitive secondary tourism supply (Mihalič 1999). Especially in the area of all kinds of resources, inherited and created, Slovenia is an attractive destination. This means that Slovenia has the opportunity to become a successful tourism destination, but for the efficient prosperity of tourism industry, many improvements in the area of destination management should be made.

Conclusions

In this article we analyse the competitiveness of Slovenia as a tourist destination. Following the reference literature we establish six main groups of variables: Inherited resources, Created resources, Supporting factors, Situational conditions, Management, and Demand. On the basis of the obtained empirical results we can reveal areas where improvements should be made to Slovenia as a tourist destination.

A majority of 85 factors were evaluated below 4 (on the scale from 1 to 5). This means that there are only a few attributes, for which Slovenia was rated well above average. Despite the fact that the majority of our respondents were people who can be treated as destination managers, the destination management factors were evaluated the worst. This indicates that there is no clear strategy for further development. This is clearly seen from the low degree of co-operation between public and private sector, between education institutions and tourism companies. It seems that the government has no long-run solution for the co-operation between all potentially involved stakeholders.

The development of the Slovenian tourism sector in recent years has been based on the construction of physical infrastructure. The elements like quality of services, educational programmes and development of human resources, stimulation of creativity and innovation and formation of new interesting tourism products, were neglected. The development of tourism destination management, which is one of most important factors for competitiveness, was unsuccessful. The main problem seemed to be the danger, that because of the ineffectiveness in the phase of development and marketing of tourism products, the destination is losing the potential premium for the comparative advantages. This can be the reason for the diminution of the added value. It is possible that the tourism sector doesn't benefit enough from government support for the planned development of the destination and that the marketing effort doesn't work in the desired direction.

According to respondents, government co-operation in the development of tourism policy is not satisfactory. However, ensuring an appropriate and dynamic organisational structure to manage the destination tourism process is a vital element of destination competitiveness. Government should be involved in the promotion, regulation, presentation, planning, monitoring, co-ordination and organisation of tourism resources.

All kinds of management activities and actions can be considered as destination competitive strategies that can allow Slovenia as a tourist destination to enhance its competitiveness. Management should take care of creating and integrating value in tourism products and resources so that Slovenia as a tourist destination could achieve a better competitive market position.

Tourism can present an important factor in the internationalisation of the economy, as is evident from the discussion of Slovene small and medium enterprises (Ruzzier 2005). The unfavourable environment for foreign investment in the destination tourism industry represents an obstacle in maintaining or increasing the competitiveness and for faster development of Slovenian tourism. This is particularly important for the segment of small and medium enterprises, which represent 98% of all tourism business subjects. Ensuring a healthy investment climate is an essential ingredient of longer-term competitiveness. Investment in new products and services may also help to overcome seasonality constraints.

Every destination is comprised of many public and private sector actors. In practice, a strategic framework is required to outline their respective roles as well as their opportunities. Both should play their roles and achieve their specific goals and objectives. However, the cooperation between public and private sector was rated quite low. It is increasingly appreciated that a strong spirit of partnership and collaboration is required among all stakeholders to realize the potential of destination and to maximize available resources. Slovenia is still in a transition period. Privatization of tourism enterprises has just started. All these circumstances do not favor an ideal public-private partnership.

It is increasingly recognised and accepted that resources must be maintained and managed in an appropriate way if we want to prevent undue deterioration. This is why the low rating for public sector recognition of importance of sustainable tourism development should cause concern.

In the area of destination image, perception and awareness there is room for improvements. The ratings for these factors did not exceed 3 (on the scale from 1 to 5). Particular emphasis must therefore be placed on developing and promoting the particular image of the destination to compete effectively in the international marketplace. There is a gap between destination products and tourists' preferences. Changes in lifestyles, values and behavior are key driving forces in shaping the future direction of tourism marketing. Tourists are more knowledgeable, expe-

rienced, environmentally aware, independent and considerably better informed.

The presented research represents only one single step in the analysis of the competitiveness of Slovenia as a tourist destination. We have listed some of the main dimensions and indicators only. The first aim of this paper was to indicate the weak points of the Slovene tourism industry. The results reveal where Slovenia is below and where it is above average, comparing it with the competitive destinations.

There is a need to explore the relative importance of the different dimensions of competitiveness. Thus, for example, how important are the natural resources compared to, say, residents' hospitality, how important is the service quality compared to prices. Such researches must be prepared for the specific destinations and specific visitor market segments.

More research needs to be undertaken on the importance of different attributes of destination competitiveness. There is a need for more detailed empirical studies of consumer preferences and the determinants of travel decision.

The model allows destination competitiveness to be monitored over time. This can provide a moving picture of destination competitiveness at different points in time.

The model of competitiveness could be improved by seeking better to quantitatively measure and evaluate the relative importance of various factors determining the destination competitiveness.

References

Ap, J., and J. Crompton. 1993. Resident's strategies for responding to tourism impacts. *Journal of Travel Research* 32 (1): 47–50.

Bueno, P. 1999. Competitiveness in the tourist industry and the role of the Spanish public administration. *Turizam* 47 (4): 316–331.

Crouch, G. I., and B. Ritchie J.R. 1999. Tourism, competitiveness and societal prosperity. *Journal of Business Research* 44 (3): 137–152.

De Keyser, R., and N. Vanhove. 1994. The competitive situation of tourism in the Caribbean area – methodological approach. *Revue de Tourisme* 49 (3): 19–22.

Dwyer, L., and C. Kim. 2003. Destination competitiveness: Determinants and indicators. *Current Issues in Tourism* 6 (5): 369–414.

Dwyer, L., Z. Livaic, and R. Mellor. 2003. Competitiveness of Australia as a tourist destination. *Journal of Hospitality and Tourism Management* 10 (1): 60–78.

Evans, M. R., and R. B. Johnson. 1995. Identifying competitive strategies

for successful tourism destination development. *Journal of Hospitality and Leisure Marketing* 31 (1): 37–45.

Fadeeva, Z. 2003. Exploring cross-sectoral collaboration for sustainable development. PhD diss., Lund University.

Go, M. F., and R. Govers. 1999. The Asian perspective: Which international conference destinations in Asia are the most competitive? *Journal of Convention & Exhibition Management* 35 (5): 50–60.

———. 2000. Integrated quality management for tourist destinations: A European perspective on achieving competitiveness. *Tourism Management* 21 (1): 79–88.

Hu, Y., and J. R. B. Ritchie. 1993. Measuring destination atractiveness: A contextual approach. *Journal of Travel Research* 32 (2): 25–34.

Hassan, S. S. 2000. Determinants of market competitiveness in an environmentally sustainable tourism industry. *Journal of Travel Research* 38 (3): 239–245.

Kozak, M. 2001. Repeaters' behavior at two distinct destinations. *Annals of Tourism Research* 28 (3): 784–807.

Konečnik, M., and M. Ruzzier. 2006. The influence of previous visitation on customer's evaluation of a tourism destination. *Managing Global Transitions* 4 (2): 145–165.

McKercher, B. 1998. The effect of market access on destination choice. *Journal of Travel Research* 37 (1): 39–47.

Mihalič, T. 1999. Povzetek sektorskih strateških usmeritev in razvojnih programov na področju turizma. Http://www.gov.si/umar/projekti/sgrs/diskusij/mihalic.html.

Mihalič, T., and T. Dmitrović. 2000. The competitiveness of the Slovenian hotel and travel industry before and after EU entry. In *Tourism and transition,* 259–286. Dubrovnik: Faculty of Tourism and Foreign Trade.

Mo, C., D. R. Howard, and M. E. Havitz. 1993. Testing an international tourist role typology. *Annals of Tourism Research* 20 (2): 319–335.

Murphy, P., M. P. Pritchard, and B. Smith. 2000. The destination product and its impact on traveller perceptions. *Tourism Management* 21 (1) 43–52.

Pak, M., and K. Hauko. 2002. Poslovni načrt Slovenske turistične organizacije. Http://www.sloveniatourism.si/pictures/TB_board/atachments_1/2003/program_dela_2002_slo_33.pdf.

Poon, A. 1993. *Tourism, technology and competitive strategies.* Wallingford: Cabi.

Porter, M. 1990. *The competitive advantage of nations.* New York: The Free Press.

Ritchie, J. R. B., and G. I. Crouch. 1993. Competitiveness in international tourism: A framework for understanding and analysis. In *Proceedings*

of the 43rd Congress of the Association Internationale d'Experts Scien-tifique de Tourisme on Competitiveness of Long-Haul Tourist Destina-tions, 23–71. St. Gallen: AIEST.

Ruzzier, M. 2005. *International entrepreneurship: Small and medium com-panies internationalization model.* Kranj: Arak.

STO. 2004. Survey among travelers at Ljubljana Airport 04/05. Http://www
.slovenia.info/pictures/TB_board/atachments_2/2005/Povzetek_
letalisce04_eng__2213.pdf

———. 2005. Slovenian tourism in numbers. Http://www.slovenia.info/
pictures/TB_board/atachments_2/2005/Slovenski_turizem_v_
stevilkah_2004_final_2007.pdf

Sirše, J., and T. Mihalič. 1999. Slovenian tourism and tourism policy: A
case study. *Revue de Tourisme* 54 (3): 34–47.

Uysal, M. 1998. The determinants of tourism demand: A Theoretical per-spective. In *The economic geography of the tourist industry,* ed. D. Ioan-nides and K. G. Debbage, 79–98. London: Routledge.

Yoon, Y., D. Gursoy, and J. S. Chen. 2000. Validating a tourism develop-ment theory with structural equation modeling. *Tourism Management*
22 (4): 363–372.