

# THE TOURISM COMPETITIVENESS OF FOZ DO IGUAÇU UNDER THE DETERMINANTS OF INTEGRATIVE MODEL OF DWYER & KIM: ANALYZING THE STRATEGY TO CONSTRUCTION OF THE FUTURE

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## 1. INTRODUCTION

The concept of competitiveness has been a priority in the theoretical literature on strategy, both in business and industrial area, as in the international economy or tourist destination (Porter, 1989; Mateus et al., 2005; EMBRATUR, 2007, FGV / MTur / SEBRAE, 2008; UNWTO, 2010). However, competitiveness can be analyzed under various perspectives: in relation to the unit of analysis (companies, products, destinations, countries, economic blocs), in relation to the source of competitiveness (internal or external), in relation to the nature of competition (direct or indirect), in relation to the scale of analysis (micro or macro level) and in relation to the context (economic, social or environmental).

In tourism, competitiveness is the ability of a destination to present qualified goods and services, in relation to other tourist destinations, satisfying the touristic value (Dwyer and Kim, 2003). The study of tourism competitiveness has been a growing concern, because it is based on public policy and business destination, being one of the most important issues on the agendas of countries' development (Chudnovsky and Porta, 1990), so this research verifies the dimensions, determinants and indicators of tourism competitiveness which have been considered in recent empirical studies and reports developed on the city of Foz do Iguaçu, located in south Brazil. In this research, the tourism competitiveness was focused under the determinants of competitiveness developed by Dwyer and Kim (2003), in their conceptual model: the «Integrative Model». Therefore, this paper presents

an exploratory study analyzing plans and recent reports that have subsidized public policy of the destination Foz do Iguacu, verifying their relationship with the determinants of competitiveness shown by Dwyer and Kim (2003).

## **2. COMPETITIVENESS OF TOURISM DESTINATIONS**

The scientific debate about the competitiveness of tourist destinations theme reinforces the multifaceted concept of competitiveness; additionally the tourism system has a spread that potentiates the difficulties in defining or measuring the competitiveness of a destination. Because of this feature competitiveness that has been studied under various theoretical predictions. According to the perspective used, whether economic, management, political or social, researchers have suggested various measurement indicators and explanatory or conceptual models. The latest models of destination competitiveness do not focus on individual aspects of tourism products, but on the integrated tourist destination as part of a set of facilities for customers (Buhalis, 2000; Mihalac, 2000, Hassan, 2000; Ritchie and Crouch, 1999, 2000, 2003, Heat, 2003; Gooroochurn and Sugiarto, 2005; Mazanec, Wober and Zins, 2007; Barbosa et al, 2008; Hong, 2009). The conceptual model of Dwyer & Kim (2003), presents a set of indicators that express each determinant of tourism competitiveness in a set of integrated elements. The proposed model includes four main dimensions arranged in quadrant-keys, which are: resources, tourism destination management, situational conditions and demand conditions. The research authors suggest the application of 150 indicators in the empirical verification of the determinants of tourism competitiveness.

## **3. METHODOLOGY**

The study is guided by a social research topic of assessment techniques, being classified as descriptive and exploratory, predominantly qualitative. The sequence of the study was: (1) Establish a conceptual framework on the tourism competitiveness, (2) analyze the reports: «Ways of tourism: Building the destination we want - Phase 1 (2006)»; «Integrated Development Plan of sustainable tourism in Foz do Iguacu - PDITS (2010)» and «Ways of tourism: Building the future destination we want - Phase 2 (2011)»; (3) Verify the use of determinants proposed by Dwyer y Kim in their Competitiveness Model in the tourism destinations Foz do Iguacu - Paraná, Brazil.

The city of Foz do Iguacu is strategically located at the western extreme of the state of Paraná, on the border between Brazil and Argentina (Puerto Iguazu) and Paraguay (Ciudad del Este). It is an important touristic city, internationally recognized and characterized for being the second city most visited by foreign tourists in Brazil.

## **4. RESULTS AND IMPLICATION**

The first dimension, Resources and their determinants, includes created resources, natural resources, heritage resources, and support resources. It was noticed that these determinants in studies of the city Foz do Iguacu were analyzed under various points

of view, generating a situation analysis and inventory tourism. The second dimension refers to the destination management, and the analysis verified that there is a very clear vision of this dimension of competitiveness relative to its importance. The reports verification identified planning actions and management control aiming the improvement of competitiveness. Furthermore, the third dimension, conditional situation, covers the external forces that influence destination competitiveness, as the economic environment, social, demographic, cultural, environmental, political, legal, regulatory, governmental, and technological. The studies analyzed were focused especially on the economic condition, as scenario of growing political and economic stability, present in Brazilian economy, especially in the last developed study. Also the reports analyzed issues about triple border region, where is located the city and the political environment in Latin America. Finally, the last dimension, demand condition, covers three main determinants: demand conscious, perception and preferences. Reports and studies of Foz do Iguacu focused their analysis looking for a conformation of tourism product from the market trends based on the preferences of tourists.

The competitiveness variable is explained by the dimensions and determinants cited, and expressed by market performance indicators, but it also is an explanatory variable of socio-economic prosperity, which is expressed by improving quality of life for resident population. In the reports verified, the variable destination competitiveness was determined by its position related to other competitors nationwide from tourist flow studies published annually by the Brazilian Ministry of Tourism (MTur). Other indicators also developed by MTur were used, as the productivity factor of tourism industry in this city. In general, as in many other studies, there is a confused mix between competitiveness and productivity, prevailing economic productivity issues, flow, and income as the basis of an alleged competitiveness, but, based on these indicators, reflects only the productivity of the tourism sector. These reports don't analyze indicators of improvement of quality of life.

## 5. CONCLUSIONS AND RECOMMENDATIONS

This research concluded that in the city of Foz do Iguacu were analyzed the dimensions considered essential for increasing competitiveness and thus ensuring best results and benefits to its population, from the premise that competitiveness is an instrument and not the end of the process in the development of a locality. Therefore, it was verified that the reports have favored all dimensions and determinants recommended by Dwyer and Kim (2003). However, they are not covering the total indicators of measurement suggested by the authors of the model. Despite this, these reports allow the development of a competitiveness model, which has the main dimensions and determinants embodied by the models developed in the academic literature, but with specific indicators for the strategic management of a tri-border area.

The competitiveness was analyzed indirectly in the reports of Foz do Iguacu, what is a common situation in the reality of Brazilian research on the topic of tourism competitiveness, as noted by the bibliometric analysis conducted on this area (Chim-Miki, Gándara and Medina-Muñoz, 2011). The researches didn't use the theoretical basis or theoretical models of tourism competitiveness in the foundation of empirical research,

but these studies are generating a maturity of indicators that are of great value to the construction of a future quantitative measurement model.

The main limiting factors of tourism competitiveness studies are the deficit of sufficient statistical data to the application of 150 indicators required for a systemic view of the sector. It is noted that the tourism destinations have favored studies including the dimensions of competitiveness, sometimes as studies of image determinants or studies of planning. More recently, there are comparative studies with other destinations, including the determinants and indicators of performance in an integrated system. This has been verified in the Foz de Iguacu report analysis made in this research. Most verifications are in qualitative terms, excepting flow indicators, attractiveness (tourism inventory), accessibility to destination (number of flights and airlines), and productivity (tourist flow, income tourism). The relativity and multidimensionality of the competitiveness concept added to complex tourism system is the primary factor for these methodological difficulties.

The base theory of this article (Integrative Model), takes competitiveness as a way to do the socio-economic prosperity, which Dwyer and Kim indicate to measure by employment levels, rates of GDP per capita, and overall economic growth. These items in local level (Foz do Iguacu) were not verified in the reports, which remained the national focus. In the tourism destination studied and in most Brazilian cities there is a deficiency of statistical data to subsidize the economic, cultural and environmental analysis, mainly related to the economic activity of tourism, this fact may explain why they have not used these indicators.

Finally, we conclude that there is still a large deficit about the tourism competitiveness theme, both in the field of scientific knowledge and in the application of this practice in destination management. Therefore, we recommend the reports and researches use to provide a basis for identifying key indicators and scales to measure the tourism competitiveness in Foz do Iguacu, as an attempt to develop a measurement model, causal and explanatory, fully adapted to the characteristics of this unique destination Brazilian located in a triple international border.