The development and testing of a measurement instrument for regional tourism competitiveness facilitating economic development

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DECLARATION

I declare that:

"**The development and testing of a measurement instrument for regional tourism competitiveness facilitating economic development",**

is my own work. The text and bibliography reflect the sources I have consulted, and where I have made reproductions of any literary works. Sections with no source referrals are my own ideas, arguments and/or conclusions. I have not previously submitted this thesis at any institution in order to obtain a degree.

Signature:

_____

Tanya van der Schyff

December 2020

Vanderbijlpark

DEDICATIONS

This thesis is dedicated to:

My mother, René, my source of motivation, reminding me that "*niks minder as 'n doktorsgraad is goed genoeg nie*". Thank you for always encouraging me to better myself and constantly standing by my side.

My father, Jan, I admire your work ethic, you showed me what hard work is and how to push through tough times.

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My brother, Bernard, for being the most willing to discuss economics and world news with me, challenging me to new ways of thought

Without your continuous encouragement, love, prayers and belief, I would not have been able to complete this research piece. I love you all. I have so much gratitude.

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ABSTRACT

Worldwide, the competitiveness of the tourism industry is utilised to measure its performance which is categorised as productivity, an encourager of economic growth, and economic development (Webster & Ivanov, 2013:137; Rizzi & Graziano, 2017:11; Teixeira, 2018:6). Even though competitiveness is a pressing matter, little research focuses on the measurement of tourism destination competitiveness. Lopes, Muñoz and Alarcón–Urbistondo (2018:1) identify problems with the measurement of regional tourism destination competitiveness in stating that the majority of proposals made by organisations and found in research have been implemented on a national level with very few focusing on a regional or local level. It is clear that the development of a measurement instrument is needed on a regional and local level, which will assist in the comparison between regions and as such, improve their competitiveness. In the current study, the problem is addressed by developing a measurement instrument that assists in the comparison between regions and as such, improves their tourism destination competitiveness.

There exists the need for a regional (Baggio, 2018:1) and empirical measure of tourism destination competitiveness to guide the identification of well–informed strategic recommendations for relevant stakeholders. As the tourism industry is complex (Martín, Mendoza & Román, 2017:940), various research methods were required to performed adequate analysis. Therefore, in this study, a mix–method approach was followed by collecting primary and secondary data, quantitative and qualitative data. To achieve the primary, theoretical and empirical objectives the study was divided into four stages (methods) of execution, namely Stage A (literature review), B (development and testing of a measurement instrument), C (analysis of time–series econometrics) and D (SWOT analysis).

Stage A was a literature review of four concepts. The concepts of (i) tourism development and (ii) competitiveness were explained by providing the definitions, types, advantages and disadvantages and relating theories. The review of tourism development and competitiveness concepts provided the groundwork for the discussion on (iii) the determinants and (iv) the existing models of tourism destination competitiveness.

Stage B was the development and testing of the measurement instrument of tourism destination competitiveness. For the development of the measurement instrument, seven phases were followed. Phase 1, was the investigation of tourism destination competitiveness, which was found in Stage A. Phase 2, was the identification of 21 relevant determinants to represent tourism destination competitiveness into three dimensions. Phase 3 consisted of the pre–testing

of the measurement instrument by 31 subject and industry experts. These experts were required to (i) ranking the priority, (ii) weigh the importance of each determinant and dimensions in terms of tourism destination competitiveness and (iii) give any inputs through face validity and content validity. The priority and weighing for the determinants and dimensions of the measurements instrument were provided by industry and subject experts. These subject experts were selected using purposive sampling, and this was based on their knowledge in the field of economic development and tourism development and the tourism industry. Phase 4, made any recommended changes by the subject and industry experts to ensure face validity and content validity of the measurement instrument, resulting in 16 determinants within the three dimensions. According to the importance weighting, the top five most important determinants in the measurement instrument were (i) safety and security, (ii) accommodation facilities, (iii) transportation facilities, (iv) food and drink facilities and (v) natural resources. In terms of the dimensions, Resources are the most important, followed by infrastructure and then enabling environment and authorities in achieving tourism destination competitiveness.

For the testing of the measurement instrument, an index value was developed for each determinant and dimension through formula formulation by use of the importance weights provided by subject and industry experts. Phase 5, calculated the index value of the determinants and dimension through the use of the importance weighting values. The index value calculation was required as the determinants and dimensions were weighted differently and should be on the same scale to ensure accurate analysis.

Thereafter, Phase 6 was the development of the measurement instrument that encompasses four sections. Section A demographics, Section B resources, Section C infrastructure and Section D enabling environment and authorities. The following stage, Stage 7, was the pilot study for the Sedibeng district municipality (sample 1). For this, the SPSS program was used to conduct an EFA (exploratory factor analysis) and (ii) SmartPLS was used to perform a CFA (confirmatory factor analysis). The purpose of these analyses' was to indicate validity and reliability test results of the measurement instrument in the district municipalities. This process was repeated for the Fezile Dabi district municipality (sample 2) to confirm the findings from sample 1. The results indicated that in Sedibeng and Fezile Dabi district municipalities, the measurement instrument is validated and reliable with Cronbach's Alpha above 0.7. The results indicated that the measurement instrument is reliable and validated in both Sedibeng and Fezile Dabi district municipality. The results from the measurement instrument developed could be seen as accurate. The testing of the measurement instrument indicated that the tourism performance percentage is 37.42% and & 36.86% for the Sedibeng and Fezile Dabi district municipality, respectively. Indicating average performance, this could improve extensively.

Predominantly, the trends of tourism in the Sedibeng and Fezile Dabi district municipality indicated a possible upward trend in the future. However, the global COVID–19 pandemic, could negatively influence these trends.

Stage C was the analysis of time–series econometrics with the use of panel data from 2001 to 2019 for the Sedibeng (57 observations) and Fezile Dabi (76 observations) district municipalities. The purpose of the time–series analysis was to investigate the relationship between tourism (dependent) and related variables,– social, political and economic environments (independent). First, correlation analyses were done to indicate the linear relation between tourism and related variables. The unit root test results (a mixture of stationarity) indicated the use of an ARDL (autoregressive distributive lag) model for both the district municipalities. The ARDL model indicated that in the long–run, there is a positive relationship between tourism and the population density, GVA, HDI and the number of health facilities for the Sedibeng district municipality. Negative long–run relationships exist between tourism and criminality, tress index, unemployment and the exchange rate. For the Fezile Dabi district municipality, in the long–run, a positive relationship exists between tourism and GVA, HDI, tress index, exchange rate and the number of health facilities. On the contrary, negative relationships were present between tourism, criminality, population density and unemployment. The diagnostic tests indicated a stable model for the Sedibeng and district municipalities.

Stage D provided the SWOT (strengths, weaknesses, opportunity and threats) analysis for the Sedibeng and Fezile Dabi district municipalities. The information for SWOT analyses was gathered from industry experts within the district municipalities in the form of interviews. These respondents were selected based on their knowledge of the district municipalities. Three respondents in the Sedibeng district municipality and three respondents in the Fezile Dabi district municipality participated in the interviews as respondents. The SWOT analysis indicated that in the Sedibeng district municipality, the strengths are (i) strategic location, (ii) limited traffic and strong business chamber. The weaknesses are (i) pollution of the Vaal River, (ii) ignorance of tourism potential and (iii) poor tourism promotion. The opportunities are (i) available land for development, (ii) connectivity to high–density areas and (iii) tourism routes available for utilisation. The threat to tourism development in the Sedibeng district municipality was identified as (i) COVID–19 disease, (ii) magnetic mine and (iii) criminality.

The SWOT analysis indicated that in the Fezile Dabi district municipality that the strengths are (i) natural resources, scenic routes, (ii) UNESCO world heritage site and (iii) water sports events. The weaknesses are (i) poor condition of infrastructure, (ii) criminality and (iii) high business property rent. The opportunities that the Fezile Dabi district municipality should capitalise on are (i) agro–processing,(ii) skills development opportunities and (iii) marketing. The

threats are (i) COVID–19 disease, (ii) inactive government participation and (iii) non–compliance with legislation.

In order for a tourism destination to generally improve its competitiveness, ten determinants or factors of success were identified as (i) proper accommodation facilities, (ii) essential services, (iii) historic and cultural resources, (iv) food and drink facilities, (v) natural resources and strategic location, (vi) local leadership and political stability, (vii) safety and security, (viii) Transportation facilities (ix) technology, innovation and communication and (x) entrepreneurship, the business community and workforce. To improve tourism performance, the Sedibeng district municipality should consider the conservation of the natural environment, incorporation of technology and safety and security measures. To improve tourism performance, the Fezile Dabi district municipality should consider the promotion of water sports, incorporation of technology and government participation.

As such, this study's contributions were (i) the development and validation of an empirical and regional measurement instrument, (ii) the identification of tourism performance rating for the Sedibeng and Fezile Dabi district municipalities, (ii) time–series statistical analysis for the Sedibeng and Fezile Dabi district municipalities, (iii) SWOT analysis for the Sedibeng and Fezile Dabi district municipalities and (iv) strategic recommendations for the Sedibeng and Fezile Dabi district municipalities. The recommendations provided will set out to improve the level of tourism destination competitiveness in the district municipalities of Sedibeng and Fezile Dabi district municipality. The most relevant being the participation of the local community and local government to drive tourism destination competitiveness.

***Key terms**: ARDL panel, economic development, Fezile Dabi district municipality, measurement instrument, scale development, Sedibeng district municipality, reliability, tourism destination competitiveness, validation.*

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ADF	:	Augmented Dickey–Fuller
AMOS	:	Analysis of Moment Structures
AVE	:	Average variance extracted
ARDL	:	Autoregressive distributed lag
CFA	:	Confirmatory factor analysis
CO_2	:	Carbon dioxide
C–OAR–SE	:	Construct definition, Object classification, Attribute classification, Rater identification, Scale formation and Enumeration and Reporting
COVID	:	Corona Virus Disease
CR	:	Composite reliability
CSR	:	Corporate social responsibility
CTU	:	Computer Training Unlimited
DM	:	District municipality
EDTGH	:	Economy–driven tourism growth hypothesis
EFA	:	Exploratory factor analyses
E–MAIL	:	Electronic mail
EVIEWS	:	Econometric Views
FDI	:	Foreign direct investment
FDM	:	Fezile Dabi district municipality
GDP	:	Gross domestic product
GVA	:	Gross value added
HDI	:	Human development index
HIV	:	Human immunodeficiency virus
IBM	:	International Business Machines
ICT	:	Information and communication technology
IPS	:	Im, Pesaran and Shin

KMO	:	Kaiser–Meyer–Oklin
LED	:	Local Economic Development
LLC	:	Levin, Lin and Chu
MICE	:	Meetings, incentives, conferences and exhibitions
OECD	:	Organisation of Economic Co–operation and Development
PFA	:	Principal factor analysis
PLS	:	Partial least squares
PP	:	Phillips–Perron
PPP	:	Private–public partnerships
SDM	:	Sedibeng district municipality
SEM	:	Structural equation modelling
SMART	:	Smart, measurable, attainable, relevant and time–bound
SME	:	Small and medium enterprises
SPSS	:	Statistical Package for Social Sciences
SWOT	:	Strengths, weaknesses, opportunities and threats
TD	:	Tourism destination
TDC	:	Tourism destination competitiveness
TLGH	:	Tourism–Led Growth Hypothesis
TTCI	:	Travel and Tourism Competitiveness Index
UNESCO	:	United Nations Educational Scientific and Cultural organisation
UNWTO	:	United Nations World Tourism Organisation
WEF	:	World Economic Forum
Wi–Fi	:	Wireless Fidelity
WTTC	:	World Travel and Tourism Council
ZAR	:	South African Rand

CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Andrades–Caldito, Sanchez–Rivero and Pulido–Fernandez (2013:426) postulate that a tourism destination's competitiveness is pivotal as it influences the resilience and development of a country. Competitiveness is a precondition for the growth and development of a global economy in the current economic times. South Africa's tourism industry is lagging, which leads to its inability to effectively utilise tourism as a tool to achieve economic and social objectives at national, regional and local levels. The extent of this problem is noted in the TTCI (Travel and Tourism Competitiveness Index) ranking of 2019. Currently, South Africa holds the position 61st out of 140 countries in terms of the WEF's (World Economic Forum's) TTCI of 2019 (WEF, 2019b:304). In 2019 South Africa's travel and tourism competitiveness position decreased by eight positions on the index since 2017. The decrease in the positions was due to the increase in criminality and deteriorating business environment (WEF, 2019b:viii). This is not an ideal ranking position since South Africa has been degraded down eight positions since 2017 (53rd out of 136 countries) and 13 positions since 2015 (48th out of 136 countries). Even though South Africa is ranked second out of the Sub–Saharan African countries, its ranking is not sufficient for it to be globally competitive. South Africa's tourism industry underachieves compared to countries such as Qatar, India and Mauritius.

It is highlighted by the document on "Tourism Sector Recovery Plan" by The Department of Tourism in August 2020 on page 5 that:

> *"Tourism in South Africa as is the case in the global economy has been thrown into crisis by the COVID19 pandemic, putting thousands of businesses and jobs at risk. The priority for the industry is to resume operations as early as it is safe to do so, but reopening will just be the start of a difficult recovery. The situation requires an urgent response, but also a recognition of the constraints that hamper South Africa's tourism development".*

The global COVID–19 (Corona Virus Disease) epidemic that first made an appearance in 2019 (Varkey, Joy, Sarmah & Panda, 2020:1) has a significant negative impact on South Africa's tourism industry. The recovery of the tourism industry should be regarded with great importance. The potential of the tourism industry should be recognised as a driver of economic growth and development. The Department of Tourism (2020:5) state that the potential of the tourism industry is still positive even considering the negative astronomical impact of the COVID–19 pandemic on an economic and social environment (McKibbin & Fernando, 2020:45).

World–wide, competitiveness of the tourism industry is utilised to measure its performance which is categorised as productivity, an encourager of economic growth and also economic development (Webster & Ivanov, 2014:137; Rizzi & Graziano, 2017:11; Teixeira, 2018:6). The competitiveness of a tourism destination could be looked at in two ways. First, as a driver of economic development in the tourism destination and second, as a ranking of tourism potential in comparison to other tourism destinations. Even though competitiveness is a pressing matter, little research focuses on the measurement of tourism destination competitiveness. Current research by Lopes, Muñoz and Alarcón–Urbistondo (2018:1) identify problems with the measurement of regional tourism destination competitiveness in stating that the majority of proposals made by organisations and found in research have been implemented on a national level with very few focusing on a regional or local level. It is clear that the development of a measurement instrument is needed on a regional and local level, which will assist in the comparison between regions and as such, improve their competitiveness. In the current study, the problem is addressed by developing a measurement instrument that assists in the comparison between regions and as such, improves their tourism destination competitiveness.

As stressed by Nelwamondo (2009:10), it is a big concern that a lack exists between visible, coordinated effort on the part of relevant provincial tourism stakeholders to promote tourism development through strategic planning. As mentioned above, it is clear that these difference need to be addressed. This study addresses it by in addition to the testing of the developed measurement instrument and time–series analysis, conducting a trends analysis and SWOT analysis for both these district municipalities. The trend analysis gave an understanding of the differences between the district municipalities' tourism industries. The SWOT analysis process helps to generate competitive advantages and the development of strategic recommendations (Gürel & Tat, 2017:994). Therefore, strategic recommendations were provided to improve the overall performance of the tourism destinations (district municipalities). Therefore, it is essential to look at strategic recommendations for the development of the regions of the Sedibeng and Fezile Dabi district municipalities (tourism industry).

In 2017, the Department of Tourism (2017) highlighted important information on tourism in the provinces of South Africa, and the ones noted for this study are those of the Free State and Gauteng provinces. Accordingly, out of all nine provinces, the Gauteng province received most arrivals from inbound tourists at 39.4 percent with the Free State province in the fifth position at 11.6 percent. On a regional level, tourism in the Sedibeng and Fezile Dabi district municipalities form part of the Gauteng province and the Free State province respectively. According to the Sedibeng district municipality (2019:8), there are approximately 202 tourism–related sites (facilities of activities) which are diverse in terms of accommodation, entertainment and

heritage. Even though there are many other sites, the district municipality also mentioned that most facilities lack proper infrastructure and as such could not be full categorised as active tourism sites. Free State Tourism (2020) identified five tourism routes and various historical sites accompanied by accommodation and food and drink facilities in the Fezile Dabi municipality. The Sedibeng and Fezile Dabi district municipalities border on another and would provide an interesting perspective on the development of regions in close proximity; even though Sedibeng and Fezile Dabi are adjacent district municipalities as they have a distinct difference in terms of social, political and economic aspects (Kwatubana & Makhalemele, 2015:316).

Low tourism competitiveness, as indicated by the TTCI is not the only obstacle that South Africa needs to overcome. In addition, the economy is faced with socio–economic issues that leave individuals without proper education, employment, health services and other basic human needs. Since the beginning of the democratic era, South Africa, as an economic marketplace, has been produced demand and supply in the global economic market place. Since then, tourism and especially international tourism has been identified as an answer to these challenges faced by the economy and citizens (Du Plessis, Saayman & Van der Merwe, 2015:2). The OECD (Organisation of Economic Co–operation and Development) (2019) links competitiveness with these challenges by stating that a region's competitiveness will increase if the labour force is well trained, which leads to an increase in productivity. In the ever–changing industry, organisations should continuously improve. Therefore, the improvement of the labour force active in the tourism industry will in return improve the competitiveness of the companies and organisations within a specific region, thus leading to the region's tourism being more competitive with other national, regional and local communities. The national environment in South Africa itself, which includes the continental and regional level, would possibly be influenced by a stable political situation (Jacobs, 2018). This could, in return, render a positive reappraisal of business opportunities. It is therefore important to look at the short and long–run relationship between tourism development and related variables such as economic growth, exchange rate and criminality, to name a few.

According to Quintal (2017), the private and public industries should support the regions' tourism activity. Support could be done in the form of time, money and knowledge investments. For South Africa to improve as a country, investments are needed on a national, regional and local community level. Tourism should be considered a priority for any country as advantages arise for the community members and the economy. These advantages could be beneficial not only to the tourism industry but also to tourism–related businesses such as the adventure activities, accommodation facilities, conference and wedding venues, food and beverage

facilities, souvenir shops, tour agencies and guides, transportation services. Shahzad, Shahbaz, Ferrer and Kunmar (2017:223), state that the community members can enjoy these benefits, tourists and the economy– more specifically, the benefits of employment opportunities. The Department of Tourism (2020:1) argues for increased employment opportunities, as new business owners can enter the tourism industry with ease. This links to the benefits stated by Meyer and Meyer (2015:199) of job creation have on the economy and community members.

Theoretically, the significance of tourism is justified through Butler's tourism area life cycle, the TLGH (tourism–led growth hypothesis) and Porter's competitiveness models. The theoretical importance of this study can be found in the studies of Richie and Crouch (1999), Dwyer and Kim (2003) and Knežević Cvelbar, Dwyer, Koman and Mihalič (2016) to name a few. These studies focus on different factors that have an impact on tourism destination competitiveness. However, throughout the investigation, it was found that these models have limitations. Therefore, the study's importance lies in addressing these limitations through the development and testing of a comprehensive and empirical tourism destination competitiveness measurement instrument.

A recent study by Texeira (2018:6) explains that "*state of the art*" literature research on the concepts of competitiveness relating to innovation and bibliometric techniques on regional and business levels for the tourism industry has not been extensively provided. As such, a need exists to investigate the field of tourism competitiveness. Furthermore, Dana, Gurau and Lasch (2014: n358) and Texeira (2018:7) give that shortage of knowledge in this field of study concerning linkages between economic, tourism and social variables from a regional perspective. This study makes use of a descriptive method of analysis by identifying and developing a measurement instrument of tourism destination competitiveness on a regional level. The necessity of investigating tourism destination competitiveness allows an in–depth analysis in this field, which requires more research to gain comprehensive understanding (Delbari, Ng, Aziz and Ho, 2015; Ferreira, Fernandes & Ratten, 2016).

1.2 PROBLEM STATEMENT

A country should be a competitor rather than just a participant in the global economy. In order to be a competitor, particular challenges need to be overcome to increase the level of competitiveness. South Africa has ample opportunities to overcome a set of challenges at the national, regional and local levels (Mobius, 2017). South Africa's primary prospect rests within the tourism industry where these trails can be overcome through tourism development. Having so many extraordinary places of interest and so many yet to be discovered, South Africa is in a perfect position for tourism progress. South Africa's rich culture, perfect climate and prime

locations make it easy to host and use these advantages to the country's benefit. However, the TTCI indicates that South Africa is not competing successfully regarding tourism internationally. As such, the problem of low competitiveness needs to be investigated on a regional level to formulate better adequate policies and strategies specific to the needs of a region. Lopes *et al.* (2018:1) state that most proposals made in literature and by organisations are made on a national level with very few focussing at regional levels. This results in a gap in research focussing on regional tourism destination competitiveness. It is crucial to investigate the *determinants* of regional tourism destination competitiveness to assist in the comparison between regions and in results arising from formulating strategies to better their competitiveness.

Tourism destinations are complex (Martín, Mendoza & Román, 2017:940) and have various interlink networks. By managing their determinants effectively, a destination would be in a favourable position to achieve high levels of competitiveness (Ritchie & Crouch, 2003:2). The progress in technology, the rapid adjustments of tourist's requests and internationalisation add to the complexity of the ever–changing worldwide tourism industry. As a result, a multidimensional measuring instrument should be developed to best analyse the level of tourism destination competitiveness at a regional and local level. This stresses the need for a measurement instrument assisting the analysis of the performance of the tourism industry at regional and local levels, whereas, previous research focuses more on an international level and comparison between countries (Baggio, 2018:1; Boroomand, Kazemi & Ranjbarian, 2019:491).

As seen in the last decade of the twentieth century, a continuous increase in authors investigated the accumulation of insights into the sources that influence a physical environment attractive for potential tourist as a selected tourism destination. It, therefore, takes a look at what increase or decreases tourism desirability. In the last decade of the previous century, the recommended models have concentrated on the development of models through the implementation through particular methodologies, the competitiveness of specific countries' tourism destinations. The first model conceptualising competitiveness is that of Porter (1990), even though this model it the basis of various other models of competitiveness, it is in some ways not applicable to tourism. The model of Porter explained is that primary (production) factors influence competitiveness. Also, Porter stated that the primary factors are influenced by secondary factors, the actions of local government and unanticipated occasions. Even though these influences were already stated, minimal research was done, including it in an empirical measurement instrument for them. In addition, Porter's (1990) diamond model of competitiveness is a generic model. In terms of tourism, an industry–specific measurement

instrument is required. Following Porter (1990), Ritchie and Crouch (1993) and Crouch and Ritchie (1999) developed the first conceptual model on tourism destination competitiveness the latter including both the micro–and macro–environment of a tourism destination. The micro–environment and macro–environment involve global environments. Subsequently, Kim (2001) stated that the four most important factors of tourism destination competitiveness are (i) economic agencies, (ii) tourism policies, (iii) tourism infrastructure and (iv) tourism demands. This model is not as comprehensive as to be adequate for the interlinked industry, that is tourism. To improve on the comprehensiveness, Dywer and Kim (2003) constructed a more comprehensive conceptual model, which also includes (i) inherited, created and complementary resources, (ii) management by government and (iii) social prosperity.

Even though the models of Crouch and Ritchie (1999) and Dywer and Kim (2003) are the most agreed–upon models, they lack essential determinants crucial for the current progress of a tourism destination such as technology and political environment. Besides, these models are conceptual models, which create a gap in literature focussing on an empirical measurement instrument. The models such as the WEF's TTCI focus on the degree of tourism destination competitiveness on a national level. Although this measure is empirical, it is only applied on a national level to compare countries internationally. The results for TTCI are only published every second year. Tourism is a fast-paced, changing industry, regular analysis is required investigating tourism destination competitiveness. This brings forth the gap in the literature of a measuring instrument on a regional or local level as well as time–series and SWOT analysis as it assists the development of appropriate strategic recommendations. Even though the use of a SWOT analysis is an "*old*" method, it is still relevant and beneficial to use today (Abdel–Basset, Mohamed & Smarandache, 2018:116).

Considering the above discussions and arguments, this study's main objective was first, to develop and test the measurement instrument of tourism destination competitiveness in regions (Stage B). This measurement instrument was developed by including a list of determining factors (determinants) of regional competitiveness of tourism destinations. This measurement instrument was used for an analysis of a specific tourism destination to determine the areas or determinants in which a regional tourism destination should improve to increase its competitiveness. By testing this measurement instrument in other regions, it was also used as a comparative measurement between different regions, hence, taking on a functionalist research approach as it sets out to identify, explain and rectify the state of tourism destinations' competitiveness. In addition, a humanist or interpretive approach was followed as this study also aims to understand the performance of the selected tourism destinations. A time–series econometric analysis was done. This analysis was used to primarily indicate the long and short–

run relationships between tourism and related variables (Stage C). A SWOT (strengths, weaknesses, opportunities & threats) analysis was executed for the Sedibeng and Fezile Dabi district municipality. The purpose of the SWOT analysis is to indicate the strong and weak points of a tourism destination, the opportunities that should be undertaken and the threats that should be limited though adequate strategic recommendations for tourism development (Stage D).

1.3 OBJECTIVES

1.3.1 Primary objective

The primary objective of this study was to develop and test a measurement instrument for tourism destination competitiveness in order to facilitate economic development and growth. The investigation is based on the development of an empirical measurement instrument for tourism destination competitiveness on a regional level, which can also be used to evaluate and compare the performance of the two tourism destinations.

1.3.2 Theoretical objectives

In order to achieve the primary objective set out above, the following five theoretical objectives are formulated for the study:

- To conduct an in–depth discussion on concepts, theories and approaches regarding tourism development and its linkages to economic growth and development (Chapter 2).
- To conduct an in–depth discussion on concepts, theories and approaches regarding competitiveness and its linkages to economic growth and development (Chapter 2).
- To identify and define the determinants to tourism destination competitiveness (Chapter 2).
- To conduct an analysis of measurements– existing models of tourism destination competitiveness (Chapter 2).
- To investigate approaches and methodologies to instrument development (Chapter 3).

1.3.3 Empirical objectives

Following the primary objective, the following eight empirical objectives are formulated:

- To conduct an instrument development and validation of regional tourism destination competitiveness (Chapter 4).

- To identify the tourism performance rating for the Sedibeng and Fezile Dabi district municipalities from the measurement instrument (Chapter 4).

- To conduct a trends analysis of tourism, Sedibeng and Fezile Dabi district municipalities (Chapter 5).

- To investigate the correlation coefficients between tourism, economic growth and development variables (Chapter 5).

- To provide an analysis of the short and long term relationship between tourism, economic growth and development variables (Chapter 5).

- To provide a comparison between the Sedibeng and Fezile Dabi district municipality's tourism economic industries and relationships between economic growth and development (Chapter 4 and 5).

- To formulate a SWOT analysis for the Sedibeng and Fezile Dabi district municipalities (Chapter 5).

- To provide strategic recommendation development for the Sedibeng and Fezile Dabi district municipalities (Chapter 6).

1.4 RESEARCH METHODOLOGY AND DESIGN

This study investigated and analysed how specific determinants influence the competitiveness of tourism destinations based on work done in the dissertation, "*An investigation of the formulation of a regional tourism competitiveness index"* (Van der Schyff, 2019). This dissertation only investigated the determinants of tourism destination competitiveness, not developing or validating the measurement of tourism destination competitiveness. Therefore, the current study elaborated on the development and testing of the performance of specific regions through a tourism destination competitiveness measurement instrument. As such, an instrument was validated in alignment with the regional tourism destination competitiveness index, which was tested on the Sedibeng and Fezile Dabi district municipalities.

1.4.1 Research methodology

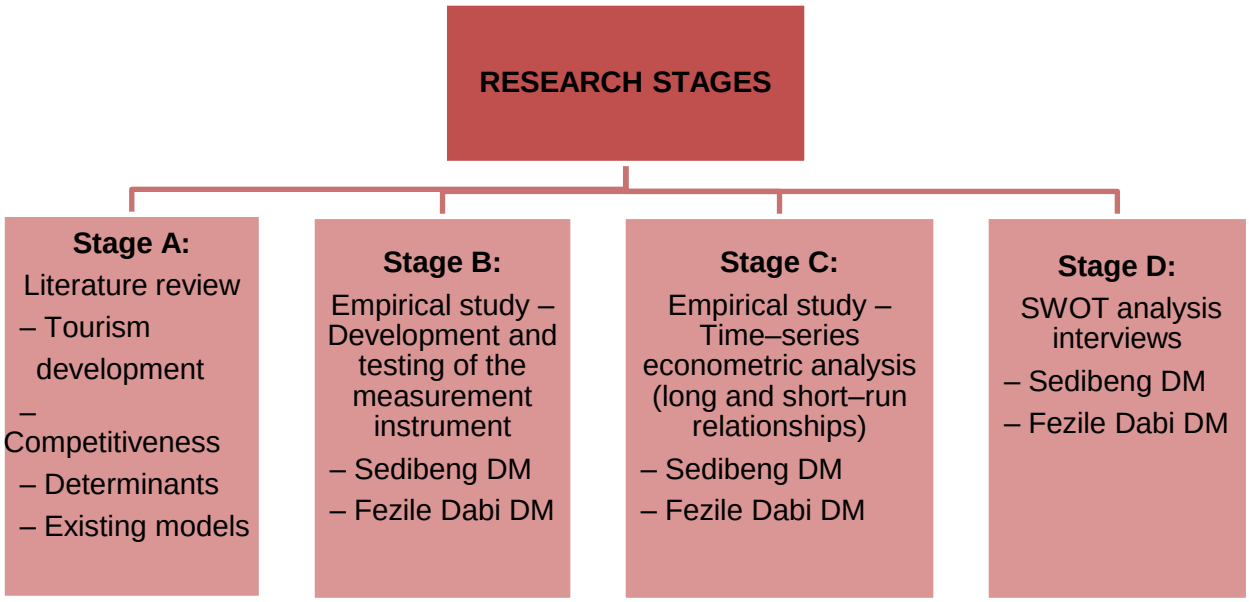
The research paradigms on which this study was based is a functionalist and interpretive, humanist approach. As this thesis sets out to investigate the determinants of tourism destination competitiveness, provide an instrument where the performance of each determinant in each

tourism destination could be measured and finally, resulting in a tourism destination performance value for the Sedibeng and Fezile Dabi district municipalities.

1.4.2 Research design

This study was conducted in four different stages. Stage A refers to the literature review investigating the tourism development and competitiveness that laid the groundwork for the investigation into the determinants and models of tourism destination competitiveness. Stage B, the quantitative study for the development and testing of the measurement instrument. Stage C, the qualitative study for the time–series econometric analysis for long and short–run relationships. Stage D, qualitative study for the SWOT analysis for strengths, weaknesses, opportunities and threats for the Sedibeng and Fezile Dabi district municipalities' tourism industries with experts in the field and industry. To successfully deliver a quantitative research study, both primary (Stage B) and secondary data (Stage C) was collected and analysed, whereas the qualitative research study made use of primary data (Stage D). The following Figure 1–1 gives an overview of the research stages:

Figure 1–1: Research stages



Source: Own compilation

1.4.2.1 Stage A: A literature review

Journal articles, dissertations, theses, indices and books are amongst other useful sources used to provide a literature review and theoretical background to this research. Sections 2.2 and 2.3 in the literature were undertaken in Chapter 2 on the themes that include tourism development and competitiveness, respectively. Herein, the goal is to broaden the readers' insight into the workings of the tourism industry and competitiveness at the national and regional levels. Sections 2.4 and 2.5, the literature review focused on the determinants and models of tourism destination competitiveness in Chapter 2. Within Stage A, Sections 2.4 and 2.5 were Phase 1 on the development of the measurement instrument.

According to Tranfield, Denyer and Smart (2003:214), there are three steps required to execute a literature review successfully. (i) Planning the review is done by identifying the need, preparing steps and developing a protocol for the reviewing process. (ii) The undertaking of the review should be done by identifying research done on the selected topic, selected relevant studies, assess the quality of existing research, selecting data and monitoring the progress of information and finally providing a summary of the importation obtained. (iii) Reporting should be done on the strategic recommendations provided through analysis of the results and to convert the information for practical testing. The theoretical background is provided to investigate the determinants of tourism destination competitiveness empirically and in terms of literature. These sources are further aimed to provide explanations on the relationship between tourist, economic and social variables. The second section of the literature review's aim is to answer the following research questions:

- Which of the existing models of tourism destination competitiveness is most relevant?
- What effect do various social, economic and political factors have on tourism destination competitiveness?
- To what extent does each of the determinants influence tourism destination competitiveness?

1.4.2.2 Stage B: Empirical study: Development and testing of the measurement instrument

After completing a literature review on the determinants and existing models of tourism destination competitiveness and by focusing on the selected determinants and as identified by a recent study of Van der Schyff (2019), the current study further analysed and refined the development of a measurement instrument. The study by Van der Schyff (2019) "*An investigation of the formulation of a regional tourism competitiveness index"* focus on them to identify the determinants of tourism destination competitiveness (TDC) on a regional level was

used as the primary source to identify the determinants. Nevertheless, the lack of developing a measurement instrument that focuses on the determinants of TDC, adds to the importance of this study. It is therefore required that the current study developed a measure of TDC and tested it for the Sedibeng and Fezile Dabi district municipality. Table 1–1 gives the regional tourism destination competitiveness determinants as identified by Van der Schyff (2019).

Table 1–1: Regional tourism destination competitiveness determinants

Determinants	Description
1. Resources	
1.1. Natural environmental resources	Quality of scenery, climate, water resources, fauna and flora. The attractiveness of natural assets and environment management with conservation.
1.2. Historical and cultural resources	Diversity of local cultures and indigenous knowledge.
1.3. Technology and innovation	Level of innovation, technology and incentives for investments in research and development.
1.4. Labour force	Supply– size of labour force, cost of labour and skill levels.
1.5. Entrepreneurship and business community	The quality and quantity of entrepreneurs and the development of entrepreneurs. Strength and activities of local business chambers.
2. Infrastructure	
2.1. Health facilities	Quality and quantity of health facilities such as hospitals and clinics. Prevalence of diseases– malaria and HIV.
2.2. Education facilities	Quality and quantity of education facilities.
2.3. Communication facilities	Quality of ITC– Number of internet users and internet speed.
2.4. Accommodation facilities	Quality and quantity of hotels, bed and breakfast, resorts etc.
2.5. Transportation facilities	Quality of transport– air and sea ports, roads and railways.
2.6. Sport and recreation facilities	Quality and quantity of recreation facilities– sport stadiums, parks and open spaces.
2.7. Food and drink facilities	Quality and quantity of restaurants, bars, cafes etc.
2.8. Essential services	Capacity, quality, access and maintenance of services– roads, railways, sewer, water and electricity.
3. Enabling environment and authorities	
3.1. Strategic location	Local features determining success of a tourism destination.
3.2. Public–private partnerships	Quantity and efficiency of PPP's.
3.3. Safety and security	Level of safety and security in a region. Crime rates, homicides, burglaries and reliability and responsiveness of the police.
3.4. Government spending on tourism and marketing efforts	Percentage of the budget allocated to the travel and tourism industry. Efforts and effectiveness of marketing to national and international tourists.
3.5. Sustainable tourism policy and management	Quality and success rate of policies and strategies formulated and implemented.

3.6. Local leadership and political stability	Leadership in the community of tourism organisations and entrepreneurs. The political situation in the tourism destination.
3.7. Red tape reduction	Visa requirements and other regulations. Time to open a business.
3.8. Macro–economic environment	Exchange rate, interest rate and economic growth etc.

Source: Van der Schyff (2019:83)

The determinants listed and explained in Table 1–1 were developed by the previous works of Van der Schyff (2019) titled "*An investigation of the formulation of a regional tourism competitiveness index"*. This study only focused on the investigation and identification of determinates that influence the competitiveness of tourism destinations, regionally. The need for further investigation is required through the use of proper scale development methods recommended by Churchill (1979), Hinkin (1995), Rossitier (2002) and Devellis (2003). This was required to ensure the proper development of the measurement instrument of tourism destination competitiveness on a regional level. In addition, the statistical analysis was only conducted to investigate the validity and reliability of the measurement instrument in this current study.

No universally accepted procedure existed explicitly for the development and validations of a measurement instrument. As early researchers such as Benson and Clark (1982) purpose that a four steps phase development process can be followed, namely planning, construction, quantitative evaluation and validation. During the planning phase, the purpose and goal of the instrument are identified, and a literature review is performed to specifically by targeting extant instruments that measure similar domains. The construction phase encompasses the developing a large item pool, and this is sent to experts in the field to review the questions, and this phase is referred to as the pre–testing phase. The quantitative methods phases include the data obtained from the first pilot study of the item pool. In this stage, the statistical techniques are used to refined item pool and group items into construct dimensions. The validations phase, which is the final stage a second pilot study, are done using the refined instrument of pilot study one.

In the current study pre–testing (Phase 3 in Stage B) was conducted by subject and industry experts participating in the economic development and tourism research field and the tourism industry. The pre–test purpose was first to prioritise and second to weigh the dimensions and determinants of tourism destination competitiveness in terms of its importance to achieve tourism destination competitiveness. The priority values were used to corroborate the importance weighting values received. The importance weighting values were used to create an

index value that was used with the tourism performance rating values for the Sedibeng and Fezile Dabi district municipalities, to identify their performance final index value.

Validating the instrument is essential to determine if it is appropriate and relevant. Content validity was determined if the instrument provides information on whether or not the content of the questionnaire is appropriate and relevant to the study's purpose. Thus, indicating whether it accurately measures the tourism destination competitiveness of a region or not. Face validity, on the other hand, indicates whether the questionnaire is appropriate based on the consistency of the style and format, clarity of language and feasibility, indicating whether the questionnaire was easy to understand and complete for respondents. The subject and industry experts were used to establish the content and face validity. The results from the pre–test indicated whether any changes required are before the final questionnaire is distributed.

Thereafter, a pilot study (Phase 7 in Stage B) was conducted for the Sedibeng district municipality to test the measurement instrument. The pilot study was performed on the Sedibeng district municipality to (i) test the validity and reliability of the measurement instrument and (ii) identify the tourism performance value. Construct validity was undertaken as it sets out to test the degree of which the items of the instrument relate to the relevant theoretical construct. The method used to undertake construct validity was factor analysis as the listed indicators involve various items. This indicates how well the determinants represent regional tourism destination competitiveness, which was though factor analysis (Rattray & Jones, 2007:238). A PFA (principal factor analysis) provides information on the reliability of this measurement of tourism destination competitiveness through the use of SmartPLS 3. Testing the reliability follows the testing of validity. This process of reliability testing refers to the ability of a questionnaire to ensure consistency as an attribute and how well items fit together. Investigating the reliability of a measurement instrument provides information into how consistent the results were when using the measurement instrument in similar situations (Creswell, 2013:50).

A regional tourism destination competitiveness measurement instrument was distributed to respondents in which respondents ranked the selected determinants in term of its performance in a tourism destination through the use of the measurement instrument. This was completed by community members/ tourists, tourism–related businesses (adventure activities, accommodation facilities, conference and wedding venues, food and beverage facilities, souvenir shops, tour agencies and guides, transportation services) and government organisations in each district municipality. More specifically, tourism–related businesses include any food and beverage facilities, accommodation facilities, curio shops, cultural and historical sites and tourism activities of entertainment facilities. Government organisation consists

predominantly of government employees of the district municipalities. A purposive sampling method applied wherein respondents were selected from the tourism industry to complete a measuring instrument regarding the determinants of regional tourism competitiveness. Respondents were requested to give the performance of each of the three dimensions and the 16 determinants within the district municipalities. As such, 16 determinants would consider a sample size of 160 respondents in each region. For confirmation of the measurement instrument, this process was repeated to the Fezile Dabi district municipality.

As such, primary data was collected from respondents of which the statistical analysis programmes, IMB SPSS (Statistical Package for the Social Sciences) version 28 and SmartPLS version 3 were used to analyse validity and reliability of the measurement instrument. The purpose of the use of SmartPLS in addition to SPSS is due to the additional test that could be conducted on the SmartPLS statistical programme required to analyse validity and reliability. The results from the questionnaire provided information on the tourism performance rating of the two district municipalities Sedibeng and Fezile Dabi. The competitiveness level of the regions was given and explained using the classification categories. This provided insight into the strengths and weaknesses of tourism destinations. As such, adequate and well–informed policies and strategies were explicitly recommended for Sedibeng and Fezile Dabi district municipality.

Categories were formulated based on the Likert scaling approach, which indicated the performance of tourism destination competitiveness in the Sedibeng and Fezile Dabi district municipalities. The classification of the measurement instrument involves the development of a ten–category classification system. This classification indicates the performance level of a tourism destination regarding a specific determinant. As such, the categories of the development level of regional tourism competitiveness were given.

1.4.2.3 Stage C: Empirical study: Time–series econometric analysis for long and short–run relationship

An econometric time–series statistical analysis was performed for variables relating to tourism and economic growth and economic development with economic and social variables. Secondary data was collected from Global Insight for the period 2001 to 2019, which is based on the availability of tourism data. Data collected was for the Sedibeng and Fezile Dabi district municipality (local district municipalities) in South Africa that were analysed through Eviews 9 (Econometrics View). As such, a panel analysis was done that explored the connection between tourism and economic variables and social variables. These variables included tourism arrivals, tourism spending, crime, GVA (gross value added), Tress Index, HDI (Human Development

Index), unemployment rate, number of health facilities and the Rand/Dollar exchange rate. Based on the results from the unit root test provided insights into the adequate model of panel analysis. Thereafter, the short and long–term relationship between the dependent and independent models was analysed with an ARDL panel method. This indicated the influence of variables on the development of tourism industries of the Sedibeng and Fezile Dabi district municipalities.

1.4.2.4 Stage D: SWOT analysis interviews– strengths, weaknesses, opportunities and threats for the Sedibeng and Fezile Dabi district municipalities' tourism industries

Qualitative information in the form of interviews was gathered to investigate the state of the tourism industry in the Sedibeng and Fezile Dabi district municipalities. During this research, a total of six interviews were performed on experts in the field of economic development and tourism as well as the tourism industry– three experts in the Sedibeng and three experts in the Fezile Dabi District. Selecting experts was a critical part of the interview, as these respondents' expertise would influence the results of the SWOT (strengths, weaknesses, opportunities and threats) analysis. In this study, four requirements were set for "*experts*" in the field, namely, (i) they should have knowledge and experience in the field and its application, (ii) they should have the willingness and capacity to participate, (iii) they should have sufficient time to participate and (iv) they should have communication skills to have the ability to answer the questions (Adler & Ziglio, 1996:25; Chrisnal, 2001:34). It should be noted that these experts should satisfy all four requirements above. As expert opinions were looked for a purposive sample was needed. The respondents in the interview were not selected to represent the general population but more because of their expert ability to answer the research questions. The potential respondents were contacted via telephone or email, to inform them they were being invited to participate and about the research process. A total of 9 were solicited to participate as experts for the SWOT analysis where six indicated that they were willing to participate. The potential respondents' who were contacted were ensured of anonymity that none of their answers and/or statements would be linked to their name. After the interview, information obtained from the experts in the tourism industry in the selected district municipalities was investigated to perform the SWOT analysis. Following the SWOT analysis, strategic recommendations were developed to build on the strengths, capitalise on the opportunities, minimise weaknesses and limit the threats in both Sedibeng's and Fezile Dabi district municipality's tourism industry.

1.5 SIGNIFICANCE AND CONTRIBUTION OF THE STUDY

Being downgraded to junk status, investors retreating, political and social instability all have a negative impact on the economic growth and development of the country (Omrajee, 2017).

Although the problems have been identified, policymakers sometimes fail to identify an industry that can be utilised to deal with these problems and despite everything supply job opportunities as well as create economic growth and development. Failures also exist in the correct utilisation of an industry. For that reason, it is of most importance that this research was conducted. The outcome of this research indicated whether tourism as an industry should be considered to achieve the above–mentioned objectives through increased tourism development or whether alternative industries should be considered. In the case where regions scores poor or low, they should consider prioritising investments in an alternative industry.

Rodríguez–Díaz and Pulido–Fernández (2020:2) postulate that the concept of tourism destination competitiveness is still noteworthy even though it has a history of 30 years existing in research. The primary measure of tourism destination competitiveness, the TTCI, constructed by the WEF, is well suited but is only based on a national level. This index only allows for the comparison between nations, internationally, not focusing on regions. Lubbe, Douglas, Fairer–Wessels and Kruger (2015:3) stated that the TTCI does not afford special attention to unique features and thus considers as very generic. Unlike the TTCI, the determinants listed in the current study were weighted differently in terms of their importance in achieving tourism destination competitiveness. The study of Du Plessis, Saayman and Van der Merwe (2014) investigates the competitiveness of a tourism destination on a national level in South Africa. The selected factors, however, lack some essential determinants such as technology and labour quality, which is important in current times. This highlights the gap in the literature in research focussing on regional tourism destination competitiveness. Therefore, there exists a need for the investigation of tourism destination competitiveness at a regional or local level as well as investigating the important determinants that are lacking in these studies.

The competitiveness of a tourism destination can be affected by various determinants. Researchers, namely Ritchie and Crouch (1999) and Dwyer and Kim (2003), formulated conceptual models for explaining tourism destination competitiveness. The gap in existing research thus remains in the area of the empirical measurement of tourism destination competitiveness. This study aimed to fill the gap in regional research through the developed and testing of an empirical measurement instrument of tourism destination competitiveness. In order to improve the tourism competitiveness of a country, there needs to be an in–depth investigation into the determinants of competitiveness of regions. The following seven phases were conducted in Stage B to develop and test the measurement instrument. An investigation into the concepts of tourism destination competitiveness and the determinants and existing model of tourism destination competitiveness was completed (Phase 1). The selection of determinants for the current measurement instrument (Phase 2). The pre–testing of the

measurement instrument's determinants were done by subject and industry experts. The purpose of the pre–tests was to analyse the face and content validity of the measurement instrument. (Phase 3). After feedback had been received from these experts, the necessary adjustments were made based on the recommendations of the subject and industry experts (Phase 4). In addition to investigating the face and content validity, experts were requested to analyse each dimension and determinant's priority and importance weight by use of a Likert Scale, which indicates the importance of each determinant in achieving tourism destination competitiveness. The importance weights were used in the calculation of the index value for each dimension and determinant. The priority values were used to corroborate the weights' values (Phase 5).

The questionnaire was designed consisting of four sections ((A) demographics, (B) resources, (C) infrastructure and (D) enabling environment and authorities) (Phase 6). Thereafter the questionnaires were distributed as a pilot study to the Sedibeng district municipality to respondents. These respondents were community members/ tourists, tourism–related business and government organisations. Statistical analyses were performed to test the validity and reliability of the measurement instrument. This process was repeated for the Fezile Dabi district municipality to verify the pilot study's results (Phase 7). As such a final value was given for each district municipality in the testing of tourism performance. It is important to rate the determinants of a region in terms of success and failure on a performance instrument. This enlightens researchers and policymakers as to what the strengths and weaknesses are for each region. By doing so well–informed strategic recommendations can be formulated to address these determinates individually.

When the measurement instrument was tested by application to the district municipalities, it assisted South Africa by indicating the extent and placement of resources in order to improve the efficiency and performance and therefore the competitiveness of a specific region's tourism. This relevant and significant study contributes to the body of knowledge by providing a thorough literature review and empirical findings. Hence, the development of tourism destinations should take precedence, not only in the interest of researchers but also for private and public stakeholders to implement. The validation of an instrument made a great empirical contribution, as it allows further research to empirically investigate the performance of a region in terms of tourism.

Lastly, strategic recommendations were developed of the Sedibeng and Fezile Dabi district municipalities regarding tourism destination competitiveness made an additional contribution, which was of great importance to researchers and stakeholders (policy–makers, tourism destinations, community members and/or tourists), the latter more so. This study, therefore,

contributed to the literature on tourism destination competitiveness and instrument development, assisting researchers as well as tourism bodies.

1.6 ETHICAL CONSIDERATIONS

According to Trafford and Leshem (2008:95), ethical considerations are crucial in research as it has an impact on the execution of the study. This may be the smallest part, but without it, the research could not be executed. This study was directed following the ethical guidelines of the North–West University. This study was approved by the NWU's Economic and Management Sciences Research Ethics Committee with ethics number NWU–0107–19A4 resulting in a low–risk study (see Annexure D). This study and questionnaire were conducted in an ethical manner. Participating in this study was completely voluntary. The purpose, significance and instructions were carefully explained to the respondents and their anonymity as protected. Information and data were not altered or structured to fit specific hypotheses. Attention to technical issues led to adequate acknowledgement given to resources of literature and other relevant evidence.

1.7 LIMITATION OF THE STUDY

During the phase in which the questionnaires were distributed, the global COVID–19 virus pandemic was present. During this time, South Africa implemented a national lockdown from the 23rd of March 2020. The national lockdown was implemented in five stages, starting with the highest level and then relaxing as the cases abated. Stage five, which is a total lockdown allowed travel for food and medical assistance and not inter–provincial travelling. Stage four allowed more freedom, with strict regulations still in place. During stage three, the regulations were relaxed somewhat, and the government allowed travel between provinces for work purposes. It is during this stage that the questionnaire distribution commenced.

However, many businesses were still not allowed to conduct business as usual. It is known that the tourism industry was the most affected by this pandemic and lockdown. Many accommodation facilities, restaurants and other tourism–related activities were not classified as essential services or goods and therefore have not been in operation. Data collection was therefore difficult as email correspondence was the safest mode of communication and not face–to–face delivery of the questionnaires. Due to this, the number of questionnaires for each district municipality was 160 per district municipality. In the future, a larger sample size could be used.

1.8 CHAPTER CLASSIFICATIONS

This study contains the following chapters:

Chapter 1: Introduction and background to the study

The first chapter introduced the contextual background of this study by briefly explaining the current performance of tourism globally, nationally and regionally. A problem statement was provided to elaborate on the importance of this study. Objectives formulated by the study were put forward. These objectives were aimed at solving the problem stated. The contributions that the study made to the field of tourism destination competitiveness were clearly stated.

Chapter 2: Literature review of tourism development and competitiveness

Chapter 2 acknowledged the various theoretical aspects applicable to this study, namely tourism development and competitiveness. The concept of tourism development was explained to provide a theoretical background on the workings of the tourism industry. As a critical component, competitiveness was also investigated in depth. The determinants of tourism destination competitiveness were analysed in terms of literature. Also, empirical evidence in–depth regarding their bearing on the competitiveness of a tourism destination was given. Chapter 2 also presented the existing models used to measure tourism destination competitiveness. The relationship between tourism and various economic and social determinants of tourism destination competitiveness evaluated theoretically. Therefore the research included discussions on the themes of tourism, competitiveness, the determinants and models of tourism destination competitiveness.

Chapter 3: Research methodology and design

Instrument development and validation methods were investigated to guide the development of the current measurement instrument of tourism destination competitiveness on a regional level. The methodology was given, which steered the study. The study framework of this research is put forward in this chapter that is that research can take quantitative and quantitative forms, including primary and secondary data. The research designs for the instrument development and testing (Stage B), the time–series econometric analysis (Stage C) and the SWOT analysis (Stage D) were provided.

Chapter 4: Results and discussions on the measurement instrument

This chapter comprises the empirical findings from the (i) development through validity and reliability testing for the measurement instrument (questionnaire) and (ii) the testing of the

measurement instrument through a pilot study on the Sedibeng district municipality and replication on the Fezile Dabi district municipality. The results from the testing of the tourism destination competitiveness measurement instrument to the Sedibeng and Fezile Dabi district municipalities were provided, giving the tourism performance of each district municipality.

Chapter 5: Results and discussions on the trends, time–series and SWOT analysis

Following a funnel approach, Chapter 5 presents the trends in tourism as a descriptive analysis. International tourism was briefly highlighted. Thereafter, the South African national tourism industry was analysed more in–depth. First, regional analysis for Sedibeng and Fezile Dabi district municipalities was executed to provide an overview of the tourism industry of the Sedibeng and Fezile Dabi district municipalities. Second, the results from the time–series analysis for the municipal areas in South Africa were discussed. Third, the qualitative SWOT analysis was provided for each district municipality.

Chapter 6: Summary, recommendations and conclusions

Lastly, Chapter 6 summarised the research study, providing an all–encompassing summary of the preceding chapters. The objectives of the study were linked with the realisation thereof. The key findings of Stage A, B, C and D were provided. Also, the contribution the study made to the field was discussed. Strategic recommendations were provided pertaining to the study outcomes derived from the results. Possible future research was also indicated.

CHAPTER 2: LITERATURE REVIEW ON TOURISM DEVELOPMENT AND COMPETITIVENESS

2.1 INTRODUCTION

Characterised by an increasing growth rate, tourism is becoming crucial to the success of a country as an important economic industry (Webster & Ivanov, 2014:137; Karalkova, 2016:1; Idrus, 2020:18). Competitiveness is amongst the main goals that a country, especially those with poor performance levels, would want to achieve as this will rectify their current poor economic state (Herciu, 2013:273). Being an interlinked industry, a tourism destination's success is influenced by its competitiveness (Karalkova, 2016:1). Tourism destination competitiveness could, therefore, also be an indicator of its performance as a tourism destination. Thus, it was important to investigate the competitiveness of a tourism destination as it could provide valuable information regarding the state of tourism within a region. This study intended to develop and test a regional tourism destination competitiveness measurement instrument. Not only could this measurement instrument be used to analyse the level of the tourism development of a specific region, but this could also assist researchers and policymakers in comparing different regions in terms of their tourism development.

As stated in Chapter 1, the level of tourism development is influenced by various factors (determinants) that need to be investigated to develop a comprehensive measurement instrument. In order to achieve this, Chapter 2 set out to present the literature background to provide the theoretical significance of the study. Tourism development and competitiveness are the two main themes which were discussed in this chapter. This chapter set out to explain the definitions and concepts relating to the themes of this study, which are tourism and competitiveness. Section 2.2 and 2.3 discuss the definitions and concepts of the themes (tourism development and competitiveness) identified. The tourism industry is very complex and interlinked. Therefore, in–depth discussion of the forms, types, activities and networks within the tourism industry is required to form a more comprehensive understanding. Following the objective discussion of definitions, theories were explained. According to Hofstee (2015:92), the discussion of theories is vital as it sets out to explain the reason behind "*why something is as it is and does as it does*". Therefore, Chapter 2, Section 2.2 and 2.3 laid the theoretical groundwork for the discussion of determinants and existing models of tourism destination competitiveness in Section 2.4 and 2.5, respectively.

2.2 TOURISM DEVELOPMENT

2.2.1 Definitions of tourism

The investigation of existing literature reflects that throughout history, various definitions were applied to explain tourism. These definitions, however, depending on the author, institution and time–period. As such, no clear consensus has been reached on the definition of tourism. William and Shaw (1988:2) mentioned that defining tourism is "*a particularly arid pursuit*". The definitions provided were explained in terms of a timeline to better understand the flow and progress of the development of a tourism definition.

Guyer and Feuler, German scientists, recorded one of the first definitions of tourism in 1905 (Roy & Roy, 2015:53). They maintain that tourism is determined by an individual's growing desire to enjoy a change in environment, acknowledgement of nature and the ideal that they will receive enjoyment from this. Tourism is an endeavour that assists countries and communities in their workings with each other that can lead to the progress in trade and the industry itself through the improvement of its communication and transportation mechanisms (Karalkova, 2016:2). This definition was, therefore, the first in the development of tourism definitions at the beginning of the 19th century. Following Guyer and Feuler's definition, Hunziker and Krapf (1941) produced a definition of tourism as all the relationships and occurrences that originate from visitors (identified as non–residents) travelling and staying activities that generate an income without it causing the permanent stay of said visitors. This definition, however, is very broad and does not include specific activities additional to accommodation and transportation. The need to develop a definition which includes these activities and activities were identified. Macintosh and Goeldner (1986) produced a definition of tourism as the network and interaction of industries, ventures, activities and services provided which bring forth participation in transportation, accommodation, entertainment, retail, eat and drink by tourists (Karalkova, 2016:2).

In the current century, the definitions of tourism have developed according to the activities and time–period faced and more specifically in a specific economic time period. Finally, the UNWTO (United Nations World Tourism Organisation) (2008:1) produced a definition of tourism as "*the activities of persons traveling and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes*". According to this definition, three characteristics are included. Firstly, it should include the transportation (travel) outside, secondly, there should be a reason for travelling, and thirdly, it must have a maximum number of days stayed (Roy & Roy, 2015:53). As some definitions only state a maximum stay period, it could be said that tourism does not have a minimum stay period and therefore does

not exclude activities connected to an overnight stay. UNWTO (2008:3) maintains that the tourism industry is "*cluster of production unites in different industries that provide consumption goods and services demanded by visitors*". According to Hall, Williams and Lew (2014:1), even though the tourism industry has experienced some obstacles during the dawn of the 20th century, it has become one of the most important activities. It has achieved increased awareness of the global economy. Kettels (2016:271) states that there does not necessarily exist a correct or incorrect definition of tourism only that the definition would be less or more relevant and accurate concerning the specific issue.

In conclusion, the current study acknowledges tourism as the activities in interlinked industries collaborating to ensure the attraction of tourist. Tourism does not have a time–period attached as some tourism, especially between regions consist of day travelling, not overnight stays. Day tourism should not be overlooked as done by some definitions mentioned above, as tourists will spend on tourism–related goods and services during day visits. Tourism development is the improvement of tourism facilities or activities to attract visitors, including the sustainability of these activities with the benefit for tourist, community members and the tourism destination. The adaptability of a tourism destination should be advanced.

2.2.2 Tourism vs travel

The terms "*travel"* and "*tourism"* are in some instances used in unison or sequentially to each other. Although these terms are often mistaken as meaning the same, their definitions differ from one another. Through extensive investigation, the definition of *tourism* denotes the activities undertaken by individuals (tourists) for all of the purposes of tourism that include the travel, staying and experiencing a specific geographical environment. The term *travel* is defined as specific activity of individuals (travellers) relating to only the transportation (arrivals) of tourists and the accommodation paid for (WTTC (World Travel and Tourism Council), 2016:4) therefore, excluding other activities such as food, drink and entertainment amongst other. Travel is the transportation activity undertaken by visitors between geographical destinations (UNWTO, 2008:4). Thus, not all travelling constitutes tourism; however, travelling is a prerequisite to tourism activities. It is essential to distinguish between these terms, as it influences the understanding of the concept of tourism.

2.2.3 Types of tourism activities

Although tourism had been identified in the early 1900s, in comparison to other scientific disciplines, tourism is a relatively new study field gaining popularity between the late 1990s and early 2000s. Jafari and Ritchie (1981) mention the key academic disciplines that correspond

with tourism research are economics, sociology, psychology, geography, and anthropology. Today, tourism is an extremely interlinked industry to various scientific disciplines in research, being economics, law, marketing, management, finance, hospitality, architecture, transportation, leisure, ecology, geography, urban and regional planning, political studies, sociology, cultural studies, anthropology and psychology studies. This provides a platform also for the different types of tourism to be identified.

Phillip, Hunter and Blackstock (2010:754) state that in order to fully comprehend a phenomenon, foundational characteristics need to be explained in an attempt to improve the understanding regarding the phenomena. According to Tureac and Anca (2008:93), the existence of various types of tourism is dependent on time and differs among different time periods. As such, it is important to discuss revolutions of the different types of tourism over a time–period. The types of tourism could be influenced by the geographical area, facilities and climate, thus indicating what the tourism destination could provide. The types of tourism are sometimes connected to the purpose of the visits (Roy & Roy, 2015:53).

Poser (1939) was one of the first authors to distinguish between the different types of tourism in the paper *"Der Fremdenverkehr im Reisengebirge"*. Tureac and Anca (2008:92) stated that he listed transportation tourism, summer relaxations and short distance relaxations. Following Poser (1939), Hunziker and Krampf (1941) also listed different types of tourism as relaxations and treatment travel as well as scientific knowledge pilgrimage. Maier (1970) mentioned the existence of the following types of tourism: transportation, recreation therapy, limited distance, professional tourism. The historical views of tourism have been expanded to the views today due to the rapid changes in the tourism industry.

Still today, the general idea of what exactly tourism entails is very limited. Most individuals see tourism as the activity where individuals come to enjoy the scenery and activities of a specific region mostly recognised as activities involving the visits to beaches and wildlife parks. However, tourism takes form in much more than just on the platform of beaches and wildlife parks. There are currently over 80 types of tourism (Karalkova, 2016:4). Within each of these types of tourism, different activities pertaining to tourism exist. As this research is not limited to a specific type of tourism and investigates the development of all tourism types as a collective in a specific region, the significant tourism types were explained. However, explaining all 80 different types will be a redundant process, and therefore the important tourism types were explained below.

Agritourism can be defined as an activity, which encourages travellers to visit farms (Karalkova, 2016:3). Various forms of agritourism exist, namely farm, farm–based and rural

tourism (Phillip, Hunter & Blackstock, 2010:754). Sonnino (2004:286) defines an agricultural producer's and their family's hospitality actions that link to any form of farming. Barbieri and Mshenga (2008:168) identified agritourism as the operation developed to draw visitors to an operative farm. For the purpose of this study, agritourism was defined as the activity undertaken by entrepreneurs on an operational farm, to provide agricultural goods which attract visitors for enjoyment and educational purposes which generate an income for entrepreneurs. These visitors are in some cases from urban areas as opposed to rural areas in which the farm is located. Most of these individuals farm as substance farming this excludes commercial farming which is on a larger scale. Examples of agritourism include wine tourism, farmers' markets, fruit picking and tending bees these forms part of the tourism industry.

Culinary tourism, according to Karalkova (2016:3), also known as "*food tourism*", has the purpose of visiting a destination to inspect food. Even though connected to agritourism, this is different from agritourism in the sense that it is considered as a subcategory in agritourism as well as cultural tourism (Karalkova, 2016:3). Culinary tourism, therefore, attracts tourists with the purpose of consumption of food and beverages. **Cultural** and **religious tourism** could be seen as a unit as it is closely linked. According to Roy and Roy (2015:54) and Mousavi, Doratli, Mousavi and Moradiahari (2016:70), cultural tourism's purpose is to enlighten visitors regarding the way of life, clothing, dance, galleries, sculptures monuments and sites, art, customs, traditions, theatres and films, architecture (ruins, towns, buildings) and festivals of music in a specific tourism destination, whereas religious tourism involves the travelling of individuals for pilgrimages. This includes visits to temples, holy site and cities. McIntosh and Goeldner (1986) explain that this includes travel for the purpose of familiarising one with history and heritage as well as the way of life of the tourism destination visited. Currently, travelling for the purpose of gaining comprehension of the lifestyle, history of a specific tourism destination is gaining in popularity (Mousavi *et al.*, 2016:70).

Business tourism takes place when individuals travel to a specific tourism destination for work responsibility. This includes conferences, conventions and meetings. The term MICE (meetings, incentives, conferences, and exhibitions) are used to describe the activities of business tourism (Roy & Roy, 2015:54). Events in tourism destinations are among the key attractions (Panfiluk, 2015:1020). These events are also agreed by Getz (2008:403) as a key tourism stimulator which is also used in marketing to attract tourists, playing an important role in the competitiveness of tourism destinations. In addition to business tourism, there exists leisure tourism which is possibly the most known form of tourism. **Leisure tourism,** according to Roy and Roy (2015:54) constitutes travel to enjoy a different climate, environment and to experience new cultures in a tourism destination. Tourists usually travel for the purpose of relaxation, rest

and stress relief in quiet and tranquil tourism destinations such as a beach, island and hill resort. Business and leisure tourism is the most known types of tourism, as most reports by organisations (WEF & UNWTO) indicate the respective statistics. **Professional tourism** has not been included as a type of tourism by some researchers as they state that it does not fall in the parameter of relaxation (Tureac & Anca, 2008:93). However, based on the current definitions of tourism, this type of tourism could be included. A possible explanation for this could be that during their stay, visitors participate in tourism–related activities, and as such, it could be seen as a type of tourism.

If the destination that is "*fragile, pure, and comparatively undisturbed natural zones*", is visited by visitors for the purpose to enjoy these areas which aim to limit the negative impact it is known as **ecotourism** (Karalkova, 2016:3). The intention behind this type of tourism is to generate knowledge, generate capital for conservation, improve attention of cultures and lastly, better regional communities, economic inclusion and political power (Karalkova, 2016:3). This type of tourism is about attracting tourists to a region which includes the fauna, flora, culture. **Geotourism** is a tourism type that involves the admiration of the physical environment that cultivates the conservation though education and other strategies (Gordon, 2018:135). Activities pertaining to geotourism would include geo–trails, protected area visits and guided tours (Karalkova, 2016:4).

The sharing of learning and teaching expertise and the improvement of technical proficiency encourages **educational tourism** (Roy & Roy, 2015:54). Accordingly, educational tourism is defined as travel with the purpose of understanding and gaining knowledge by attending lectures and research. Summer school or student exchange programmes study tourism. Mousavi, Doratli, Mousavi and Moradiahari (2016:72) identify art tourism, heritage tourism and place–specific tourism as the three main culture–related tourism activities.

Medical or **health tourism** is defined as travelling in search of medical treatment (Roy & Roy, 2015:54). The UNWTO produced the definition as the services provided in "*healthcare, illness, health, rehabilitation and recuperation*" (Kelley, 2013:3). Some countries on the brink of achieving a developed status, have well–developed medical technology and individuals outside this tourism destination could use their low–cost advantages in comparing to another front–runner developed countries. Chang, Chou, Yeh and Tseng (2016:401) mentioned that medical tourism is a current and flourishing sub–industry in the tourism industry. Bishop and Litch (2000:1017) differentiate between health–care tourism and medical travel in stating that health–care tourism focuses mostly on tourism, whereas the latter term focuses mostly on the health–care aspect.

Sports tourism includes practising and watching sporting events outside one's normal environment (Roy & Roy, 2015:54). Sports tourism has a significant influence on the progress of a region as it requires sports infrastructure development (Karalkova, 2016:4). The Olympic Games, Rugby, Soccer World cup, cycling are examples of international sports tourism. However, on a regional and local level, school and club sport and Park–runs are examples of sports tourism on the local front. Sports activities have the opportunity to attract tourists**.**

Experiencing **wine tourism** involves more that only the consumption of wine, as stated by Roberts and Sparks (2006:68). Mitchell *et al.* (2000:86) distinguished between '*primary*' wine tourism which is for the purpose of wine tasting and procurement and '*secondary*' or '*peripheral*' wine tourism motivations which are events, festivals and gastronomy. According to Karalkova (2016:4), the consumption of wine in close proximity to the area where the wine was made is identified as wine tourism, oenetourism, enotourism and/or vinitourism. In South Africa, the Western Cape provincial region is known as the wine country. Situated among wineries and some of South Africa's oldest wine farms, this is a perfect destination for wine tourism. According to Getz and Brown (2006:147), conceptualising tourism has been done to describe the visitor's encounters and encouragement point of view (demand side). Bruwer (2003:414) believes that wine is related to entertainment, hospitality and enjoyment and integrating with other individuals as such wine could be seen as a type of tourism.

2.2.4 Demand vs supply of tourism

As in micro–economics, tourism demand can be explained as the desire of individuals (tourists) to enjoy all the tourism–related products (goods and services) within a specific tourism destination. Zanin and Marra (2012:451) state that tourism demand is influenced by various factors such as the income level of tourists, the health of tourist and socio–demographic features. The majority of studies analyse the influence of tourism from a demand perspective, and others aim to look at the influence it has on development on a regional or local level (Rizzi & Graziano, 2017:15). On the other hand, the supply of tourism is the geographical area (tourism destination) that is characterised by specific attributes (Ioannides & Debbage, 1998:80). The supply of tourism is thus best explained as the tourism destination and all the tourism–related products and facilities it has to offer to potential tourists. In the investigation of the definitions of tourism, it was noted that most definitions made by organisations and researchers only focus on the supply side of tourism, i.e. the tourism industry. A question remains as to whether the definitions should only include the supply side of tourism, or should the demand side be included? It is best to include both the demand and supply side in a definition as the one cannot exist without the other. There will not be sufficient demand for tourism if a region does not have facilities and provide tourism products.

2.2.5 Macro vs micro–economic point of views in tourism studies

In terms of economics, tourism research can be done from two different points of view, namely, a macro and micro–economic one. According to Zanin and Marra (2012:451), from a macro–economic viewpoint, researchers focus on the link and causality between economic growth and tourism. Vojinović and Živković (2018:673) articulate that development in the tourism industry would result in an increase in economic growth and development. Moreover, Zanin and Marra (2012:451) state that the macro–economic relationship between economic growth and tourism could be influenced by micro–economic individual factors such as an individual household need which is the deciding factor if they will participate in tourism activity in a region (tourism destination). On the other hand, there are studies, which empirically investigate the engagement in tourism, concentrating on micro–economic factors and variables that influence the selection of a tourism destination and tourism spending (Zanin & Marra, 2012:451). This study takes on the macro–economic view of regional tourism destination competitiveness as it sets out to investigate the influences of determinants on tourism destination competitiveness on a regional level. However, it also takes on a micro–economic viewpoint as this study investigates the impact of individual determinants on selected regions of tourism destination competitiveness.

2.2.6 Advantages of tourism development

The tourism industry provides opportunities for economic development that originate from the advantages following tourism development. Researchers (Smith, 2014; Webster & Ivanov, 2014; Andrades & Dimanche, 2017; Mitchell & Li, 2017) have investigated the economic, social, political and environmental advantages of tourism development making it one of the key themes in tourism research. Brida and Pulina (2010:7) maintain that the tourism industry is influenced by the well–known production elements, physical and human capital, environmental resources and technology. According to the UNWTO (2008:1), tourism is an economical, social and cultural phenomenon which would have an impact on various elements in a community and country. However, the effect and use of tourism differ in terms of each country's specifications and needs.

The tourism industry is known not to disturb but most likely complement other industries (Collins, 1996) which produce the benefit of yielding earnings for the community (Scoeckl, Greiner & Mayocchi, 2006:97). Lin, Yang and (2019:76) explained how tourism is an extremely interlinked industry which could when in the process of developing, lead to the progress and development of other industries and as a result encourage overall economic growth. Tourism is interlinked to the transportation, entertainment, food and beverage industry and thus creates a flow of financial benefits between these industries. However, this also creates more competition

between businesses, which could potentially improve their productivity or force its closure. According to Brida and Pulina (2010:8), the tourism industry has direct and indirect effects on other industries. For example, the increase in spending within the tourism industry would create activity in linked industries. Hall, Williams and Lew (2014:1) believe that the occurrence of economic difficulty provides a space where the tourism industry is extremely significant on an economic, environmental, cultural, political and social front, thus, serving as an opportunity for the tourism industry to achieve the social and economic objectives of a community and economy.

Smith (2014:1) postulates that the tourism industry is an important facilitator for international trade. According to Andrades and Dimanche (2017:360), less–developed countries are more likely to encourage tourism development to ensure economic growth, economic development and the inflow of foreign currency. Smith (2014:8) further explains that the activities in the tourism industry provide an inflow of interregional and international capital flow. The aggregate advantages of tourism are most likely to exceed those of direct tourism spending. Brida and Pulina (2010:7) also agree with the benefit of infrastructure development, to promote competitiveness and to assist in the improvement of human capital. Physical capital is the component used here, economic development, the inflow of foreign revenue, the balance of payments and the creation of employment (Roy & Roy, 2015:54; Liu & Song, 2018:899). The component of human capital is influenced by the jobs created and the skills development provided.

Besides the various economic benefits, an understated benefit in research is the cultural interchanges between countries, communities and individuals (Roy & Roy, 2015:54). The development of the tourism industry could possibly be the cause of various in and/or direct effects on the economy as well as on the social community (Andrades & Dimanche, 2017:360). Liu and Song (2018:899) state that the tourism industry is known as an income generator for economies. Brida and Pulina (2010:7) mentioned that tourism activities generate income from the foreign exchange, which will afford current and future imports and to conserve international reserve. According to Roy and Roy (2015:54), various job opportunities are created that produce direct employment to individuals in a tourism destination which would include but is not limited to being tour guides and housekeeping. Indirect jobs can be produced in linked industry s such as retail, agriculture and food production. Mitchell and Li (2017:3) state that the tourism industry creates the majority of employment in especially small island destinations. According to Smith (2014:6), income can be generated for individuals where research into this matter could result in the (i) advancement of corporate structures, (ii) development of approaches to dealing with uncertainty and industry risks, (ii) provision of marketing action plans, (iv) the advancement

of employment terms and convictions and (v) encouragement of personal pride of employees as well as the development and improvement of their professionalism. The benefit of employment and income generation is a positive impact on the socio–economic front.

In a social sense, the development of a tourism destination can bring forth a sense of pride for local communities as it enables cherishing of culture and history (Roy & Roy, 2015:45). Panfiluk (2015:1021) mentioned that, especially, event tourism increases the attention and strengthens local relationships. Well–organised events could construct a positive image of a tourism destination. According to Chong and Balasingam (2019:269), tourism creates an opportunity to preserve the cultural heritage of a tourism destination. Smith (2014:8) argues that government authorities on a national, regional and local level have a significant impact on the development of tourism through their policies implement. Even though the connection between the development of the tourism industry and socio–economic progress has been investigated and accepted as an existing relationship, the impact of this relationship has not been researched to the extent that is significant (Andrades & Dimanche, 2017:363). Conservation of the environment could also be made possible through tourism activities generating an income (Roy & Roy, 2015:54). According to Rizzi and Graziano (2017:11), in terms of regional and local economic development, the tourism industry popularises resources and creates new destination images.

2.2.7 Disadvantages of tourism development

Even though the listed advantages are of great interest to countries, when tourism develops to the point of mass tourism, it could potentially have negative consequences (Roy & Roy, 2015:54). These listed advantages are sometimes limited by internal and external factors in the tourism industry. The share of investment by public or private stakeholders and foreign or locals in the tourism industry, the exchange rate between countries and the capital available could dampen the positive effects of tourism development in terms of socio–economics of a specific region (Andrades & Dimanche, 2017:363).

The most feared consequence of tourism development is the negative effect on the ecological system of a region. Overpopulation of a tourism destination could possibly put negative pressure on the natural resources of a region. Roy and Roy (2015:45) agree by stating that tourism development could hold negative consequences for natural resources through pressure and subsequent resource depletion. According to Mitchell and Li (2017:3), a significant increase in foreign exchange has a possible negative effect on the residents of a tourism destination. An example of this is the “Dutch disease”. The majority of views would see the inflow of foreign exchange as advantageous to the tourism destination’s currency, which in return, result in

highly-priced exports. The Dutch disease is a "*phenomenon in more political economic terms and point to the political patronage, authoritarianism, corruption and insecure work which, not infrequently, surrounds tourist development in low–income countries*" (Mitchell & Li, 2017:4).

Job creation through tourism can sometimes only bring temporary financial relief to residents within the tourism destination as jobs created could be seasonally bound (Roy & Roy, 2015:45). This is a disadvantage as it will leave individuals unemployed for the remainder of the year, as they are reliant on seasonal work. On the advantage side, seasonal work could provide an income for individuals that would not exist if not for tourism. A plan can be devised to generate employment throughout the year for these individuals. Mitchell and Li (2017:4) state that the migrant labourers and poor wages do not equip the tourism industry to reduce the overall national unemployment figures.

Roy and Roy (2015:54) state that as tourism destinations cater to international tourism, increased prices of goods and services are bound to happen. This has a negative consequence for the local economy. The local community members could not compete with the purchasing power of tourist in most cases in developing tourism destinations. The local community is also pressured by overpopulation and the environment at threat of exhaustion. From a social point of view, negative consequences such as congestion and crowding can be invoked (Roy & Roy, 2015:54). However, policies and procedures could be put in place to limit and altogether prevent these adverse effects such as quotas. This could be used in terms of the ecological system and/or the number of individuals allowed in a tourism destination. Roy and Roy (2015:54) state that tourism destinations should focus on sustainability by governing in such a way that the possible negative consequences do not exceed the health of the environment and possible financial gain.

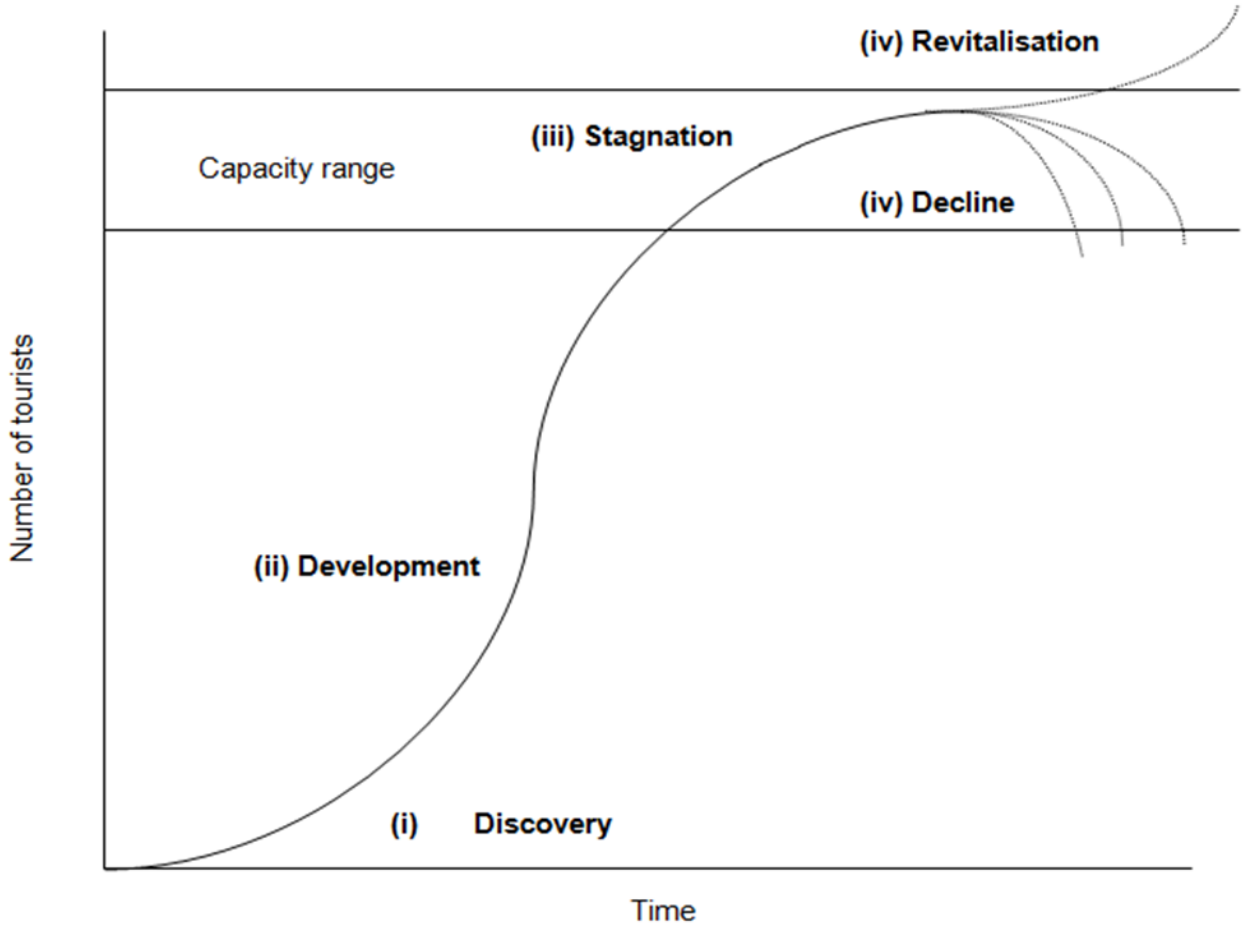
2.2.8 Theories relating to tourism development

2.2.8.1 Butler's tourism area life cycle

Butler's TALC (tourism area life–cycle) model was the starting point for studies in the relationship between the tourism industry and economic activities. This model was derived from the product life cycle model, which believes that a tourism "*area*" will move through different stages over a period (McKercher & Wong, 2020:1). The purpose of the TALC model is to explain the evolution of a tourism area (destination). Butler's tourism area life cycle has theoretical importance for the current study as it takes into account *competitiveness* and *tourism development* concepts. According to Butler (1980:6), the stages through which a tourism area

from the beginning to end is explained by an S–curve. The S–curve of the progress of a tourism area is presented in Figure 2–1.

Figure 2–1: Evolution of a tourism area: Butler (1980)



Source: Butler (1980:7)

The tourism area life cycle takes a look at the process in which a tourism destination is (i) birthed, discovery or introduction of a tourism area, (ii) growing or developing, (iii) reaching maturity, stagnation and (iv) declining of restart or revitalisation. Butler (1980) believes that the number of tourists first visiting a tourism area (destination) will be relatively small. With marketing initiative an improvement in facilities, it would lead to an increase in tourist arrivals–tourism development or competitiveness. Due to the reduction in the capacity of a tourism area, the number of arrivals would have to decrease. The limitation incapacity could be depended on environmental, physical and social aspects. The decrease in capacity and the increase in popularity of another tourism area will lead to the decline of the tourism area.

Rizzi and Graziano (2017:12) state that the capital and primary infrastructures of a region are the main influences in determining the success of a tourism destination. According to Kusumah

and Nurazizah (2016:13), this principle is unsound and does not adequately explain a tourism destination cycle. This model is outdated as it was developed in 1980 and not applicable in today's tourism industry, which is different from the tourism industry in the year 1980. Kusumah and Nurazizah (2016:13) critique this model in stating that (i) tourism destination does not always follow the process' sequence, (ii) there is no clear differentiation made between the stages and that (iii) it does not consider the influence of external factors that could influence these stages. This calls for the development of model models of tourism destination competitiveness.

2.2.8.2 Tourism–led growth hypothesis

The notion of the TLGH (tourism–led growth hypothesis) was published in the early 2000s by Balaguer and Cantavella–Jordå (2002). However, even before this, there has been interest in the relationship between tourism development and economic growth. This theory similar to the export–led growth hypothesis, which states that an economy will progress not only dependent on the mixture of labour and capital utilisation but also on the incomes of export activities. (Mitra, 2019:615). This concept could also be applied to the tourism industry. According to Balsalobre–Lorente, Driha, Bekun and Adedoyin (2020:2), the TLGH states that developments in the tourism industry would lead to the progress of a country's economy. Brida, Cortes–Jimenez and Pulina (2016:395) state that the relationship between tourism and economic growth in the long and short–run could be tested by the TLGH. This is tested usually by the Granger causality test. Lin, Yang and Li (2019:760) mention that this hypothesis clarified to the unidirectional relationship that does exist between these concepts. This created a need for a test of the impact of the economy on the tourism industry. The EDTGH (economy–driven tourism growth hypothesis) was introduced in the case of economic growth and the tourism industry. Aratuo, Etienne, Gebremedhin and Fryson (2019:3783) give the definition of the EDTGH as the instance where the progress in a country's economy would lead to the development of its tourism industry. A third hypothesis would be that the bidirectional relationship does exist between tourism development and economic growth. A fourth possibility that could occur is that no relation exists between tourism and economic growth and vice versa.

2.2.8.3 Modernisation theory of development

The concept of modernisation has been recognised after the Second World War and is still applicable today (Nhema & Zinyama, 2016:151; Ukwandu, 2017:105). Max Weber (1958) initiated the theory of modernisation, which led the pathway for Talcott Parsons (1964) in the creation of the modernisation paradigm (Caldwell, 2016:17). Weber (1958) aimed to explain the transformation of societies in the modernisation theory (Ukwandu, 2017:102). The

modernisation theory describes the shift of society from traditional to modern with the use of factors that are domestic and other support that would assist a country's progress. Parsons (1964) agrees that the advancement of societies is due to adapting to social, economic and technological changes (Hout, 2016:2). Nhema and Zinyama (2016:152) assert that the core of the modernisation theory is to divert and adapt to a new way of thinking. This relates to tourism as smart tourism destinations are one of the most investigated concepts due to its significance in current times. Koo, Shin, Gretzel, Hunter and Chung (2016:566) provided the definition of a smart tourism destination by effectively utilising ITC to attract tourists en effective use of facilities and resources to ensure a memorable experiences. Tourism destination should aim for modernisation by adapting to the changes in technology.

William Arthur Lewis (1954) also believes that modernisation which leads to the success of a region. Lewis (1954) created the Lewis model or the dual industry model to explain to the process of modernisation (Nhema & Zinyama, 2016:152). Boianovsky (2018:3) postulates that this model sees labour as unlimited at a certain stage in the initial phase but becomes rarer as time continues. This model explained the process of a traditional environment transforming into a modern environment. According to Diao and McMillan (2018:2), the Lewis model is an open model, which had an open development process. Therefore stakeholders could only take the crucial principles from the model that applies to their circumstances. Modernisation is also related to Walt Rostow's (1960) five stages of development. These stages are based on the historical development of countries (Kesgingöz & Dilek, 2016:182).

Stage 1: Agricultural activities mostly lead to the traditional environment of a region. There is limited technology available to assist with modernisation processes, and the majority of production inputs are used to deliver agricultural outputs. Traditional societies are known to be simple, whereas modern societies are perceived to be more involved (Hout, 2016:3).

Stage 2: Transitional period: With assistance from developed regions in the form of knowledge and systems. This stage involves accumulation of monetary resources, infrastructure improvements and an increase in innovation in production methods (Kesgingöz & Dilek, 2016:183).

Stage 3: Take–off occurs through the increase in economic growth through the increase in the occurrence of modernisation practices. The level of output and investment increases which leads to the expansion of the economy.

Stage 4: Drive to maturity. The overall improvement in the social, economic and technological environment of the region will have a positive influence on the performance of a region.

Kesgingöz and Dilek (2016:183) indicate that the increase in the use of technology would aid development in the majority of countries.

Stage 5: Mass consumption equal to developed regions is the main objective. This is a general objective of an economy, to be an economically and socially sound position. The industry is resilient, and the community has security.

Rostow's theory states that the underdevelopment of countries greatly contributes to the lack of transition from a tradition to the modern environment (Ukwandu, 2017:103). Nhema and Zinyama (2016:152) believe that the transition would reduce the inequality between developed and developing economies. Therefore, a country or region should, according to this theory, move through the five stages to be developed. The modernisation theory is critiqued as it states that a nation or region should follow the same stages before they could reach development (Regmi & Walter, 2017:2). Every national or region is unique, and their path towards modernisation should also be handled as such. Nonetheless, this theory is still significantly noteworthy to understand the development process.

2.2.8.4 Sustainable tourism development

The concerns for the natural and social environments have led to the emergence of the concept of *sustainable development*. Sustainable development has become a trend (Tien, Thai, Hau, Vinh & Long, 2019:102). Hall (2019:1044) mentions that the concept of sustainable tourism development should be a priority for policymakers, organisations and academics. Amerta, Sara and Bagiada (2018:249) state that the sustainable development of tourism aims to achieve six objectives. First, the preservation of the environmental resources of a tourism destination with progress accompanied by conservation. Second, to provide community members and tourists with benefits as a result of tourism destination development. Third, to conserve the relationship between tourism development and environmental performance. Fourth, to have a harmonious relationship between community members and the tourism destination's setting. Fifth, to respect the capacity of a tourism destination. Sixth, the co–operation of all stakeholders to aim at sustainable tourism development. The UNWTO emphasizes the importance of sustainable tourism development. According to the UNWTO (2020b) the sustainability of tourism development in developing economies can be explained or measured by five "*pillars*":

- Tourism policy and governance,
- Trade, investment, data and competitiveness,
- Occupation, work and capacity construction,

- Lessening of poverty levels and increase in social inclusion,
- Sustainability of environment– natural and cultural.

In order to ensure the measurement of each of these pillars, the UNWTO (2020b) created a questionnaire in which the country's situation on various statements relating to tourism and the pillar should be indicated on a Likert scale. For example, in the first pillar (tourism policy and governance) a respondent should indicate whether tourism policies are clearly explained in terms of its priority of the statement from high to low. This also gives insights into the possible methods for the development of a tourism destination competitiveness measurement instrument. It is important that a tourism destination's stakeholders should realise that the co–operation of all stakeholders is important to achieve tourism sustainability (Zhu, Liu, Wei, Li & Wang, 2017:2). Co–operation will help to assist tourism destination to achieve sustainable development. The importance of sustainable tourism development lies in the equilibrium between the social, economic and environmental benefits (Rasoolimanesh & Jaafar, 2017:35) as a result of tourism development. The benefits should outweigh the costs of tourism development has on the environment social and economic environment of a tourism destination.

2.3 COMPETITIVENESS

2.3.1 Definitions of competitiveness

Even though the term *competitiveness* is often used in economics (Konstantinidis, Natos & Mattas, 2019:2), Siudek and Zawojska (2014:91) believe that it is not precise enough as there exists no commonly accepted definition. The term is used in the fields of economics, marketing, management and politics, to name a few. Competitiveness carries a different meaning for different individuals or in different contexts. Business competitiveness is how they compete with other companies and industries in terms of profit and sales. Politicians focus on the competitiveness of a nation in terms of economics and social environment. Researchers should consider all the viewpoints that correlate with the study's objective. According to Dwyer and Kim (2003:371), the political, social and governmental exchange influences competitiveness of destinations, there does not exist a single theory of model to accurately and adequately explain this phenomenon. Across numerous disciplines, it carries different definitions.

The Organisation for OECD (Economic Co–operation and Develop), defined competitiveness as "*The ability of companies, industries, regions, nations or supranational regions to generate, while being and remaining exposed to international competition, relatively high factor income*

and factor employment levels on a sustainable basis" (Rusu & Roman, 2018:2045). The WEF (2019a:318) gives the definition of competitiveness as "*The set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the sustainable level of prosperity that can be earned by an economy*". The organisation, the International Institute for Management Development, defined competitiveness in their World Competitiveness Yearbook as "*How nations and enterprises manage the totality of their competencies to achieve prosperity or profit and/ or Competitiveness of Nations"* is a field of economic theory, which analyses the facts and policies that shape the ability of a nation to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people".

Siudek and Zawojska (2014:91) stated that the word *competitiveness* developed from the classical Latin word "*petere*" of which the meaning is "*to seek, attack, aim and desire*" as well as the Latin prefix "*con*" which means being together. Currently, the definition of competitiveness is dependent on different authors and environments which make constructing a single, generally accepted definition difficult. Because defining competitiveness prove difficult, it is the measurement of competitiveness that does not have a general method proposed by different researchers (Crouch & Ritchie, 1999:140).

Feurer and Chaharbaghi (1994) provided a broad explanation of the term competitiveness as:

- Competitiveness is not an absolute term; it is, rather, relative.
- Influenced by clients' and "shareholders'" values,
- Financial power– this influences the capability to compete,
- Individuals and technology's ability to realise strategies.

2.3.2 Competitiveness of businesses vs competitiveness of nations

In terms of economics, the agreement on the definition of competitiveness also varies for authors on the national and business level (Balkyte & Tvaronavičiene, 2010:344). Researchers (Porter, 1990; Trabold, 1995; Krugman, 1996; Mitschke, 2008) have accepted the concept of international competitiveness. National competitiveness is of significant interest to organisations (UNWTO and WEF) and researchers (Porter & Krugman). From a macro–perspective competitiveness results in an increase in real income (Dwyer & Kim, 2003:371). Competitiveness on this level of economic, social and cultural elements is incorporated as influences. Porter (1990) states that the term *competitiveness* became renowned during the start of the 1990s as Japan called to form economic influence over the United States of

America. If a country is able to be competitive in global markets and ensure economic growth, it would be beneficial as it leads to improved living standards (Balkyte & Tvaronavičiene, 2010:342). Competitiveness between businesses and competitiveness between countries could be seen as the same concept. Krugman (1994:31) argues that conceptualising competitiveness for a country is more complicated than defining that for a business.

Moreover, Krugman (1996:18) states that even though most individuals see the competitiveness of countries as the competitiveness of businesses, economists see this as a poor comparison. The notion that the trade balance can be used to measure the national competitiveness of a country is criticized. Krugman (1994:33) states that if a country does not actively and in a strong manner depend on international trade, it cannot be an accurate representation of its competitiveness. The following paragraphs explained the difference between business and national competitiveness.

Today, a county's competitiveness is dependent on more factors than just economic performance. Social, political and environmental environments should be considered to accurately measure and/or determine its competitiveness as these environments make a contribution. The WEF's, World Competitiveness Report includes factors from these environments. Krugman (1994:38) argues that businesses and countries do not compete in the same manner. Krugman explained this statement by comparing businesses (Coca–Cola and Pepsi) and two countries, respectively. He states that Coca–Cola and Pepsi can be seen as being solely competitors, and that explains why when Coca–Cola is thriving it will reduce sales (revenue/success) of Pepsi and thus have a negative effect on the employees of Pepsi. On the other hand, countries can be each other's competitors and suppliers and/or consumers of the required products. Krugman (1994) mentioned that when only targeting productivity, it is insignificant (trivial), and when only targeting to attain more market shares, it is dangerous.

Herciu (2013:273) alludes to the fact that competitiveness on an international level is associated with the international competitiveness of businesses, as it contributes to the overall competitiveness. However, an economy's competitiveness is not entirely reliant on a business's competitiveness as the macro–economic conditions of a country also play an active role. Porter (1990), Trabold (1995), Krugman (1996), Aiginger (1998) and Mitschke (2008) studied the idea of competitiveness on an international level. These researchers acknowledge and agree with the existence of the concept of international competitiveness. Mulatu (2016:51) states that David Ricardo's comparative advantage theory brought forth a viewpoint in neoclassical economics that free trade is the most acceptable approach.

There does, however, exist critique on this statement that the definition of competitiveness can be applied to nations. According to Mulatu (2016:51), for a country to be competitive in terms of sales, it has been influenced in terms of the exchange rate between countries, productivity, cost structures and not just the input cost, facilities and productivity within the business. Besides, neoclassical economists allude to the fact that as opposed to organisations, nations that are not able to compete (price and quality of products) (Maluta, 2016:52). Krugman (1996:89) argues that international competitiveness between countries does not have a negative impact on another country, such as in the case of companies. Powerful equilibrating forces prevent this in the long–run that enable a country to keep participating in the global market (Krugman, 1996:90). Another critique that neoclassical economists provide is the statement that the competitiveness of a business and country can be defined in the same manner, as organisations produce products for consumption outside the organisation such in the case of countries. In contrast, countries have products to be consumed within the borders of a country with expectations to export (Maluta, 2016:51). Maluta (2016:51) provides a different viewpoint, viz. the quasi–competitiveness school that views trade as having a restricted impact on a country's economic growth rate.

Regional competitiveness is widely accepted as a term used with regards to nations; however, it could be applied to regions (Maráková, Dyr & Wolak–Tuzimek, 2016:92, Januškaitė & Užienė, 2018:4849). Kitson, Martin and Tyler (2004:991) state that competitiveness is not only international and national (macro–economic level) – but regional and local too (micro–economic level). Regions are conceptually defined as geographical areas that have unified economic zones where businesses can access labour and supply, contingent on linkages and knowledge spill–overs (Kettels 2016:270). Regions are empirically defined by Kettels (2016:2470) as geographic designs that meet the abovementioned criteria. A tourism destination's progress is greatly influenced by the competitiveness of regions within the tourism destination (Januškaitė & Užienė, 2018:4849). Kitson, Martin and Tyler (2004:991) state that competitiveness is not only international and national (macro–economic level) but regional and local (micro–economic level).

Vlados and Katimertzopoulos (2018:2) state that competitiveness on a regional level is to have the capability to use determinants of competitiveness to be contending in the market with other regions. As Krugman (1994) mentioned that when only targeting productivity that is insignificant (trivial) and when only targeting to attain more market share, it is dangerous. Kettels (2016:271) states that there does not necessarily exist a correct or incorrect definition of tourism but only that the definition would be less or more relevant and accurate with regard to the specific issue. On a micro–level, the competitiveness of a tourism destination focuses on the business level

(Dwyer & Kim, 2003: 371). This statement makes space for a link between Porter's (1980) work and tourism competitiveness. To be competitive, on a micro–level, tourism destination businesses should provide superior quality and quantity tourism–related products (Dwyer & Kim, 2003:372).

The quality and price of products are not only used by organisations to improve their growth and revenues but also to compete with one another (Milusheva, 2017:257). As such, strategies are needed to ensure that they remain competitive and not bankrupt if they fail to do so. Mulatu (2016:51) states that the definition of competitiveness on an organisational level is well defined, which could also be extended to countries. Mulatu (2016:51) states that David Ricardo's comparative advantage theory has created a viewpoint in neoclassical economics that free trade is the best approach. There does, however, exist critiques on this statement that the definition of competitiveness can be applied to nations. According to Mulatu (2016:51), for a country to be competitive in terms of sales, it has to rely on the exchange rate between countries, productivity, cost structures and not just the input cost, facilities and productivity within the business.

Krugman (1996:89) states that competition on a national level does not only have a negative impact on a nation. Accordingly, a country is capable of trading products in the global markets in the long term. Another critique that neoclassical economists provide is the statement that business and country competitiveness can be defined in the same manner, which is that organisations produce products for consumption outside the organisation. In contrast, countries produce products to be consumed within the borders of a country with expectations to export (Maluta, 2016:51). Krugman (1996:9) states that though a country could be competing in the same market, these countries are likely to be each other's clients in terms of imports and exports.

2.3.3 Comparative advantage vs competitive advantage

The concepts of *comparative* and *competitive advantage* have come forward through the development of competitiveness as a concept. According to Porter (1998:8), production factors should be stockpiled and used to compete where they have a comparative advantage. Crouch and Ritchie (1999:142) stipulate that the comparative advantage of a tourism destination has to do with the "*factor endowments*", created and naturally occurred. Regmi and Walter (2017:8) articulate that comparative advantage takes into account the delivery of services and production of goods that a country specialises in. According to Porter (1990), five dimensions are related to a tourism destination's competitiveness; (i) human resources, (ii) physical resources, (iii) knowledge, (iv) capital and (v) infrastructure influences comparative advantage. However,

Crouch and Ritchie (1999:142) state that in terms of tourism, the cultural and historic resources should be added to the determining factors of comparative advantage. Farhikhteh, Kazemi, Shahin and Shafiee (2020:317) mention that comparative competitiveness exists within industries, making it applicable to the tourism industry. The comparative advantage is, therefore, the specialisation of businesses and nations to obtain a maximum scale of economies.

In addition, Crouch and Ritchie (1999:142) mention that the comparative advantage of a tourism destination changes throughout time. This gives a reason for the investigation of the competitiveness of a tourism destination over time. A comparative advantage could be found due to the hereditary and bestowed resources found in a tourism destination. The examples hereof include weather, scenery, vegetation, wildlife, and so forth. On the other hand, the competitive advantage is found within constructed resources, which are accommodation, attractions and transport network, festivals and events, the quality of supervision, skills of labours, government policies (Dwyer & Kim, 2003:373). The competitive advantage of businesses of regions could be sustainable if they invested in the improvement of skills and effective use of resources (Widagdo, Kholifah & Handayani, 2018:425). Relating to the current study, the determinants of tourism destination competitiveness should perform at a high standard or level than other tourism destination's determinants to have a comparative advantage. The competitive advantage of a tourism destination will exist when a tourism destination has uniqueness. This will be due to (i) cost advantage which is the provision of tourism–related goods and services at a better price and (ii) the provision of unique tourism–related goods and services. These two components are believed to lead to the loyalty of tourists.

Crouch and Ritchie (1999:143) articulate the difference between the comparative and competitive advantage of tourism destination as being the following: Competitive advantage of a destination pertains to its capability to effectively utilise resources in the long–run, whereas comparative advantage comprises the obtainability of resources in a tourism destination. Dwyer and Kim (2003:369) mention that a tourism destination's competitive advantage could be found in two elements, namely overall attraction and the experience offered by the destination to visitors. These two elements should surpass those of another destination. The test of competitiveness is to ensure that policy–makers are aware of what they should do in order to assist in the development of an improved level of sustainability and prosperity (Kettels, 2016:271). Paul Krugman (1994:28) called the competition a "*dangerous obsession*". Krugman (1994:43) identified three major "*dangers*" of competitiveness as: (i) unproductive government expenditure to strive for increased competitiveness, (ii) cause protectiveness and (iii) eventualise in poor public policy.

2.3.4 Advantages of competitiveness

Competitiveness makes regional tourism destinations more resilient (Heslinga, Groote & Vanclay, 2020:1). The benefits of the increase in the competition are usually the objectives which are to be achieved in order to increase competitiveness (Maráková, Dyr & Wolak–Tuzimek, 2016:92). For example, the increase in the effective use of resources (benefit) would have a positive impact on the level of competitiveness of businesses. Widagdo, Kholifah and Handayani (2018:425) mention that the progress of SME's (small and medium enterprises) could have a positive influence on the development of an economy.

However, the possibility also exists that high levels of competitiveness may lead to positive consequences. A powerful international competitiveness standpoint could set in motion an increase in living standards (García–Sánchez, Siles & Vázquez–Méndez, 2019:201) and investments opportunities (Balkyte & Tvaronavičiene, 2010:342) on an individual and national level. Maráková *et al.* (2016:92) indicate that competitiveness will initiate the increase in wealth for the economy and community. Widagdo *et al.* (2018:425) said that a business of a region would benefit from the increase in competitiveness as it is steered by the increase in skills development. Not only should businesses be competitive but also the employees in terms of their skills as their skills would contribute to the success of a business (Oviawe & Uwameiye, 2020:29). Competition in the labour market through education and skills development could have a positive influence on not only the standard of the workforce and their productivity but also their earnings (Naidoo, 2016:4). Supply chain management systems introduced into businesses will enhance production performance (Bimha, Hoque & Munapo, 2020:97).

García–Sánchez, Siles and Vázquez–Méndez (2019:200) say that the increase in innovation and the prevalence of technology is a benefit of competitiveness, especially in the tourism industry. Anderson (2018:509) states that technology is "*transferable*" between countries and businesses. The innovation improves communication facilities. Innovation will, in turn, produce new and higher quality products (Ivanova & Kordos, 2017:146). Maráková *et al.* (2016:94) also agree that higher levels of goods and services are expected with higher levels of competition. The levels of productivity will be improved through the decrease in input cost and increase in output through technology use in an effort to increase competitiveness (García–Sánchez, Siles & Vázquez–Méndez, 2019:202). The enhancement of skills development an innovative systems will according to Wahyuningsih, Sudiro, Troena and Irawanto (2019:144), assist in employee satisfaction. In addition, the increase in competitiveness could instigate co–operation between stakeholders (Maráková *et al.*, 2016:93). Trade specialisation is a positive consequence of the increase in competition and could lead to higher competition levels (Anderson, 2018:509).

2.3.5 Disadvantages of competitiveness

The test of competitiveness is to ensure that policy–makers are aware of what they should do in order to assist in the development into an improved level of sustainability and prosperity (Kettels, 2016:271). Paul Krugman (1994:28) called the competition a "*dangerous obsession*". This gives stakeholders a warning about the potential dangers of competitiveness. Krugman (1994:43) identified three major "*dangers*" of competitiveness as (i) reckless expenditure of funds to establish competitiveness, (ii) steer towards protectionism and (iii) lead to poor public policy. Balkyte and Tvaronavičiene (2010:342) state that regions with high levels of competitiveness attract investors and citizens. Although at first, this is a benefit, it could lead to congestion and exhaustion of resources in a tourism destination.

The increase in the level of competitiveness through the increase in capital–intensive production could have a negative impact on the number of work opportunities available (Maráková *et al.*, 2016:94). This is at the expense of the workforce (Havierniková, Lemańska–Majdzik & Mura, 2017:1205). It could be difficult for smaller businesses to participate in a highly completive market (Anderson, 2018:509). Smaller businesses do not always have the capital to be innovative and have new technologies. Maráková *et al.* (2016:94) give the disadvantages of competition as unethical marketing practices of businesses disputing it challengers' goods and services. Going forward, these dangers should be taken into account and analysed. In doing so, it will enable stakeholders to develop strategies to reduce these dangers.

2.3.6 Market structures

Market power is defined by Brueckner and Flores–Fillol (2020:4) as the capability of market participants (buyers or sellers) to influence the price of a product. The market structure is linked to competitiveness in terms of a business's ability to participate in the market depending on the market structure. According to Pindyck and Rubinfeld (2013:357) in a market that is identified as perfectly competitive, there exist a large number of market participants (buyers and sellers) which can have an impact on the price of specific goods. The following market structure exists in an economy:

- The monopoly which is a market that has one seller but many buyers,
- Monopsony refers to single buyers and many sellers,
- Oligopsony is the market with a few buyers.

Pindyck and Rubinfeld (2013:452) identified the following two main market powers:

- Monopolistic competition markets are stricter if the companies can freely enter the market and participate in the market by generating its brand of distinct product.
- Oligopoly explains the market structure where only a few companies challenge each other and hinder the entry of new businesses.

The tourism industry has various markets in which they participate. The fluctuations in the market structures within the tourism industry are determined by the linkages between the different stakeholders as well as technology improvements (Buhalis, Harwood, Bogicevic, Viglia, Beldona & Hofacker, 2019:493). The business community will influence the ease of conducting business is an influence of tourism destination competitiveness. The market structure will influence the ability of a business to participate in the market or industry (Brueckner & Flores–Fillol, 2020:3). Tress index is used as a measure of industry concentration which could indicate the types of market structure. Ranging between a 0 and 1 value, it indicates how concentrated industries in a region are. A tourism destination should identify the market structure in order to successfully identify strategic recommendations and policies required to ensure fair competition in a stable environment.

2.3.7 Theories relating to competitiveness

Customarily, Adam Smith's theories are the basis of international trade theories which competitiveness theories are the starting point of competitiveness on an international level. Neoclassical economist such as Paul Krugman and Milton Friedman argue that competitiveness is crucial to investigate. The quality and price of products are not only used by organisations to improve their growth and revenues but also to compete with one another (Mulatu, 2016:50). As such, strategies are needed to ensure that they remain competitive and not bankrupt if they fail to do so. Mulatu (2016:51) states that the definition of competitiveness on an organisational level is well defined, which can also be inclusive to countries. Krugman (1994) labelled the competitiveness of regions as a possible hazard. Opposed to Porter, Krugman believes that;

- Competitiveness of businesses is not equivalent to the competitiveness of nations,
- Businesses compete with their rivals to claim a larger market share. This could lead to the shortfall of other businesses. If a region is competitive, it would more likely generate opportunity than destruction.
- Competitiveness is parallel to productivity, which influences the living standard of a nation.

Competitiveness between businesses and competitiveness between countries were seen as the same concept. However, Krugman (1994:31) argues that conceptualising competitiveness for a country is more complicated than defining that for a business. In addition, Krugman (1996:18) states that even though most individuals see the competitiveness of countries as the competitiveness of companies, economist sees this as a poor metaphor. The notion that the trade balance can be used to measure the national competitiveness of a country is criticized. Krugman (1994:33) states that if a country does not actively and in a large manner depend on international trade, it cannot be an accurate representation of its competitiveness.

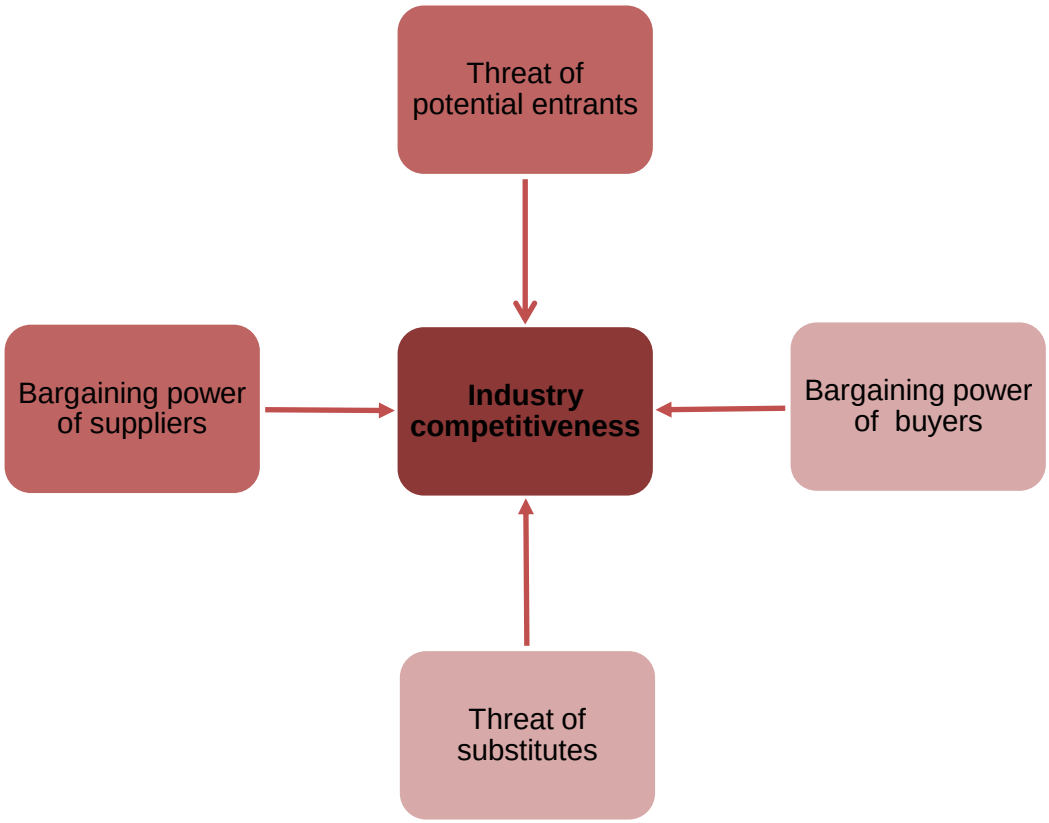
2.3.7.1 Porter's views on competitiveness

In terms of micro–economics, national and local competitiveness go with the cluster theory. Porter (1990) believes that in order for a business to be competitive, it should continually improve its methods and better its market position (Alexandros & Metaxas, 2016:65). Januškaitė and Užienė, 2018:3) believe that regional competitiveness should be considered as necessary as national competitiveness. According to Alexandros and Metaxas (2016:65), the link implied between regional and business competitiveness is debated in terms of macro–economics. Regional and local competitiveness is a goal of economies; however, there exist some doubts that it will lead to competitiveness on a national level or macro–economic level.

2.3.7.2 Porter's (1980) five forces of competitiveness

The five forces of competition model recognise the contributors to competitiveness for businesses and industries. The five contributors found in the micro–environment can be listed in Figure 2–2.

Figure 2–2: Five forces of competitiveness for businesses and industries: Porter (1980)



Source: Khurram, Hassan and Khurram (2020:4) adapted version from Porter (1980)

- Industry competitors: The quantity and quality of competitors, brand loyalty, industry performance, costs and limitations would be the basis for the competitiveness of a business or industry.

- Potential entrants: New competitors entering the industry or market could be a threat to current suppliers of the specific good or service. These competitors face customers that could be loyal to current brands, the difficulty of market or industry entry and lack of experience as opposed to current market suppliers.

- Substitutes: The availability of substitute products and services customers can make use of to satisfy their needs. What sets the goods and services apart from other businesses or nations.

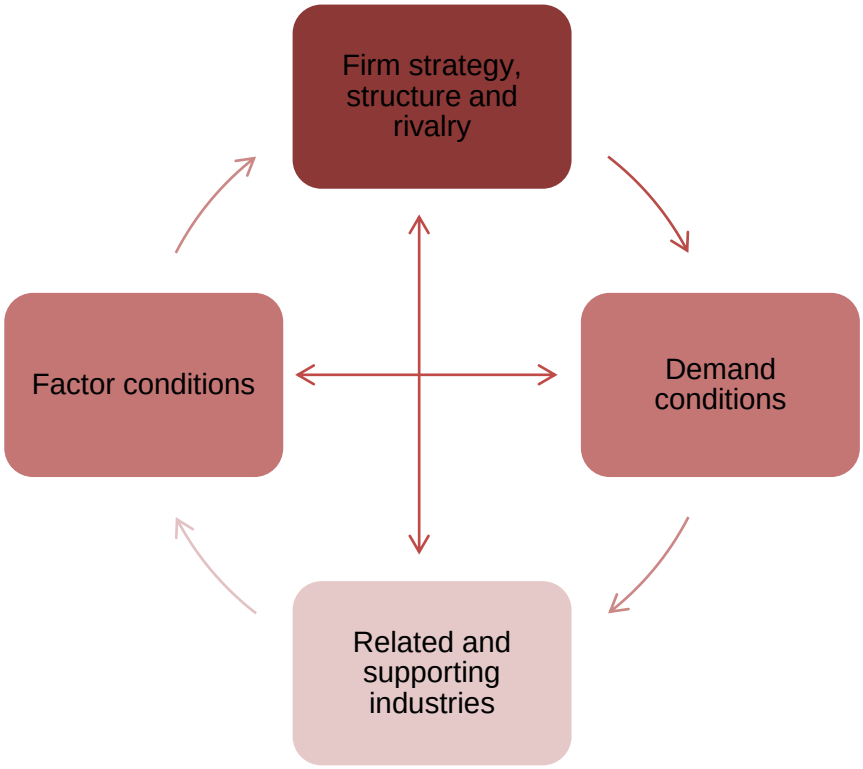
- Suppliers: The bargaining power of suppliers could have an influence on the competitiveness in a business or the industry. Competition between suppliers depends on the quantity and size of the suppliers, the distinctiveness of the goods provided and services rendered.

- Buyers: The bargaining power of the customers. This is dependent on the number of customers, the quantity of goods and products that customers require, price sensitivity of customers to the goods and services to name a few.

2.3.7.3 Porter's (1990) diamond model

After the development of the five forces model of competition, Porter (1990) developed the diamond model, which could be used to review the competitiveness of a nation in terms of national advantage. Figure 2–3 presents the diamond model developed by Porter to describe the factors that influence competitiveness.

Figure 2–3: Diamond model: Porter (1990)



Source: Porter (1990:78)

According to Crouch and Ritchie (1999:140) and Vojinović & Živković (2018:673), at the micro–economic level, the factors that influence the competitive advantage can be explained as:

- Factor conditions are the natural, cultural and historical factors in a tourism destination that most are the main reasoning for tourist visitations.

- Demand conditions– market size and buyer sophistication. In industries, the local demand and the globalisation of markets from abroad are the proving place. According to Crouch

and Ritchie (1999:140), if a tourism destination is characterised by a significant local demand, it will encourage and improve the destinations and their innovations, and high local demand and international demand will be encouraged.

- Related and supported industries– value chain activities. The performance of these industries could influence the performance of the industry in question. This is especially important in the tourism industry as this industry is interlinked with various other related and supporting industries.

- Business strategy, structure and rivalry. The environment can either facilitate or constrain competition.

In addition, Herciu (2013:274) believes that the macro–economic level should also be considered, which includes international competitiveness dependent on these four factors mentioned above, as well as:

- Chance– unpredictable events: There always exists the possibility of events that are not accounted or that could have a negative consequence– for example, market failures, natural disasters and epidemics (COVID–19).

- Government– education, subsidies: The role of the government in ensuring an enabling environment for the cultivation of competitiveness is worth consideration. In the case where governments provide financial and non–financial incentives and services, it would lead to a growth in competitiveness, whereas no government assistance could hinder the growth process of competitiveness levels.

2.3.7.4 The concept of clusters

The term *clusters* have been debated since the 1990s (since Alfred Marshall) and gained popularity in terms of issues and policies which are aimed at improving their competitiveness. Alfred Marshall was the first to introduce the concept of clusters between 1890 and 1920. According to Kettels (2016:269), the term *clusters* has been debated since the 1990s and gained popularity in terms of regions and policies which are aimed to improve their competitiveness. Porter (1998) defines clusters as "*geographical groups of interconnected companies and associated institutions in a particular field, linked by similarities and complementarities*". Martin and Sunley (2003) criticised the definition of Porter and Krugman by stating that it is unclear. Cluster, according to Kettels (2013:273), is defined as the accumulation of "*co–located economic activities*" in regions. Havierniková, Lemańska–Majdzik and Mura (2017:1205) give the definition of clusters as a collection of companies, associations and

institutions within an area linked with one another. Still, clusters of geographic concentrations play an important role in the success of a business. Clusters, according to Kettels (2013:273), are concentrations of economic activities in a region related to a specific field. This could also apply to a region, especially in terms of tourism where natural resources play an important role in the success of a tourism destination. For example, regions with mountains, beaches, rivers etc. could be strong attractions for tourists. According to Alexandros and Metaxas (2016:65), the cluster theory of Porter is the most crucial in business tactics.

The impact that locations have on competitiveness can be explained by explaining how businesses compete with one another. First, the endowments of the production factors (labour, capital and natural resources) and specifically the cost of these input factors have influences on the final costs that could also increase or decrease competitiveness and locational competitiveness. The location has been crucial to ensuring competitiveness; however, advances in technology have reduced its importance. Even though a business is not located near its markets, due to technology advances, it could still be able to compete with other businesses located near the markets. Porter (1998:8) mentioned that even though the production factors still have an active role in the competitiveness of a country, it is becoming less important as these production factors' intensity reduces. Porters' (1990) conceptualisation of clusters features three different roles; (i) geographic location (closeness), (ii) linkages between economic activities, (iii) relativity of these activities.

There exists a history in economic research where geography is the centre point. Porter (1998:8) mentions that since the beginning of the 20th century, economic geography has taken the lead in models developed in research. In modern research, the location has yet to become pertinent in research models. The easy flow of products, technology, knowledge and funds has led to a decrease in the significance of geography. The impact that location has on competitiveness can be explained by explaining how businesses compete with one another. First, the endowments of the production factors (labour, capital and natural resources) and specifically the cost of these input factors have an influence on the final cost, which could also increase or decrease competitiveness. Porter (1998:8) states that even though the production factors still have an active role in the competitiveness of a country, it is, however, becoming less important as these production factors' intensity reduces.

2.4 DETERMINANTS OF TOURISM DESTINATION COMPETITIVENESS

Tourism has developed into one of the most popular relaxation and recreation activities in the current century (Chen, Chen, Lee & Tsai, 2016:58; Ohe, Ikei, Song & Miyazaki, 2017:333). The factors that determine the success or failure of a tourism destination are important to investigate, especially on a regional level. This is the case as it proves easier to improve a determinant or factor of a tourism destination on a regional level as opposed to improving the entire tourism destination competitiveness without acknowledging the areas (indicated by determinants) where development is needed. According to Knežević Cvelbar, Koman and Mihalič (2016:1041), the noteworthiness of tourism destination competitiveness have led to an increase in the studies in this field. Some studies (Carrillo–Hidalgo & Mudarra–Fernández, 2019; Nassuna, 2019; Pulido–Fernández, Joo, Seok & Nam, 2020) only refer to the subcategories as the factors, which are economic, social, environmental and very rarely political, thus, not focusing on individual determinants that make up the subcategories. This study, however, takes a more in–depth approach in identifying individual determinants that correlate and could be found within these subcategories. Such in the studies of Buhalis and Amaranggana (2013); Chen, Chen, Lee and Tsai (2016); Csapó, Habil, Pintér and Aubert (2016); Muresan, Oroian, Harun, Arion, Porutiu, Chiciudean, Todea and Lile (2016); Truong, Lenglet and Mothe (2018) tourism destination competitiveness has been the focal point of present–day research. Thus, the research topic of tourism destination competitiveness is significantly important to undertake.

The previous sections (Sections 2.2 & 2.3) explained the theoretical components of the themes that are tourism development and competitiveness. Therefore, Sections 2.2 and 2.3 provide the groundwork for the discussion of the determinants and measurements of tourism destination competitiveness. Tourism destination competitiveness could be measured in terms of conceptual evidence and empirical evidence, the latter being less used. Most measurement models of tourism destination competitiveness are based on a conceptual model by researchers such as Richie and Crouch (1999), and Dwyer and Kim (2003). Limited attention is given to an empirical measurement of tourism destination competitiveness on a regional level. The main objective of the study (development and testing of an empirical measurement instrument) thus provided valuable information into the development of a measurement instrument which could be applied and analysed empirically. Other than the limited research done on empirical measurement, the reasoning for this objective is the simplicity in understanding and analysis, which provided space for well–informed strategic recommendations. The majority of research concentrates on the investigation of managers' viewpoints (Enright & Newton, 2004; Mulec and Wise, 2013); however, this study focused on the viewpoints of (i) community members/ tourists,

(ii) tourism–related businesses and (iii) government organisations. Tourism–related businesses being adventure activities, accommodation facilities, conference and wedding venues, food and beverage facilities, souvenir shops, tour agencies and guides and transportation services.

The following section also focuses on the determinants and existing models of tourism destination competitiveness. The knowledge regarding destination competitiveness and the determinants thereof is greatly significant (Pulido–Fernández & Rodríguez–Díaz, 2016:131). The discussion of determinants and existing models of tourism destination competitiveness is important for the following reasons: (i) to identify the crucial determinants of tourism destination competitiveness, and (ii) to give the weaknesses of each model and lack of adequate existing models. This together ensures that a comprehensive model was developed to adequately measure the level of competitiveness of a tourism destination on a regional level.

Before the determinants and models can be discussed, it is essential to distinguish between the various terms used by researchers. Some confusion sometimes arises with the use of these terms in the models. Therefore, seeking an understanding of these terms is explained as follows. A factor could be explained as a variable under examination or a numerical expression of a value. Variables are traits and characteristics of something which could be measured; however, these variables could have different measurements. For example, the life satisfaction of an individual could either be measured in terms of income, living standards or happiness. This is all dependent on the objective of the study. In research, there exist dependent and independent variables when analysing the relationship between said variables. Dependent variables are described as variables whose value "*varies*" or changes as a result of other variables. In other words, it is dependent on the changes and fluctuations of the other variables. On the other hand, independent or explanatory variables are those variables selected to explain the dependent variable. Models coexist of a combination of determinants which as a unit describe the competitiveness of a tourism destination. Most models focus on the conceptual, which makes the development of empirical models significantly important as it assists tourism destinations in the analysis of their competitiveness in terms of numerical value. Most agree that a numerical value simplifies understanding and discussion.

In this study, the independent variable was tourism destination development (competitiveness) which is measured by the variables, *tourist income and spending*. The independent variables consisted of the determinants selected to describe tourism destination competitiveness best. The term *determinant* is used

in this study as it states that the object is *determining* something. In the case of this study, the determinants investigated are the factors that have an impact on the competitiveness of a

tourism destination. The aim of this study was to investigate (i) whether the determinant selected have a theoretical and empirical impact on tourism destination competitiveness, (ii) if so the extent of the impact and (iii) analysing the origin(s) and repercussions of the specific impact. This resulted in a model that measures tourism destination competitiveness empirically. Not all existing models of tourism destination competitiveness include all the determinants that have an impact on the level of competitiveness of a tourism destination. Therefore, it is important to discuss all the possible determinants of tourism destination competitiveness to provide a comprehensive understanding. As the tourism industry is very complex and multidimensional, the investigation and determination of a tourism destination's competitiveness should be comprehensive and elevated over social, economic, political and environmental platforms.

Adeleke, Omitola and Olukole (2008:138) state that tourism development in lagging regions could have potential benefits for a country or region. Regions characterised as underdeveloped, lagging and underperforming are usually known for their richness of culture and scenery (Adeleke *et al.*, 2008:138; Zvyagintseva, Episheva, Tsygankova, Azarova & Shelygov, 2020:10). The development and progress of these regions could be facilitated through attracting tourists by development in tourism facilities which will, in return, improve job creating and income (Adeleke, Omitola & Olukole, 2008:138). This will attract tourists, which also encourages expenditure on tourism products. Neglected or lagging areas in tourism destinations create the possibility for an improved tourism destination (Csapó, Habil, Pintér & Aubert, 2016:301) if attention is given to enhance the aspects within the region. Csapó *et al.* (2016) maintain that tourism organisations and authorities disregard lagging areas in a tourism destination by focussing on already developed areas.

Csapó *et al.* (2016:300) believe that a tourism destination could best be improved by bettering aspects on a local or regional level. The complexity of a tourism destination is one of the main reasons for a number of determinants used to analyse the competitiveness of a tourism destination. This explains why various researches are done on determining the effect of determinants on a tourism destination's level of competitiveness. In pursuit or determining this, the effect and extent of the effect of a specific determinant on tourism destination competitiveness are investigated and given empirically.

As tourism destinations are located in different geographical areas, there exist different and unique characteristics. Some argue that this is the basis that explains why a measurement instrument could not be developed and used as an accurate measure of tourism destination competitiveness. However, this is not persuasively argued as this determinant (unique and distinctiveness) is only a fraction of determining the competitiveness of a tourism destination.

Other determinants are used to examine the competitiveness and are not destination specific but could be found in most tourism destinations. This includes the determinants, infrastructure, labour, restaurant facilities, to name a few which are present in most tourism destinations. As such, it is accurate to presume that this measurement instrument was a true representation of the level of competitiveness of a tourism destination and could be used to compare destinations with one another. Truong, Lenglet and Mothe (2018:1) state that the *"unique and distinctive characteristics"* of a tourism destination (which could be identified as a determinant) should be identified and promoted. This is used as a tool to promote a tourism destination to potential tourist and thus boost tourist arrivals. According to Qu, Kim and Im (2011:467), the uniqueness of a tourism destination assists in differentiating between each other. Tourists are continuously in need to explore new and different things, and this is where the uniqueness and distinctiveness of a tourism destination come into play.

According to Qu *et al.* (2011:473), a tourism destination should identify its distinctive and unique characteristics and elements to formulate better or develop marketing strategies which are aimed at increasing tourist acknowledgement of the specific tourism destination and potential visitors. These characteristics can assist tourism destinations in identifying their main resources and develop strategies (Richards, 2011:1226). The "*elements*" mentioned correspond with the determinants and could include natural resources, culture, food and more. The effect of determinants on the level of a tourism destination's competitiveness is classified into four subcategories namely, (i) the effect of resources, (ii) the effect of infrastructure, (iii) the effect of economic impact and (iv) the effect of government and authorities. The rationale of this is to limit the complexity of discussion and analysis of a tourism destination's competitiveness. The success of a tourism destination or tourism destination competitiveness can be empirically expressed in terms of the tourism arrivals at a destination (Dwyer & Kim, 2003:369). These determinants would thus have an impact on the potential and existing tourist arrivals. Dwyer and Kim (2003:374) also agree that a broad list of can factors have an influence on tourism destination competitiveness.

2.4.1 The effects of resources on tourism destination competitiveness

According to Dwyer and Kim (2003:380), it is true that various resources have different impacts on the competitiveness of a tourism destination as it attracts different visitors. According to Lo, Mohamad, Chin and Ramayah (2017:364), natural and cultural resources can be used to improve the level of tourism destination competitiveness. This is the case when resources are adequately utilised and effectively managed. Within the category "qualifying and amplifying" factors, a study by Bulatovic and Rajovic (2015:12) discovered that how clean a destination's surroundings are, is amongst the more crucial determinants of competitiveness with a high

score of 4.06 out of 5. Natural, cultural, historical, labour and technology elements are amongst the resources a destination can use to better its market position.

2.4.1.1 Natural resources

Being rich in natural resources could be a significant advantage for a tourism destination if a tourism destination does not have natural resources, it would be difficult to compete with a tourism destination that does. This relates to the development of the Ritchie and Crouch (1993) model, which was one of the first model attempting to explain tourism destination competitiveness. Lo, Mohamad, Chin and Ramayah (2017:764) supported the definition of natural resources conceptualised by Crouch and Ritchie (1999), stating that natural resources are the main resources found within a tourism destination concerning plants and wildlife. Natural resources play an important part in improving the competitiveness of a tourism destination. According to Crouch and Ritchie (1999), Poon (1993) and Yoon *et al.* (2001) the level of tourism destination competitiveness could be improved by coordinating the natural resources, appeal and marketing approaches. Andrades and Dimanche (2017:363) stipulate that destinations with attractive and interesting resources are capable of encouraging and supporting tourism spending, and as a result income inflow will be affected.

Csapó *et al.* (2016) investigated the relationship between natural, social and tourism elements for Hungarian rural settlements from the national and regional point of view. This was done by collecting primary and secondary questionnaire data for tourism participants. The study showed that in the three of the four cities selected in Hungary which are Celldömölk, Szeged and Gyöngyös with Pécs as the exception, the efficiency of tourism attractions led to an improved tourism destination image. These attractions are better due to the five evaluation factors, viz. authenticity, uniqueness, marketing, appearance and attendance. Not only is the existence of natural resources important but also its quality.

2.4.1.2 Historical and cultural resources

As defined by Lo *et al.* (2017:765), cultural resources are the collection of traditions and ways of life found in a tourism destination. The reinforcement of regional and local traditions could be a noteworthy contributor to the achievement of a tourism destination (Crouch & Ritchie, 1999:139). As stated by Dwyer and Kim (2003:374), cultural and historical resources are equally essential to ensure destination competitiveness as natural resources. A study by Stetic, Simicevic, Pavlovic and Stanic (2014) investigated the competitiveness of business tourism. In their study, it was established that the abundance of cultural and historical resources is the

second most significant determinant of a successful tourism destination with a significance value of 4.29 out of five.

2.4.1.3 Workforce and entrepreneurship

The possible benefits deriving from entrepreneurship can be especially found within the tourism industry where minimal start–up capital is required for SMEs (small and medium–size enterprises) typically tourism–related businesses (Jaafar, Rasoolimannesh & Lonik, 2015:18). The creation of employment opportunities is the positive consequence of tourism development (Crouch & Ritchie, 1999:139). As such, available and quality workforces are needed to ensure that tourism destinations progress successfully. Examining the limits and elements of small tourism businesses, Jaafar *et al.* (2015:19) articulate the factors that have a dampening effect on these businesses. In order from most limiting the factors rated out of five, one being rarely limiting and five extremely limiting, (i) changes in the season and climate with 3.68 out of five, (ii) unavailability of trends and opportunity knowledge in tourism in second at 3.42 out of five and (iii) lack of marketing abilities with a rating of 3.39 out of five.

2.4.1.4 Location of a tourism destination

A tourism destination's location is an important determinant in the decision–making process of tourists. According to Csapó *et al.* (2016:304), the geographical location of a tourism destination is of great importance as their study found that suburban, lagging, and underdeveloped areas are likely to encourage tourist arrivals in Hungary. Iațu, Ibănescu, Stoleriu and Munteanu (2018:263) state that the locality of tourism destinations to heritage sites and other activities and facilities will have an impact on the success of a tourism destination. If the tourism industry is near, for example, a World Heritage Site of tourism facilities it will have a positive influence on tourism development.

2.4.2 The effect of infrastructure on tourism destination competitiveness

Adeleke *et al.* (2008:138) mention that improved infrastructure could facilitate opportunities for economic diversification. Tourism infrastructure is defined as infrastructure that accommodates the needs of tourists (Jovanović & Ivana, 2016:289). Tourism infrastructure includes facilities, systems, practices that work the operation of a tourism destination. According to Csapó *et al.* (2016:309), the infrastructure in a tourism destination within a specific geographic location is of significant importance to regions of South Transdanubia and Northern Hungary. In Tokaj and Szeged, the efficiency of infrastructure did not have a significant impact on the success of the region as a tourism destination. However, in Csapó *et al.* (2016:309), the efficiency of infrastructure led to an improvement of the tourism destination image. These attractions are

better due to the five evaluation factors, viz. authenticity, uniqueness, marketing, appearance and attendance. Infrastructure, according to Dwyer and Kim (2003:381), these include accommodation, food and beverages, attraction, entertainment as well as transportation services.

Within the subsection of tourism called the hospitality industry, Nagy and Carr (2017:1) mention that the comfort of tourists is of paramount importance to ensure tourist attraction. The term "*comfort*" is used as a marketing tool to increase tourists' positive perception and to encourage tourist arrivals. Tourist comfort could be in terms of (i) physical comfort (safety and cleanliness) (ii) financial comfort and (iii) psychological comfort (Nagy & Carr, 2017:2). Abdullah and Haan (2012:199) characterise the hospitality industry as extremely competitive. As such, the demands of tourists are very important and should meet the expectations of tourists (Abdullah & Haan, 2012:199).

A study by Abdullah and Haan (2012) investigated the influence of internal factors (price, services, promotion and food) on occupancy rates. A questionnaire was used, and respondents were customers of hotels between 18 and 60 years of age. Respondents were asked to rate their responses on a Likert scale from 1 (strongly agree), 2 (agree), 3 (neutral), 4 (disagree) to 5 (strongly disagree). The following results were gathered from the study. Firstly, for the cleanliness and efficiency of housekeeping: 64 respondents "agreed" and 42 selected "neutral" that it is necessary to ensure the success of an accommodation facility. Secondly, the majority of respondents (57) "agreed" followed by 33 respondents that "strongly agreed" that location was an important factor in determining the stays. Thirdly, technology in the form of internet services facilities was mostly identified as "*neutral*" importance by (39 respondents) the majority the second most respondents identified "agree'. Fourthly, most respondents (66) "agreed" that the price of rooms was an important determinant of their choice to select the accommodation facility, thereafter 29 stated that it was neutral. The fifth factor, online booking services, was considered by most respondents (38) as "neutral, followed by 37 respondents who "agreed" to its importance.

Finally, the concept of "*sharing economy"* has become popular in the accommodation industry. According to Wang and Nicolau (2017:3), Airbnb has successfully implemented this concept by connecting individuals or organisations with available accommodation facilities to individuals in need of accommodation facilities through technology to digital marketplaces. Thus according to Guttentag, (2015); Tussyadiah and Pesonen (2015); Wang *et al.* (2016), it makes it possible for a broad scope of prices and characteristics not limiting choices to standard hotel facilities. According to Madanoglu and Ozdemir (2016:74), "*meeting places*" such as restaurants and

activity facilities can create successful environments for accommodation, more specifically, hotels.

2.4.2.1 Health and education facilities

Hanefeld, Smith and Noree (2016:333) articulate that the current global economy has seen an increase in medical tourism – use of medical services from another country. The quality and availability of health and education services are significant to the success of a tourism destination contributing to its overall appeal. Health and hygiene are the selected factors by the World Economic Forum as determinants of competitiveness. Even though the statistics regarding medical tourism is lacking, studies into the importance have been undertaken of late. Hanefeld, Smith and Noree (2016:345) investigated medical tourism in Thailand, which has since the early 2000s, been identified as one of the top medical tourism destinations. In their study, the results indicated that 167 thousand tourists travelled to Thailand for the purpose of medical tourism, the majority from low to medium–income countries since 2010. The profits and expenditure generated from this activity have had a positive impact on the development of the tourism industry in a tourism destination. Noree, Hanefeld and Smith (2016:32) identified the top 15 countries that visit Thailand for medical tourism. First, the United Arab Emirates (21 568 visitors), second, Bangladesh (8 443 visitors) and third, the United States (7 855 visitors). Thailand should focus on the specific needs of medical tourists in order to retain competitiveness. Nonetheless, the focus should also be on less popular countries. Education, especially tertiary education, is essential to improve the outlooks of a country (Naidoo, 2016:2).

2.4.2.2 Communication, accommodation, food and beverages and transportation facilities

With regard to accommodation facilities, Stetic *et al.* (2014) reveal that the accomplishment of a successfully operated tourism destination could be due to the following top five reasons. Firstly, the standard of accommodation, trade as well as food and drink services allocated a relative significance value of 2.97 out of five. Secondly, a ranking of 2.90 out of five is awarded to the category capability to a successful hosting of conventions, conference and events of the host country. Thirdly, connected to the capability to host events, the standard of these events has a significance rating of 2.75 out of five. Fourthly, accommodation facilities' standards at 2.75 out of five. Fifthly, the standard and the availability of tourism–related businesses with 2.64 out of five for a significance rating.

Tussyadiah and Pesonen (2016:1028) examined the impact that "*peer–to–peer*" accommodation has on the behaviour of visitors. The results indicated that 45.5 percent of respondents "*agree*" and 21.7 percent "*strongly agree*" that peer–to–peer accommodation

increased the possibilities of tourists to travel to a destination. Charles and Zegarra (2014:5371) mentioned that within the category infrastructures there exist four elements that should be considered for their impact on a tourism destination, namely communication, transportation, road and energy networks. Buhalis and Amaranggana (2013:554) stipulate that the ICT (information and communication technology) industry could provide the tourism industry with efficient processes to assist tourism–related businesses in the day–to–day tasks. Smart tourism destination is the key topic in current tourism research. Tussyadiah and Pesonen (2016:1022) maintain that social networks online simplify the use of resources and infrastructure facilities.

2.4.3 The effect of economic factors on tourism destination competitiveness

2.4.3.1 Productivity and tourism–related goods and services

There is a relationship between the capability of a tourism destination to produce tourism–related goods and services that surpass those of another (Dwyer & Kim, 2003:373). The price, quality and quantity of tourism–related products (goods and services) have an influential contribution to the view that visitors have of a destination. According to Li, Song, Coa and Wu (2013:247), when investigating the determinants of tourism destination competitiveness, economic variables should be included as they have a crucial impact on tourism development. Destination price competitiveness should be kept in mind when aiming to improve the overall level of tourism destination competitiveness (Dwyer & Kim, 2003:373). Schwartz, Uysal, Webb and Altin (2016:269) state that historically tourism did not have as much information regarding the tourism destination as travel suppliers. This has changed due to improvements in technology (Schwartz, Uysal, Webb & Altin, 2016:269). Nowadays, tourists have easy access to information regarding the products (goods and services) available in a tourism destination.

Gül and Çagvatay (2015) examine various shocks found in and their influence on the success of the tourism industry through inbound tourism. In terms of price changes, the study made use of the price of energy. The results indicated that a one percent reduction in energy prices could bring about an inferior or inconsequential elevation in tourism demand. The price elasticity toward electricity is relatively large. Adeleke, Omitola and Olukole (2008:138) state that the benefits that the balance of payments holds for the tourism industry are "*widely recognized*".

2.4.3.2 Marketing of goods and services

There exist four viewpoints of destination marketing namely, (i) country of–origin approach, (ii) destination branding approach, (iii) public–diplomacy approach and (iv) identity–based approach. According to Ritchie and Ritchie (1998:103), brands were defined as "*a destination*

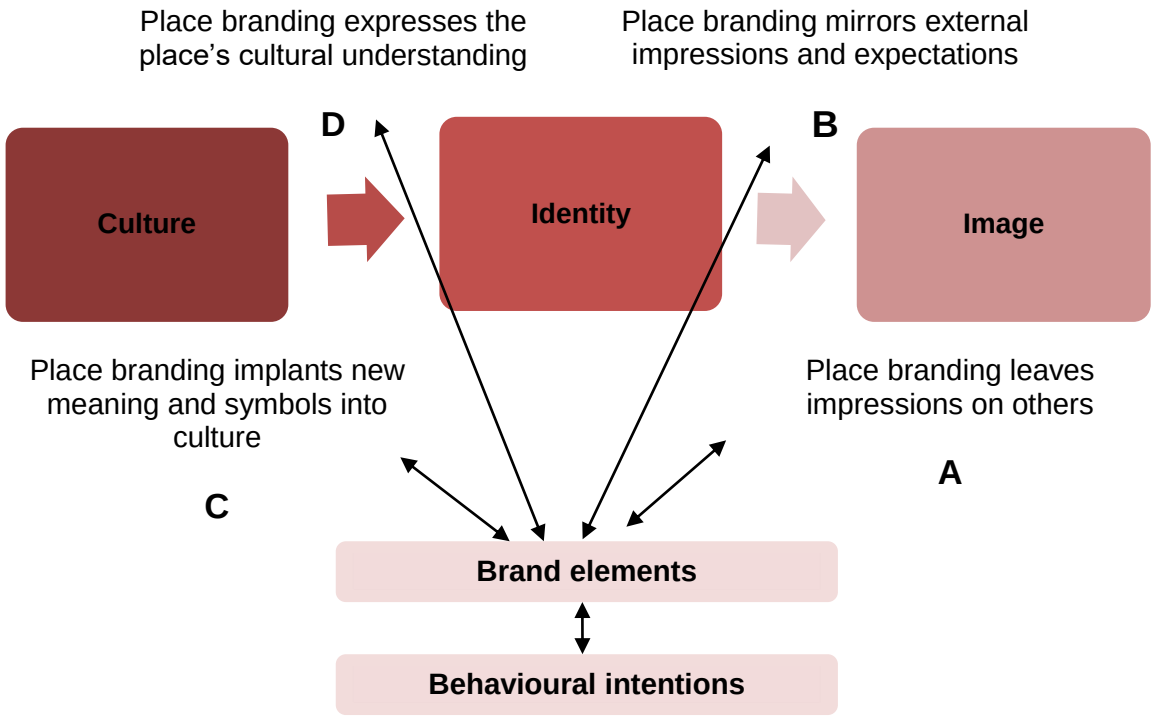
brand is a name, symbol, logo, wordmark or other graphic that identifies and differentiates the destination".

The best–known definition of a brand is that of Kotler and Keller (2006:274) stating that a brand is "*a name, term, sign, symbol or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."* (Kladou, Kavaratzis, Rigopoulou & Salonika, 2017:427). The term "*place branding*" is used to describe the situation where branding fundamentals are altered according to the specific conditions of a destination and applied to the destination (Kladou *et al.*, 2017:427). According to Chen, Chen, Lee and Tsai (2016:58), for a tourism destination to be competitive, there should be a variance in branding. Ren and Blichfeldt (2011) mentioned that for a tourism destination to gain the interest of tourists, destination and place branding and proper marketing should be undertaken to differentiate from other destinations.

The feature which includes its historical, cultural, natural, social and geographical features is used to identify a tourism destination's identity. Local identity serves the following functions: (i) generating a connection between a tourism destination and a tourist (Marques, Lima, Luísa, Moreira & Reis, 2015), (ii) differentiating between the specific tourism destination and another. It is thus important to identify and establish a destination image or place identity. Truong, Lenglet and Mothe (2018:126) state that the features of a destination can have a positive or negative impact on the association with the destination. According to Kladou *et al.* (2017:427), destination marketing is used to evoke positive impressions of the destination and to distinguish between a certain destination and others. This could be done by asking what makes the destination unique from others. Distinctiveness, uniqueness, originality are the terms mostly used in research to describe this element.

Kladou *et al.* (2017:427) give the challenges faced by tourism destinations in terms of destination branding. Firstly, destinations have inherited distinct characteristics compared to other destinations. Secondly, theory and practice differ from each other. Even though theory states that various measures need to be taken to better a brand and a destination, in practice, promotion in the most and some cases only used aspect is tourism destination branding. Truong, Lenglet and Mothe (2018:129) said that a tourism destination's "*uniqueness and distinctiveness*" are among its main aspects. Kladou, Kavaratzis, Rigopoulou and Salonika (2017) constructed a conceptual model on branding. These models illustrate the role place branding plays in an identity–based view of a tourism destination. Figure 2–4 provides a graphic representation of the role place branding plays in the marketing of a tourism destination.

Figure 2–4: The role of place branding in identify–branding views on tourism destination competitiveness



Source: Kladou *et al.* (2017:430)

The model speaks to the significance of the "*brand elements*" for the four actions and the behavioural concept of the decision–making process. According to the model above, there exist five relationships among the constructs. The relationships are the following:

- Brand elements as identifiers for leaving impressions on others explain the manner in which a brand of a destination influences the perception of tourists of a tourism destination. This could be identified in the destination's name, logo or slogan, which could leave an impression on potential, past and current visitors. This is important as it influences what and how a tourist remembers a tourism destination.

- Brand elements as identifiers for mirroring images of others assist destinations in establishing how other visitors influence visitors in terms of their assessment of the destination. They can correlate with the reputation of a destination, establish through word of mouth, traveller comments and other reviews.

- Brand elements are vehicles of reflecting embedded identity in a culture. Another use of brand elements is to facilitate the reflection of how tourists influence the principle of a tourism destination identity.

- Brand elements as vehicles to express cultural understanding. The brand element of a tourism destination should signify its culture and highlight that to tourists.

- Brand elements influence behavioural intentions– this is the potential effect that brand elements have on how tourists behave.

Furthermore, in their study, Kladou *et al.* (2017:431) found the following to be the determining factors as to why tourists select a tourism destination. This was done by awarding the different factors a numerical value from one (indicating no compelling reason) to five (indicating extremely influential reason) to visit a tourism destination. Firstly, with the highest significant influence of 3.67 out of five, "*traits and characteristics*" of a tourism destination are a crucial determinant of whether a tourist will select a specific tourism destination. Secondly, the location (distance) of a tourism destination is 3.17 out of five. Thirdly, there is the price of visiting the tourism destination with 2.68 out of five. E–evidence comes with 2.27 out of five, and promotion has a value of 2.22 out of five influences to visits a tourism destination.

2.4.4 The effect of authorities and government on tourism destination competitiveness

2.4.4.1 Authorities

Meyer and Meyer (2015:201) indicate that it is the responsibility of local authorities, especially the government, to secure the progress of citizens' development. In the past, governments and authorities took limited responsibilities upon themselves to ensure the success of a tourism destination. Recently, governments and authorities have acknowledged their obligation to assist in tourism development actively. Government's obligation in terms of tourism development, as stated by Kubickova and Hengyun (2017:223) could be one of two. Firstly, governments are essential to ensure tourism industry development. Secondly, governments can fail in intervening in the tourism market and could discourage tourism development through excessive regulations. According to Adeleke *et al.* (2008:137), the tourism industry provides and receives capital from the government. Chen, Chen, Lee and Tsai (2016:58) state that only lately governments and authorities have been taking serious note of the significance of the tourism industry.

Destination management is according to Knežević Cvelbar, Dwyer, Koman and Mihalič (2016:1047), a crucial factor of tourism destination competitiveness. The management of destinations has a higher influence in developing countries than in developed counties. Das and

Dirienzo (2010:477) inspected the impact that corruption of the government has on the ability of a tourism destination to be competitive. The study was executed in 119 countries by use of the TTCI and Corruption Perception Index. Accordingly, tourism development competitiveness will be supportively impacted by the decrease in corruption. The correlation coefficient regarding the linear relationship between tourism competitiveness and reduction of corruption is 0.87 and statistically significant at one percent. Thus there exists a strong positive relationship between the decrease in corruption and the increase in tourism competitiveness.

2.4.4.2 Safety and security

Generally, a tourist needs to determine the safety in visiting a tourism destination and how secure they are during their stay. The safety and security depend on a list of contributing factors, but the best known and most highly regarded is physical safety. The following factors or occurrences have an impact on the safety and security of especially a tourism destination. Bulatovic and Rajovic (2015) investigated the factors that influence business competitiveness in north–eastern Montenegro between July 2012 and August 2013. The results indicate that safety and security are ranked the fourth most significant factor that influences tourism destination competitiveness in the category "*qualifying and amplifying*" determinants with a significance value of 3.43 out of five.

Adeleke *et al.* (2008:137) and Jamal and Budke (2020:183) state that the occurrence of xenophobia could inhibit the flourishing of tourism in a region affecting the safety and security of a tourism destination which is a "*necessary condition*". Xenophobia is a severe dislike, fearfulness and hatred of foreign individuals, their way of life and culture (Adeleke *et al.* 2008:139). As such, this is an unreasonable fear of a non–resident of a specific country of the specific country's nationals. Xenophobia has occurred in countries such as China, the United Kingdom, South Africa and Switzerland. Verbal and physical abuse that includes murder, discrimination and brutality are forms of xenophobia. Wars, xenophobia, murders, violent crimes increase the reluctance of tourists (especially international tourists) to visit a tourism destination. If individuals perceive a tourism destination as unsafe, which is one of the main prerequisites, it would reduce the number of arrivals and directly affect the expenditure. Throughout literature, models can be found which aim to explain the competitiveness of a tourism destination. These models are discussed following a chronological timeline starting from 1993 to 2018. This helps cultivate an understanding and flow of knowledge generation regarding tourism destination competitiveness over time.

2.5 EXISTING MODELS AND MEASUREMENTS OF TOURISM DESTINATION COMPETITIVENESS

It is important to understand that competitiveness is classified from two dimensions, the management (Porter as discussed in Chapter 2) and economic schools (Ricardian) of thoughts (Habbershon & Willimans, 1999). Models are required to comprehend tourism destination competitiveness. The present study did not aim to develop a new model or framework. However, instead, existing models were utilised to get an understanding and to explain tourism destination competitiveness and how it can be applying within the South African context and especially in the Sedibeng and Fezile Dabi district municipalities. Existing models on tourism destination competitiveness that guided the present study were Porter (1990), Ritchie and Crouch (1993), Crouch and Ritchie (1999), Dwyer and Kim (2003), Chen, Chen, Lee and Tsai (2016), Knežević Cvelbar, Dwyer, Koman and Mihalič (2016) and Truong, Lenglet and Mothe (2018). Many models have been developed which aim to measure or explain the level of competitiveness that tourism destinations possess. These models have been created based on the principles of Porter's theories of competitiveness (Vojinović & Živković, 2018:674). These models are discussed following a chronological timeline starting 1993 to 2018. This helped the understanding and flow of knowledge generation regarding tourism destination competitiveness over time.

2.5.1 Ritchie and Crouch (1993)

In 1993, Ritchie and Crouch developed one of the first models of tourism destination competitiveness. This model is based on Porter's theory of national competitiveness (Vojinović & Živković, 2018:674). According to Chen *et al.* (2016:59) and Kovačević, Kovačević, Stankov, Dragićević and Miletić (2018:117) this conceptual model states that the competitiveness of a tourism destination is reliant on the following four categories namely:

Core resources and attractions: This category is all the factors that are fundamental to the attraction of tourists and the success of a tourism destination. This is the deciding factor for destination selection. The natural, cultural; and historic environment plays a major role in addition to market linkages, tourism–related activities and facilities.

Supporting factors and resources: The business community, infrastructure including communication, transport, institutions and public services support tourism resources for tourism destination competitiveness.

Qualifying and amplifying determinants: The relationship tourism destinations have with each other, the level of safety and security, the location of the tourism destination, exchange rates and the cost of living have an influence on the competitiveness.

Destination management: For a tourism destination to perform well with the available resources and determinants, effective destination management is required. The provision of information, especially on tourism activities and facilities, maintenance of public services and activities could lead to an increase in tourism destination competitiveness.

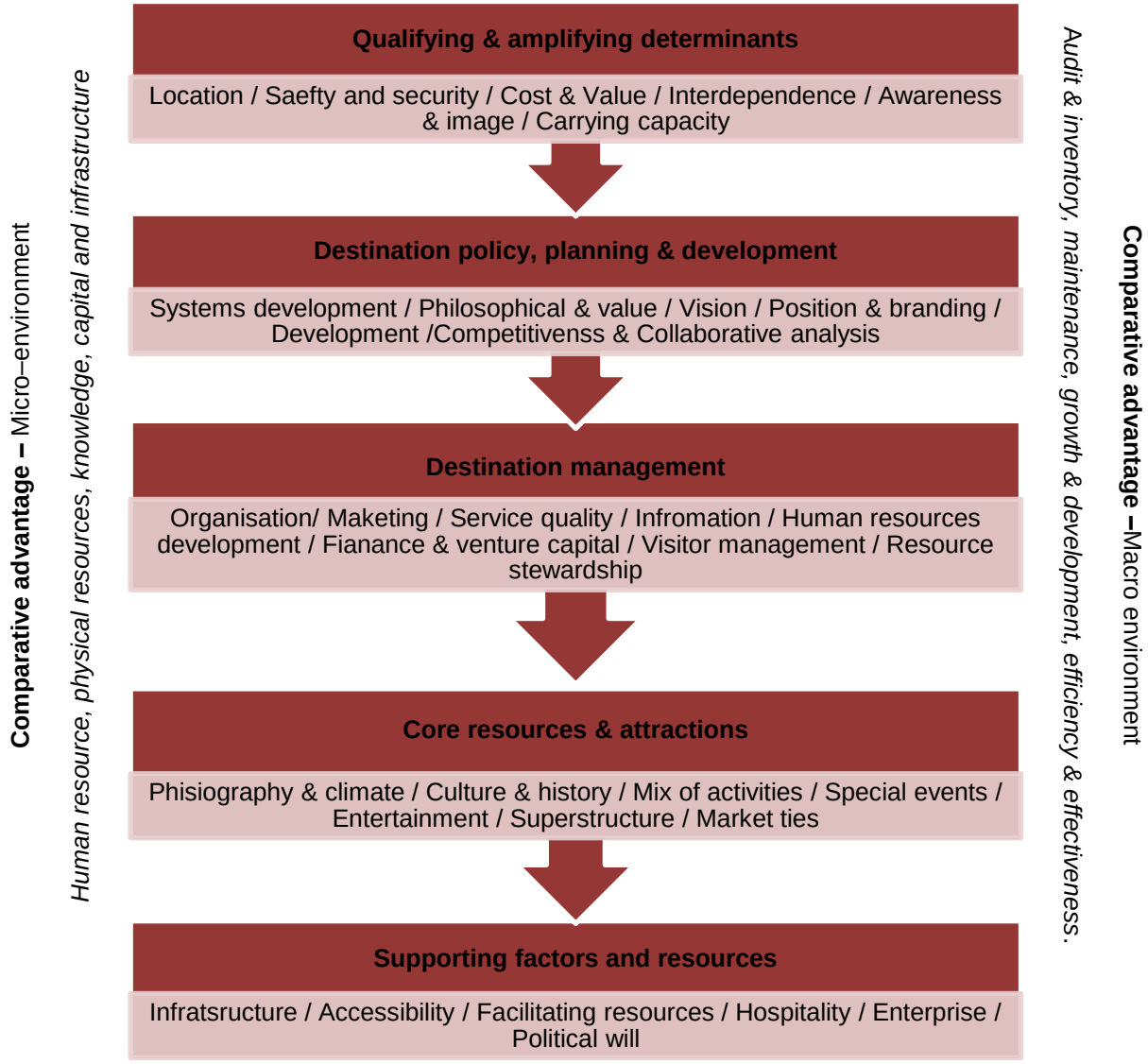
Destination policy, planning and development: Having a clear vision and mission, the position of the tourism destination with observing and assessment could assist the improvement competitiveness.

According to Vojinović and Živković (2018:674), Ritchie and Crouch believed that tourism destination competitiveness is its capability to increase revenues which are made able by the effective management of all the factors within the tourism destinations and also to guarantee future success. Ritchie and Crouch (1993) believe that a destination encourages tourism expenditure by raising the budget and spending on marketing. This was just the beginning of the development of a tourism destination competitiveness model by Ritchie and Crouch. This model is critiqued as it only includes five factors as influencers of TDC. As mentioned before, the tourism industry is complex, and as such, a comprehensive model is required to address TDC. The current study sets out to rectify this by developing a comprehensive model of TDC.

2.5.2 Crouch and Ritchie (1999)

Following Richie and Crouch (1993), Crouch and Ritchie (1999) put forward an improved model describing tourism destination competitiveness. The need for another model is correlated with the critique that the previous model is insufficient. This model sets out to investigate the competitiveness of a tourism destination. Developed by Crouch and Ritchie in 1999, the authors conducted a qualitative study, construing open–ended questionnaire questions. The conceptual model of Crouch and Ritchie (1999) analysing the relationship between tourism and quality of life and the concept of tourism destinations competitiveness's significance is shown in Figure 2–5.

Figure 2–5: Destination competitiveness and sustainability: Crouch and Ritchie (1990)



Source: Crouch and Ritchie (1999:147)

According to Crouch and Ritchie (1999:146), the following views embody the conceptual model of a tourism destination being competitive;

- Qualifying determinants: Qualifying determinants or situational conditions are the elements whose aim is to identify the extent, limits and possibilities of destination competitiveness. The following three factors influence destination competitiveness within the category of qualifying determinants. The location influences the potential of a destination to successfully draw tourists. The location cannot be altered; however; a destination distance (location) to other important destinations. This is the case as various other markets and destinations develop near the said destination. Destinations are dependent on the competition and complementing essence to another destination. The safety and security provided by a

tourism destination are crucial components as tourists are extremely interested in the incidence of crimes, devastating natural incidents and medical care. Thus, one should take into account the overall safety and security (physical and health) of visiting tourists. Tourism is accompanied by great expenditure activities. As such, the cost of tourism–related goods and services within a tourism destination is an important determinant of encouraging tourist arrivals. The cost includes transportation, accommodation, living costs and the exchange rate.

- Destination policy, planning and development: The systems in place to ensure the development of a tourism destination. This includes the policies created and implements and the planning procedures to lead to tourism destination competitiveness. The responsibility of the development of the tourism destination should be clearly stated; however, it should be a combination of community members and government.

- Destination management: It is required for a destination to be appropriately managed by concentrating on the core resources and attractors, improving the state of supporting factors and resources and adjust to the qualifying determinants. Managing a destination takes place through (i) marketing, (ii) service, (iii) information and (iv) resource stewardship.

- Core resources and attractors: The main resources of a tourism destination that attract tourist are explained as the core resources and attractors. Moreover, these factors are the main reasoning behind attracting tourist arrivals which bring about tourism spending and eventually tourism development. The core resources are namely; (i) physiography, (ii) culture and history, (iii) market ties, (iv) range of activities, (v) special events and (vi) tourism superstructure. According to Dwyer and Kim (2003:369), the overall attraction that a destination offers visitors is one of the most crucial elements that affect the success of tourism destinations.

- Supporting factors and resources: Other than the core resources, the supporting resources within a tourism destination are there to assist the core resources in their pursuit of attracting tourism arrivals and as such competitiveness. It offers a basis upon which the tourism industry could be built. First, infrastructure is one of the most crucial resources of a tourism destination. The infrastructure consists of transport, water, sanitation, communication networks. Second, facilities related to public services provided by a financial organisation, capital and human resources. Third, businesses and entrepreneurship provide a means to which a destination could strive for improved competitiveness. Within the tourism industry, medium–sized businesses exist. Fourth, it is crucial to note how accessible the tourism destination is for it has a bearing on its success.

- Competitive micro–environment: The micro–environment constitutes the tourism destination as well as the tourism participants, and the markets all within said tourism destination. The tourism participants include travel agents, facilities and other tourism suppliers. The direct environment forms the tourism industry, which must acclimatise in order to compete successfully.

- Global, macro–environment: As the tourism industry is influenced by external or international factors, the macro or global environment should be taken into account in order to determine the competitiveness of a tourism destination successfully. As the international environment brings about additional factors into the mix, it could introduce complications, obstacles and issues to which a destination must adapt and conquer. On the other hand, these factors could provide exciting opportunities and possibilities for market research. It should be noted that the micro and macro–environments face ongoing changes and the tourism destination should aim to adapt to it.

Crouch and Ritchie (1999:150) provide the following concluding remarks:

- The benefit of tourism development is not intended to make an underestimation of the potential of the tourism industry.

- After the decrease in socio–economic facets of nations, the tourism industry brought about a realisation of the contribution to the successful socio–economic environments.

- The development of a tourism destination that brought on the competitiveness between them.

- As such, a conceptual model covered by theoretical and practical bases is formulated to measure competitiveness from the viewpoint of tourism service providers (managers).

- The model is not completed and still needs to include (i) data and information availability, (ii) different levels of significance of each factor and (iii) limitation in tourism destinations.

The Crouch and Ritchie (1999) model are more comprehensive than that of Ritchie and Crouch (1993), making it a more adequate measure of tourism destination competitiveness. Both the Ritchie and Crouch (19993) and Crouch and Ritchie (1999) models can be recognised as frameworks on which other models can be developed. This reasoning for this is that these model still lack some time–current determinants relevant today as well as the empirical approach.

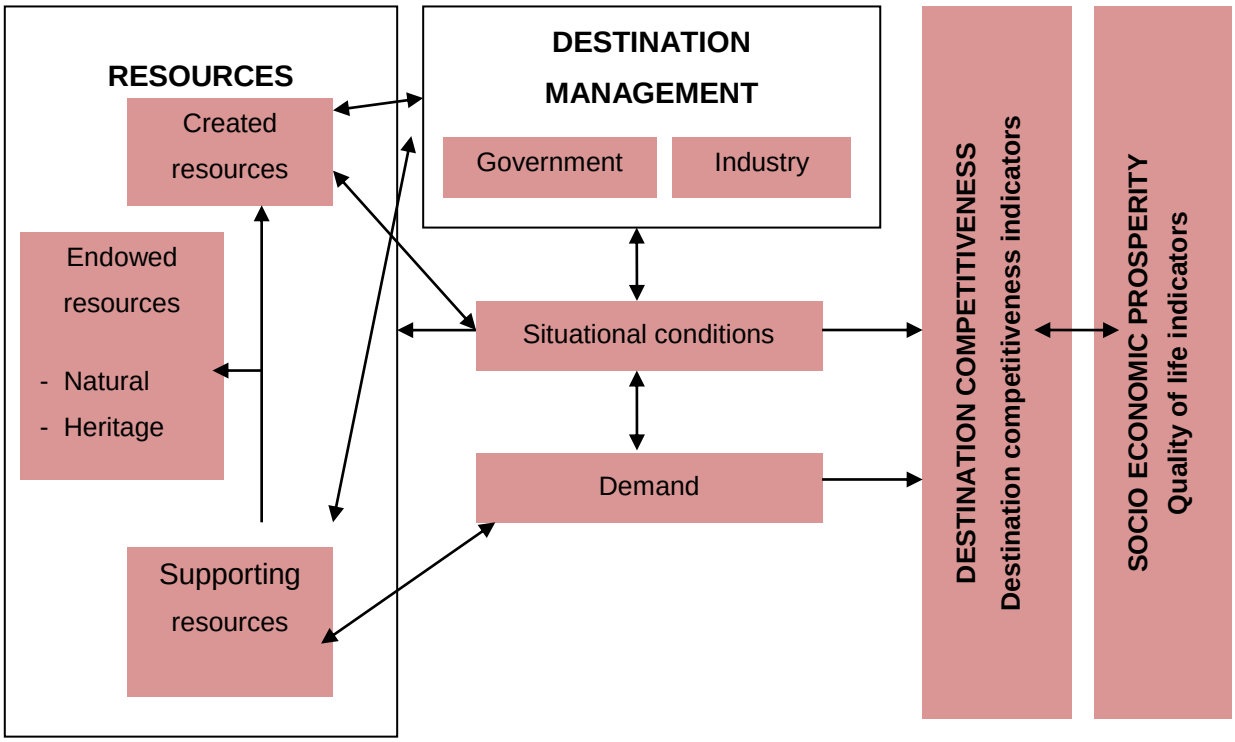
2.5.3 Dwyer and Kim (2003)

Subsequent to the development of Ritchie and Crouch's (1993) Crouch and Ritchie (1995) and models, Dwyer and Kim (2003) also constructed an integrated model of tourism destination competitiveness. According to Vojinović and Živković (2018:675), Dwyer and Kim (2003) constructed this model as they critique Crouch and Ritchie's work for not investigating the demand point of view but only including the supply point of view. This model is a generic model that analyses the competitiveness of various indicators (Azzopardi & Nash, 2017:251). The conceptual model originated to assist in the measurement of tourism destination competitiveness in regard to countries or tourism divisions. The model according to Dwyer and Kim (2003:369), consists of various "indicators" names CID (competitive indicators of a destination) which present the competitiveness of tourism destinations investigated by researchers and/or policymakers. The indicators are created based on objective and subjective criteria.

Dwyer and Kim (2003:369) advocated that this model includes the "*main elements of competitiveness*" in the measurement. As previously stated, the tourism industry is very complex and multidimensional. As such, a comprehensive measurement instrument of tourism destination competitiveness is required that includes all the relevant factors that determine said competitiveness, not just the "main" determinants.

Dwyer and Kim (2003:370) argue that the need for another model is due to the fact that previously developed models are not "*satisfactory*" due to a lack of comprehensiveness. This model comprises the different factors on a national and business level that influence competitiveness. Dwyer and Kim's (2003) model of tourism destination competitiveness is represented in Figure 2–6.

Figure 2–6: Model of tourism destination competitiveness: Dwyer and Kim (2003)



Source: Dwyer and Kim (2003:378)

The following discussion regards the links between the factors in the model (Dwyer & Kim, 2003:378);

- Category 1: Resources: Within the category of "*resources*", there exist two additional categories. Firstly, there are endowed resources which could be defined as the resources that naturally accompany a tourism destination. These resources include the scenery, climate, historical and cultural resources. Secondly, the man–made resources can be classified as infrastructure, activities and events hosted by the tourism destination. Under created resources, "*supporting resources*" can be found including market networks, infrastructure, service provided and the attainability of the destination.

- Category 2: Situational conditions: The situational conditions are found in the external or macro–environment of a tourism destination. The factors include the social, political, economic, institutional, demographic, ecological and cultural aspects that determine the matter in which a business and destination conduct business. Crouch and Ritchie's (1999) qualifying and amplifying category is in accordance with Dwyer and Kim's (2003) model.

- Category 3: Destination management: Crouch and Ritchie (1999:149) state that the factors that help manage a tourism destination are utilised to improve the attraction of resources and factors. Various activities are pertaining to destination management, including

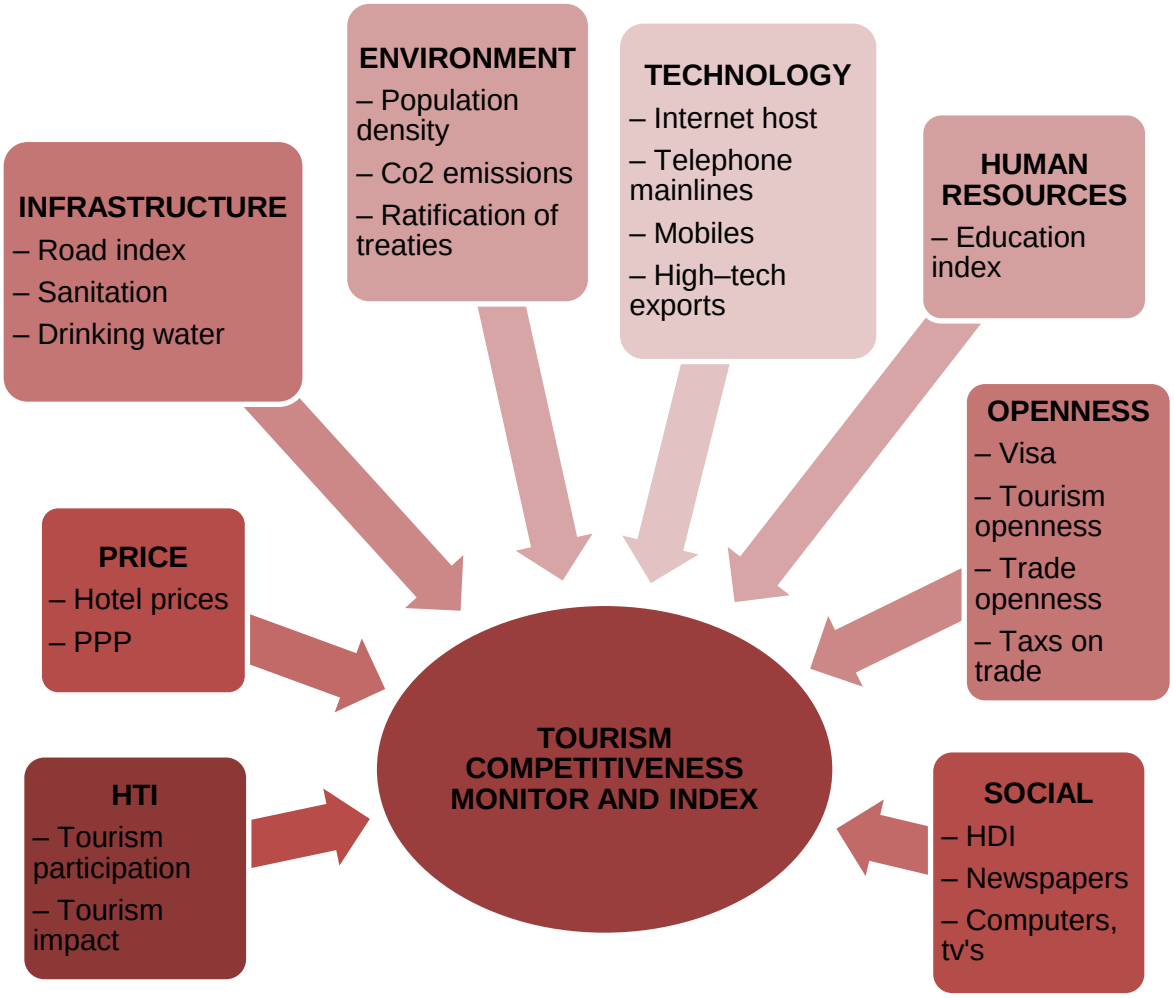
marketing, planning and development of factors. This category correlates with that of Crouch and Ritchie. However, destination management by Dwyer and Kim (2003) distinguishes between public and private industry management.

- Category 4: Demand conditions: Within the category "*demand conditions*" there exist three factors that have a possible impact on destination competitiveness. (i) Awareness of the destination for tourism participants can be generated through marketing activities. (ii) The perception that an existing or potential visitor can have a specific destination influences consumer behaviour. (iii) Preferences that a tourist has in terms of destination requirements have an impact on the possibility of a visit.

2.5.4 Gooroochum and Sugiarto (2005)

The tourism competitiveness monitor is based on the work of Ritchie and Crouch (Vojinović & Živković, 2018:675). Rodríguez–Díaz and Pulido–Fernández (2020:3) state that Gooroochum and Sugiyarto (2005) used the data from the monitor scale developed by the World Travel and Tourism Council to identify eight indicators which an explain the competitiveness of tourism destinations. These indicators were tested for 200 countries by data collected from the World Bank and the United Nations Development Program. Figure 2–7 presents the tourism competitiveness monitor by Gooroochurn and Sugiyarto (2005).

Figure 2–7: Tourism competitiveness monitor



Source: Gooroochurn and Sugiyarto (2005:29)

Martín, Mendoza and Román (2017:940) list the eight indicators that compose the tourism competitiveness monitor as;

- Human tourism indicator: Tourism participation and tourism impact are used in indicating the development of individuals through tourism activities. The participation of individuals could positively influence tourism development.

- Price indicator: The prices of tourism products (goods and services) are of great importance when investigating tourism, especially from a demand perspective. The prices of accommodation facilities, hotel prices, are a determining factor in the decision to select a tourism destination. Tourists should have a strong purchasing power in order to enjoy the tourism facilities and activities offered in a tourism destination, including accommodation facilities, transportation facilities and entertainment.

- Infrastructure indicator: The improvement of basic services or facilities such roads, sanitation and proper drinking water represents the development of infrastructure. The link between tourism competitiveness and infrastructure development is investigated and acknowledged throughout the literature. The Road index indicated the number of roads, sanitation facilities representing the basic human sanitation needs and the availability and improvement of drinking water is crucial to ensure the development of infrastructure.

- Environment indicator: The quality of the natural environment and successful management thereof represents the environment indicator. The prosperity of the physical or natural environment of a tourism destination is influence through the number of individuals within the tourism destination and the emissions of carbon dioxide. It is the responsibility of a tourism destination to ensure that the environment is safeguarded to ensure future enjoyment. Ratification of treaties is important, as is indicates a tourism destination's dedication.

- Technology advancement indicator: Modernisation of a tourism destination is affected by for example, the number of internet hosts, telephone mainlines and mobile phones. As such the technology indicator represents the advancement and use of technology in a tourism destination. Exporting high technology or manufacture goods brings an influx of income. The concept of smart tourism destination has been found in research which reiterates the importance of a tourism destination to adapt to technology changes and advances.

- Human resources indicator: The indicators are used to indicate the worth of the workforce as a result of the education and skills development initiatives. The value of the workforce could have an impact on the level of tourism destination competitiveness. The education index indicates the literacy (education and/or training) of the workforce within the tourism destination.

- Openness indicator: The tourism destination's openness proves a picture of its willingness to participate in the trade as a driver of economic growth. The Visa index also provides information on a tourism destination's eagerness to encourage tourism arrivals. Finally, the taxes on international trade indicate a country's protectiveness of its local markets.

- Social indicator: The high life satisfaction of the local community would have a positive impact on the performance of a tourism destination. This is indicated through the HDI (human development index). Newspapers, personal computers and TVs could be available for nations which add to their social experience.

According to Gooroochurn and Sugiyarto (2005:26), these indicators are used to identify the strong and weak areas of a tourism destination. This will enable policymakers and tourism

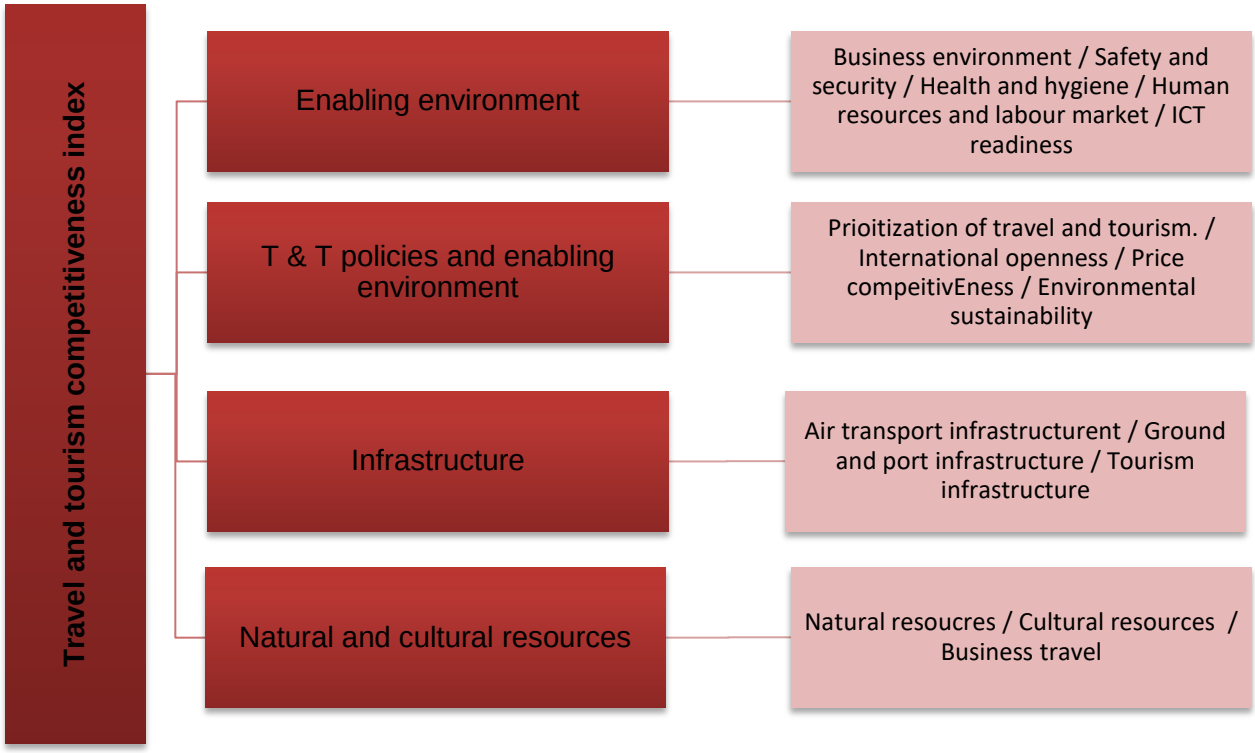
destinations to develop appropriate strategies for improved tourism destination competitiveness. This monitor utilised a "*traffic light*" indicator approach and did not give the absolute position but rather the relative position of the tourism destination (Martín, Mendoza & Román, 2017:940). These lights are red indicating below standard position, orange indicating standard position and green indicating above standard position. In an attempt to be noted as an adequate model, each of the indicators is given different weight values through means of CFA (confirmatory factor analysis) (Pulido–Fernández & Rodríguez–Díaz, 2016:134).

Gooroochum and Sugiyarto (2005) make use of the information from the World Travel and Tourism Council's competitiveness monitor to execute an analysis (Pulido–Fernández & Rodríguez–Díaz, 2016:132). These indicators were analysed through AMOS CFA to calculate the index values through the use of weight awarded to each indicator and test validity. The results indicated that the most important (highest weights) are the indicators, social and technology and the lowest, human tourism and environment. As this study analysed more than one country, it used the indicators in a comparison between selected countries. Accordingly, this model makes use of some of the methods found within the current study; however, it still left the gap in research due to an insufficient variety of indicators listed. The current study aims to reduce this limitation in investigating in a comprehensive list of determinants in Sections 2.3 and 2.4.

2.5.5 World Economic Forum (2007)

TTCI was developed by the WEF as an empirical measure of tourism destination's competitiveness at a national level (Martín, Mendoza & Román, 2017:940). This index is used to investigate the state of tourism in a tourism destination in order to ensure sustainable tourism development (Vojinović & Živković, 2018:675). This index is yearly computed for 130 countries and is used as an analysis tool in various studies (Nazmfar, Eshghei, Alavi & Pourmoradian, 2019; Pulido–Fernández & Rodríguez–Díaz, 2016; Pérez León, Pérez, Contreras Rubio & Guerrero, 2020). Figure 2–8 illustrates the TTCI developed by the WEF.

Figure 3.2: Travel and Tourism Competitiveness Index (WEF, 2007)



Source: WEF (2020d:ix)

Pulido–Fernández and Rodríguez–Díaz (2016:131), gives the four main "*sub–indices*" of the TTCI as enabling environment, travel and tourism policies and enabling conditions and the infrastructures and natural and cultural resources. Das and Dirienzo (2010:483) state that the 14 pillars are used to represents the "*drivers*" of tourism destination competitiveness. Within each of the pillars a number of indicators are used to measure the performance of the pillar (WEF, 2020d:x) are;

- Sub–index one: Enabling environment

Within the pillar *business environment,* there are 12 indicators which are utilised to measure the performance of a country's businesses. (i) Property rights, (ii) business regulation's impact FDI (foreign direct investment), (iii) effectiveness of legal structure in dispute settlements, (iv) proficiency of legal structure in challenging regulations, (v) time essential to deal with building permits, (vi) cost to deal with construction permits, (vii) range of market dominance, (viii) time to start a business, (ix) fee of starting a business, (x) consequence of taxation on motivations of invest, (xi) total tax rate, (xii) labour and contributions tax rate and (xiii) profit tax rates.

The level of *safety and security* in especially taking into account the political stability of a tourism destination has an impact on the performance of a tourism destination (Alananzeh, 2017:2). In the TTCI, the following five indicators are used to measure safety and security in a tourism destination. (i) Business cost of crime and violence, (ii) trustworthiness of police services, (iii) business cost of terrorism, (iv) index of terrorism occurrence and (v) homicide rates. In the pillar *health and hygiene*, have (i) physician density, (ii) use of essential sanitation services, (iii) use of basic drinking services, (iv) hospital beds, (v) HIV occurrence and (vi) malaria incidence are the indicators to determine the performance of the pillar. *Human resources and the labour market* as a pillar can be measured by (i) primary education enrolment, (ii) secondary education enrolment, (iii) level of staff training (iv) degree of customer orientation, (v) hiring and firing customs, (vi) ease of finding skilled employees, (vii) ease of hiring foreign labour, (viii) pay and productivity and (ix) female participation in the labour market. *Information and communication technology (ICT) infrastructure* has (i) ICT use for biz–to–biz transactions, (ii) internet use for biz–to–biz trades (iii) number of internet users, (iv) fixed broadband internet subscriptions, (v) mobile–cellular telephone broadband subscriptions, (vi) mobile broadband subscriptions (vii) mobile network coverage (viii) quality of electricity supply as indicators of performance in a tourism destination.

- Sub–index two: Travel and tourism policies and enabling conditions

Prioritisation of travel and tourism has six indicators namely (i) ranking of the travel and tourism industry by the government, (ii) government expenditure on travel and tourism, (iii) branding and marketing effectiveness to attract tourists (iv) comprehensive data on travel and tourism, (v) timeless provision of travel and tourism data (vi) country banding strategy rating. The pillar of *international openness* has three indicators. (i) Visa requirements, (ii) openness of bilateral air service agreements and (iii) number of regional trade arrangements. To measure the level of *price competitiveness* in a tourism destination the following four indicators are utilised: (i) ticket taxes and airport fees, (ii) hotel price index, (iii) purchasing power parity and (iv) fuel prices. For *environmental sustainability* (i) rigidity of environmental protocols, (ii) enforcements of environmental protocols, (iii) sustainability of travel and tourism development, (iv) particulate matter concentration, (v) elated environmental treaties, (vi) baseline water stress, (vii) species threatened, (viii) percentage of forest coverage, (ix) wastewater treatment and (xi) fish stocks status are used as indicators.

- Sub–index three: Infrastructures

In the pillar *air transport infrastructure*, there are six indicators viz; (i) quality of air transporting infrastructure, (ii) available seats domestic, (iii) available seats international, (iv) aircraft departures, (v) airport densities and (vi) quantity of airlines. *Ground and port infrastructures* as pillars of tourism and travel competitiveness have (i) quality of road infrastructure, (ii) road density, (iii) paved road density, (iv) quality of railroad infrastructure, (v) railroad density, (vi) quality of port infrastructure and (vii) ground transport efficiency as indicators. *Tourism infrastructure* has four indicators for determinants of the level of tourism destination competitiveness; (i) hotel rooms, (ii) quality of tourism infrastructure, (iii) presence of major car rental companies, (iv) automated teller machines available.

- Sub–index four: Natural and cultural resources

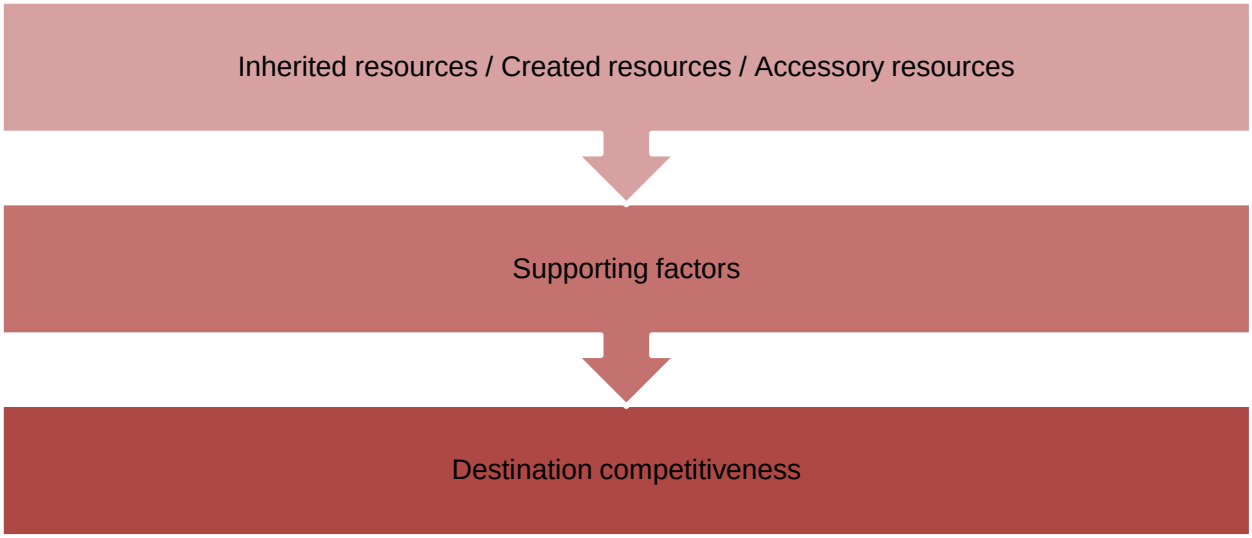
For the *natural resources* (i) quantity of world heritage natural sites, (ii) quantity of knows species, (iii) quantity of protected areas, (iv) natural tourism digital demand and (v) appeal of natural resources are indicators ad of tourism destination competitiveness. *Cultural resources and business travel* as a pillar of tourism destination competitiveness consist of the following indicators; (i) quantity of world heritage cultural sites, (ii) oral and intangible cultural heritage, (iii) sports stadiums, (iv) quantity of international association meetings, (v) cultural and entertainment tourism digital demand.

The index utilises values between one and seven (Vojinović & Živković, 2018:674). The TTCI has relatively a lot of the important determinants that have an impact on tourism destination competitiveness. However, this is used on a national level, taking a look at the broader economy. The tourism destination competitiveness measurement instrument aimed to be developed in this study focuses on smaller regions. Although this is an empirical measurement that most models of TDC lack, a limitation to this empirical model are that it is only published every two years. With the tourism industry being ever–changing and complex, it is needed to regularly investigate the performance of tourism destinations (Heslinga, Groote & Vanclay, 2020:1). Additionally, Pulido–Fernández and Rodríguez–Díaz (2016:131) and Vojinović and Živković (2018:674) critiqued the index as it uses one weight, so indicate the importance of each pillar. In the current study, each determinant of tourism destinations competitiveness was awarded a different weighting indicating the different level of importance in determining tourism development.

2.5.6 Chen, Chen, Lee and Tsai (2016)

In addition to various other models, Chen, Chen, Lee and Tsai also constructed a conceptual model aimed to explain the competitiveness of a tourism destination. Figure 2–9 signifies the model of tourism destination competitiveness developed by Chen *et al.* (2016).

Figure 2–9: Model of destination competitiveness: Chen *et al.* (2016)



Source: Chen, Chen, Lee and Tsai (2016:61)

The proposed model's aim is primarily to identify the strong and weak areas of the tourism industry in a destination. The model only adopted two main categories on determinants, viz. resources and supporting factors. The following explains the proposed model (Chen *et al.*, 2016).

- Resources: Within resources, there are thee sub–categories found that explain each of the different types of resources. (i) Inherited resources are resources that are rooted in a tourism destination. Accordingly, these resources are climate, fauna and flora, culture and heritage. (ii) Created resources or man–made resources that are constructed over time to improve the appeal of a tourism destination, typically infrastructure and facilities. (iii) Accessory resources are the supplementary or accompanying resources found in a destination.

- Supporting factors: These factors are the second category which concerns business–related tourism activities and factors. These four factors influence the perception and satisfaction of tourists. Tourist perception, the awareness, viewpoint, and impression that a tourist has of a tourism destination could influence their decision in selecting a destination to travel towards.

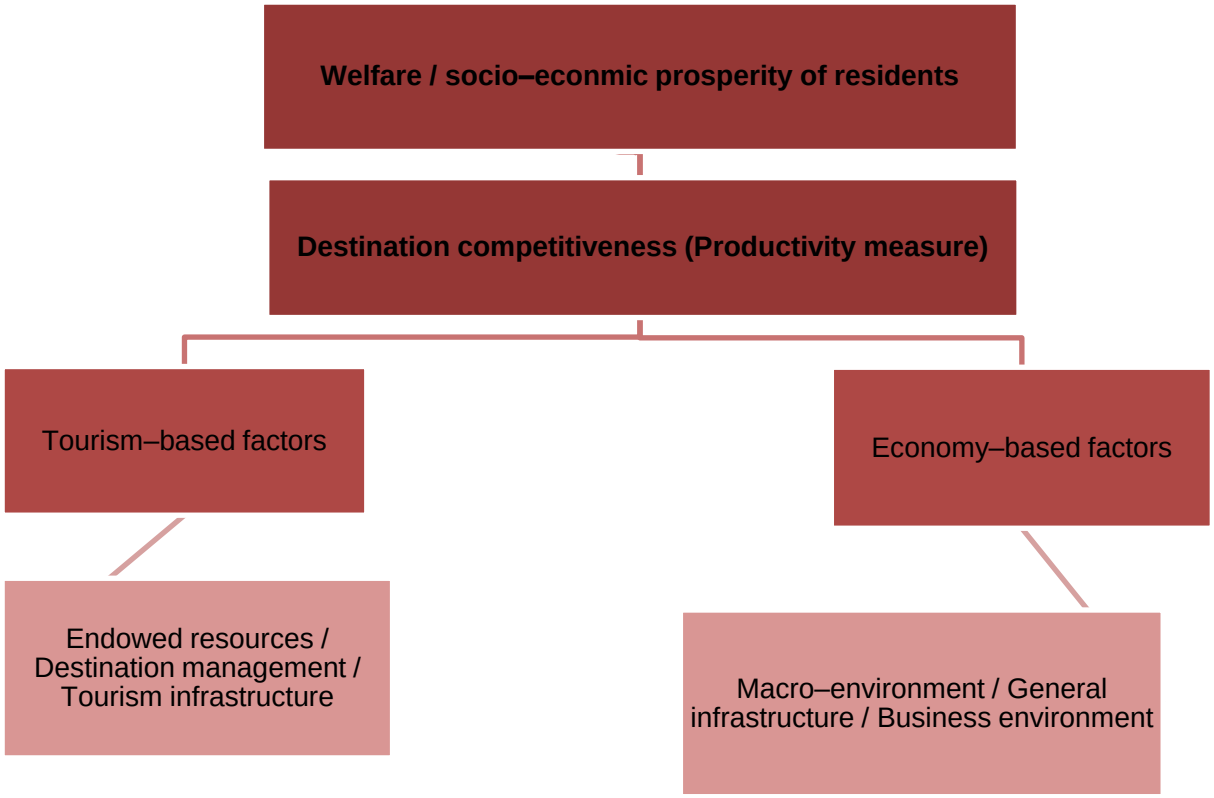
Tourist satisfaction, the level of amusement, contentment and gratification received from visiting a particular destination could influence existing and potential tourist appeal.

Whereas a tourist perception has an influence before and after an individual's visits, tourist satisfaction only influences the idea a tourist has during or after the visit. Ultimately, these six factors influence destination competitiveness in the tourism industry. This proposed model is inadequate to successfully measure tourism destination competitiveness even though it is a conceptual model. It lacks most of the core factors that influence competitiveness in the present. The social, economic and institutional factors are lacking. As stated, the tourism industry is very multidimensional; therefore, a comprehensive measurement tool is required.

2.5.7 Knežević Cvelbar, Dwyer, Koman and Mihalič (2016)

Knežević Cvelbar *et al.* (2016) investigated a productivity–related measure of tourism destination competitiveness. This study took a look at the different important factors that influence tourism destination competitiveness in developing and developed counties. Figure 2–10 represents the determinants as identified by Knežević Cvelbar *et al.* (2016).

Figure 2–10: Framework of competitiveness: Knežević Cvelbar *et al.* (2016)



Source: Knežević Cvelbar, Dwyer, Koman and Mihalič (2016)

This study investigated 139 tourism destinations over the period 2007 to 2011. These identified six factors have an impact on tourism destination competitiveness, which could be measured by 55 indicators. The six determinants in which the indicators are categorised are (i) business environment, (ii) general infrastructure, (iii) tourism infrastructure, (iv) endowed resources, (v) destination management and (vi) macro–economic environment. According to this study, the most important factors of tourism destination competitiveness in developing counties are those who are industry–specific such as tourism infrastructure and destination management. In developed countries' tourism destination are influenced by destination management, economic conditions such as the business community, macro–economic environment and the general infrastructure.

2.5.8 Truong, Lengley and Mothe (2018)

A study by Truong *et al.* (2018) aimed to (i) generate a standardised process of recognising the classic features of the demand and supply viewpoints of a tourism destination and (ii) analyse and explore the relationship between the international and national determinants or "attributes" and the contentedness of tourists. This study also contributed to existing research through the following. Firstly, theoretically, it expands the knowledge of tourism destination distinctiveness. The article suggests an identification scale that assists tourism destinations in differentiating itself from another. It takes a look at the unique elements and provides information on how the distinct elements influence the contentedness of a tourist. This could be utilised by managers of a tourism destination to identify and highlighted the specific attributes to better formulate marketing approaches. The study of Truong *et al.* (2018) consists of both a quantitative and qualitative study method to investigate the destination distinctiveness of the Central Highlands, Dalat, Vietnam. The reasoning behind the selection of this methodology is to generate more dependable results than the usual method of consulting expert opinions. According to Truong *et al.* (2018:132), a mountain tourist destination was previously known as a good tourism destination that would satisfy a tourist's needs.

Abdullah and Haan (2012:199) postulate that consumers have a wide range of products (goods and services) at their disposal, which makes for lots of choices. Today the types of tourism provide a broad range of possibilities for a destination to utilise. This could be an advantage for a destination as they could provide a variety of services and goods to attract tourists. This could also be a disadvantage as this could provide more elements to be competitive about. A tourism destination should decide on the best possible mix of goods and services to focus on to ensure success. Abdullah and Haan (2012:200) state that the satisfaction of tourists is based on how their experience surpasses their initial needs. Thus, a tourism destination should aim to provide an experience that surpasses that provided by another tourism destination. Chapter 4 provided

a trend analysis of the tourism industry. Starting with the analysis, the international and national (South African) figures were given as an overview. More specifically, the focus provided on the regions selected for phase one of the study, which is the questionnaire. This gives a better insight into the workings of the tourism industry. Table 2–1 presents a summary of the existing models of tourism destination competitiveness that have specific determinants listed as discussed above.

Table 3.3–1: Summary of existing models with determinants listed

Author(s)	Model	Dimensions	Determinants
Ritchie and Crouch (1993)	Competitiveness and sustainability of a tourism destination	Core resources and attractions	• Natural environment • Cultural environment • Historical environment
		Supporting factors	• Business community • Infrastructure (communication, transportation, institutions) • Public services
		Qualifying and amplifying determinants	• Safety and security • Locality • Exchange rates • Cost of living
		Destination management	• Provision of information • Maintenance of public services and activities
		Destination policy, planning and development	• Clear set vision and mission
Crouch and Ritchie (1990)		Core resources and attractions	• Physiography and climate • Culture and history • Mix of activities • Special events • Entertainment • Superstructure • Market ties
		Supporting factors	• Infrastructure • Accessibility • Facilitating resources • Hospitality

			• Enterprises • Political will
		Qualifying and amplifying determinants	• Location • Safety and security • Cost and value • Interdependence • Awareness and Image • Carrying capacity
		Destination management	• Organisations • Marketing • Services quality • Information • Human resource development • Finance and venture capital • Visitor management • Resources stewardship
		Destination policy, planning and development	• Systems development • Philosophical and value • Vision • Position and branding • Development • competitiveness
		Comparative advantages (micro–environment)	• Human resources • Physical resources • Knowledge • Capital • Infrastructure
		Competitive advantage (macro–environment)	• Audit and inventory • Maintenance • Growth and development • Efficiency and effectiveness
Dwyer and Kim (2003)	Destination Competitiveness Integrated Model	Resources	• Endowed (scenery, climate, history and culture) • Created resources (infrastructure, activities and events) • Supporting resources (market networks, infrastructure, services and attainability of tourism destination)

		Situational conditions	• Social • Political • Economic • Institutional • Demographic • Ecological • Cultural
		Destination conditions	• Marketing • Planning • Development of determinants
		Demand conditions	• Awareness of destination • Perception of tourists • Preference of tourists
Gooroochurn and Sugiarto (2005)	Tourism competitiveness monitor	Human tourism	• Tourism participation • Tourism impact
		Price	• Hotel prices • PPP
		Infrastructure	• Road index • Sanitation • Drinking water
		Environment	• Population density • Co2 emissions • Ratification of treaties
		Technology	• Internet hosts • Telephone mainlines • Mobiles • High–tech exports
		Human resources	• Education index
		Openness	• Visa requirements • Tourism openness • Trade openness • Taxes on international trade
		Social	• HDI • Newspapers, computers, TV's
World Economic Forum (2007)	Travel and Tourism Competitiveness Index	Enabling environment	• Business environment • Safety and security • Health and hygiene • Human resources and labour market

			• ICT readiness
		Travel and tourism policies and enabling environment	• Prioritisation of travel and tourism • International openness • Price competitiveness • Environmental sustainability
		Infrastructure	• Air transport infrastructure • Ground and port infrastructure • Tourism infrastructure
		Natural and cultural resources	• Natural resources • Cultural resources • Business travel
Chen, Chen, Lee and Tsai (2016)	Model of tourism destination competitiveness	Resources	• Inherit • Created • Accessory • Supporting
		Tourist perception	• Awareness of tourist • Viewpoint of tourist • Impression of tourist
		Tourist satisfaction	• Amusement of tourist • Contentment of tourist • Gratification of tourist
		Welfare	• Socio–economic prosperity of community members
		Tourism–based	• Endowed resources • Destination management • Tourism infrastructure
		Economy based	• Macro–economic environment • General infrastructure Business environment
Knežević Cvelbar, Dwyer, Koman and Mihalič (2016)	Measure of tourism destination competitiveness	Welfare	• Socio-economic prosperity of residents
		Destination competitiveness	• Productivity
		Tourism–based factors	• Endowed resources • Destination management • Tourism infrastructure
		Economy–based	• Macro–environment

		factors	• General infrastructure • Business environment

Source: Own compilation

This study took into account the works of the above–mentioned author's models explaining tourism destination competitiveness in Table 2–1 as an essential starting point to the development of a measurement instrument. The most occurred factors in each of the existing models include the natural environment, infrastructure and social environment. These models are some of the most cited models of tourism destination competitiveness. However, some of these existing models lacked some important factors such as the political environment, technology and safety and security which are relevant today. As the tourism industry is complex and ever–changing, industry–specific, contemporary and comprehensive instrument is required to measure tourism destination competitiveness on a regional level. As such, in Stage A (literature review) and (Stage B– Phase 1) of the domain (tourism destination competitiveness) provided the groundwork for the development of a tourism destination competitiveness measurement instrument. This current study aimed to include a mixture of the existing model's factors of tourism destination competitiveness to create a comprehensive measurement instrument.

2.6 SYNOPSIS

Tourism has different definitions depending on the time period and the author. The conceptualisation of tourism was initiated in the early 1900s by Guyer and Feuler. After that, various other researchers and organisations refined and expanded the concept development of tourism. Throughout the review of literature, it was noticed that the definitions of tourism included the (i) activities pertaining to tourism (ii) duration of stay and (iii) of visitors and (iv) the impact on the community members. The current study recognizes tourism as the activities in interlinked industries collaborating to ensure the attraction of tourism. Tourism development is the improvement of tourism facilities or activities to attract visitors, including the sustainability of these activities with the benefit for tourist, community members and the tourism destination.

Defining competitiveness is also challenging. The lack of consensus for the definition of competitiveness adds to the difficulty in establishing its scope of influence. For example, a business should be able to afford employees and suppliers; otherwise, it needs to close down. If such a business is not able to successfully maintain its market position, it is not competitive. Countries might not necessarily "*go out of business*" although they may feel dissatisfied with their economic performance, which makes defining the concept rather complicated. For the purposes of this study, the definition of competitiveness could be found in the notion that the

majority would agree that the competitiveness of a country does not lead to the demise of another. The difference between a nation and business competitiveness is in the fact that businesses attempt to gain more market share which could have a negative impact on other businesses, whereas countries also compete for market share, but this could provide opportunities for other countries. The bulk of research into competitiveness adds to the confusion and inability to reach consensus. Some researchers believe that national competitiveness is encouraged by the competitiveness and economic growth of businesses. For the purposes of this study, the definition of competitiveness could be seen as working on a micro and a macro–level, and there is the acknowledgement of different challenges for competitiveness. In short, competitiveness is a description of the status of a region to attract and sustain tourism activities, as well as a comparative concept between regions. Competitiveness is not only about productivity and economic growth; it should also take into account other factors explained as the determinants in Section 2.3.

Research in competitiveness investigates the factors or “elements” that can describe factors of success to ensure improved competitive levels. This was put forward in Sections 2.3 and 2.4.

The investigation into the determinants of tourism destination competitiveness is the core of this study. The determinants were clustered into four dimensions related to the determinants discussed. The determinants discussed thus related to resources, infrastructure, economics and enabling environment and authorities. Theoretical and empirical results in the positive influences these determinants have on tourism destination competitiveness were given. The most significant determinants identified through the review of literature in terms of determinants’ of occurring prevalence in previous studies are (i) natural resources, (ii) cultural resources, (iii) safety and security, (iv) accommodation and (v) transportation to name a few.

Identifying key determinants were accompanied by the investigation of existing models that attempt to measure tourism destination competitiveness. Theories and especially historically developed theories are the starting point of many other current theories. Though historic theories carry great significance, the global economy is complex, and some of the theories do not carry such a significance as before. Therefore, the scope and dynamic complexity of the global economy require existing theories to be reviewed in a new context. This chapter sets out to provide a theoretical background for the discussion of individual determinants and existing models of tourism destination competitiveness, which makes defining the concept rather complicated. These models range from 1993 to 2018. Porter’s view on competitiveness was the blueprint to the development of the majority of the models. The majority of the models are theoretically based (which highlights the research gap) with an empirical model created by the World Economic Forum. Chapter 2 supported the identification of relevant determinants of

tourism destination competitiveness on a regional level. The following chapter puts forward the research design and methodology followed in this study. This provides a step–by–step guideline to the execution of the study.

CHAPTER 3: RESEARCH METHODOLOGY AND DESIGN

3.1 INTRODUCTION

In previous chapters, the study has investigated the competitiveness of the tourism industry on a regional level. The tourism industry is, according to The Education Bureau of Hong Kong (2009:23), a "*people industry*". As such, individuals play a significant role in the development and progress of the industry. Products (goods and services) are provided by suppliers or tourism destinations for tourist, which make it a "*people industry*". Most industries (mining and manufacturing) have a link to individuals as labour plays a crucial role in the operation of businesses (Parida & Pradhan, 2016:133). These industries have been faced with technological improvements accompanied by the increase in capital–intensity and decrease in labour–intensity. However, tourism is a more direct link to community members and the workforce (labour intensity) in the region and tourist destinations. In other words, to improve tourism facilities in a region, attention should be given for not only the improvement of buildings but a variety of facilities and resources. However, for the mining industry to have success, the region in which it is established needs to be improved, such as the infrastructure and machines on the mining site. Therefore being "*a people industry*" tourism's impact on the community and the community's impact on tourism should be investigated thoroughly.

The introductory chapter of the study, Chapter 1 gave an outline of the research design followed in executing this study. As stressed in Chapter 1, Dana, Gurau and Lasch (2014) and Texeira (2018:7) required more in–depth scientific knowledge regarding the relationship between tourism and social, economic, political and environmental factors on a regional level. Chapter 2 provided a literature review of the study. The literature review pointed out the value of regional tourism destination competitiveness and economic development; hence the need to investigate the competitiveness of the tourism industry of regional tourism is a clear emphasis in the previous chapters. The current chapter addresses how this research was directed. The research aims, research questions and objectives are restated. This was followed by a discussion with regards to how this study was conducted in terms of research approach, the research philosophy, the research design, development of the measurement instrument, methods of gathering and analysing the data and the rationale for the instruments that were developed and utilised for this study. Furthermore, specific techniques and protocols for the development of a new scale to measure tourism destination competitive are discussed.

The **primary objective** of this study was to develop and test a measurement instrument for tourism destination competitiveness in order to facilitate economic development and growth. The investigation was based on the development of empirical measurement instrument for tourism destination competitiveness on a regional level to evaluate therefore and compare the performance of tourism destinations. The thesis aimed to contribute to (i) the specialised literature on regional tourism destinations' competitiveness, (ii) current trends in the region and (iii) the development of a valid measurement instrument to present important individual determinant which has an impact on tourism destination competitiveness in the region. This chapter concluded with ethical considerations.

Theoretical objectives, in order to realise the primary objective, were articulated for the study. Chapter 2 provided an in–depth discussion on concepts, theories and approaches regarding the tourism development and competitiveness with its linkages to economic growth and development. In addition, this chapter focuses on the analyses of measurements models of tourism destination competitiveness and also identifying and defining the contributors to tourism destination competitiveness. The theoretical objective of focusing on approaches and methodologies to instrument development were discussed in the current chapter.

Empirical objectives occur in, as mention previously, Chapter 4 with the objective of developing a measurement instrument due to the lack of instrument development and validation of regional tourism destination competitiveness. Furthermore, the measurement instrument provided regional stakeholders with the determinants required to assess and improve their destination competitiveness through strategy development. The development of a measurement instrument, combined with individual dimensions, helped to identify areas that required improvement in a tourism destination and opportunities that can be utilised by local government, as well as industries to increase the number of tourism visitors and increase revenues. Thus this may lead to the improvement of local economic prosperity. Chapter 5 provided current trends analysis of tourism, Sedibeng and Fezile Dabi district municipalities. As seen in Chapter 5, the trends in tourism can paint a better picture of the historical and current status of tourism in a region. In addition, it can also provide information on possible future trends provided given the concept of ceteris paribus. Chapter 5 provided a comparison between the Sedibeng and Fezile Dabi district municipality's tourism economic industries and long and short–run relationships between economic growth and development. The SWOT analysis and strategic recommendations were also provided in Chapter 5 and Chapter 6, respectively.

To be able to comply with the above, the methodology of a study forms part of the route followed in conducting the study. It, therefore, specifies the path leading from the identification of the research problem and objectives to data collection to the attainment of the results and discussions. This chapter established the framework for the attainment of results in line with the study objectives during the research process. Moreover, information pertaining to the sample area and size, data sources (primary and secondary data) and collection thereof, research approaches (qualitative and quantitative), consideration of population and sample size of the questionnaires, statistical analysis (validity, reliability, factor analysis) were provided. As the data are collected from all aspects, different strategies were used during this study.

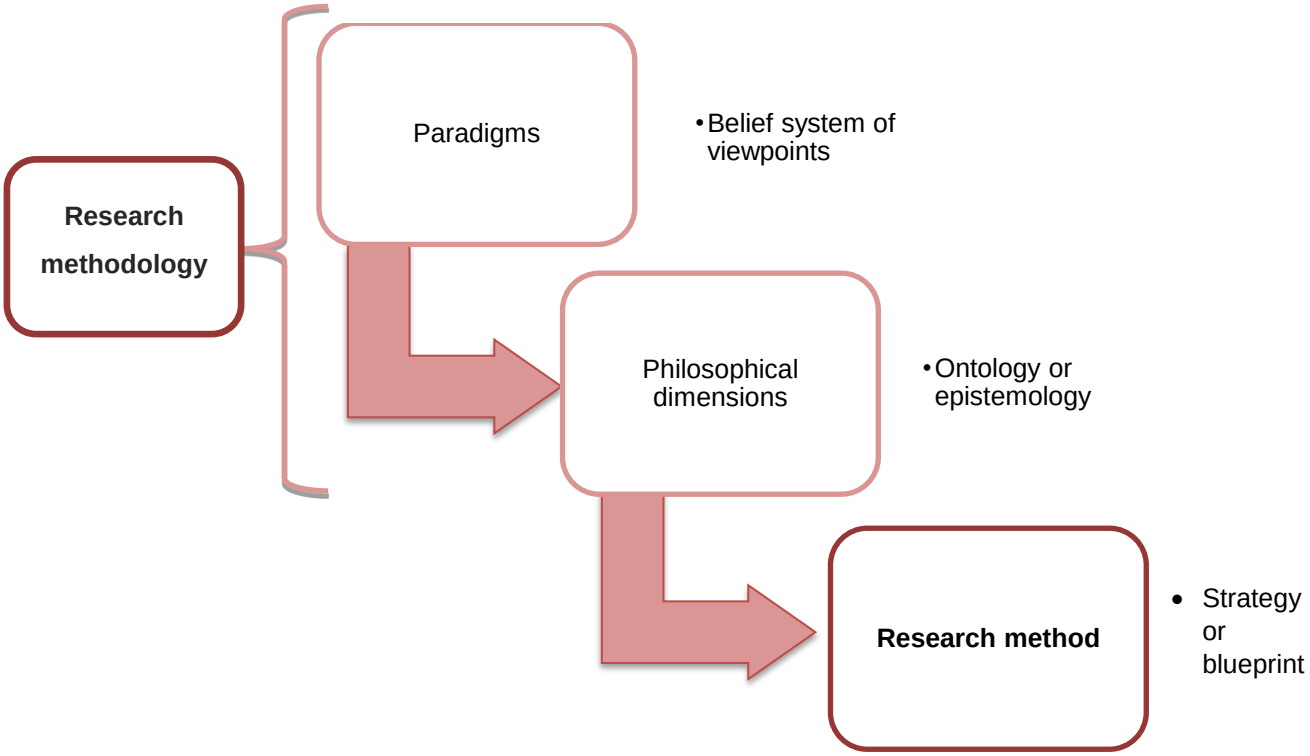
Smith and Stugis (2006:3) postulate that the linkage between factors is given in the empirical section of the research. Chapter 3 indicates the research methodology and design at the centre of the study to successfully investigate the tourism industry of the Sedibeng and Fezile Dabi municipal districts. As indicated in the previous chapters, the purposes of this study include the development and testing of a measurement instrument of tourism destination competitiveness. In order to do so, the following methods are done to execute the study.

First, Stage B to develop a measurement instrument of tourism destination competitiveness the scale development approach was followed. This measured the determinants, which has an impact on tourism destination competitiveness in the region. Thereafter, a questionnaire would be distributed to relevant respondents in the Sedibeng and Fezile Dabi district municipalities. This is analysed on SPSS (Statistical Package for the Social Sciences) and SmartPLS for factor analysis validity and reliability testing. **Second**, in Stage C, there was a time–series analysis conducted on tourism and related variables. The data sets were obtained for Sedibeng and Fezile Dabi district municipalities. This is done on Eviews™ (Econometric Views) by a panel analysis which is according to Hsiao (2014:2) generally used to analyse more "*complex*" matters. **Third**, in Stage D, qualitative interviews were used in the SWOT (strengths, weaknesses, opportunities and threats) analyses. This concluded the analysis for the Sedibeng and Fezile district municipalities. These three methods of analysis were used to develop strategic recommendations given in Chapter 7.

According to Trafford and Leshem (2008:89) and Rahi (2017:1), during research, the philosophical (research methodology) and technical (research design) should be distinguished and identified. In order to avoid confusion between the terms research design and research methodology, Section 3.2 and Section 3.3 distinguish between these terms. Starting with the research methodology and continuing to the research design, this chapter provides detail on the

empirical study. According to Trafford and Leshem (2008:94), the following process is recommended. Figure 3–1 presents the most important components that should be considered when conducting research.

Figure 3–1: Research process– four important research components



Source: Adapted from Trafford and Leshem (2008:94)

Trafford and Leshem (2008) describe a framework from which to approach research. The layered considerations shape the defined approach followed in research to ensure clarity and transparency in the communication of research methodology and methods. The recommended considerations include: (i) the selection of the theoretical paradigm indicate how you '*see*' the topic, (ii) the philosophical research dimensions indicated whether the research follows an ontological or epistemological approach, (iii) the research methods explain the strategy and blueprints followed. Components (i) and (ii) create the research methodology of the study. This is explained in Section 3.2 and 3.3.

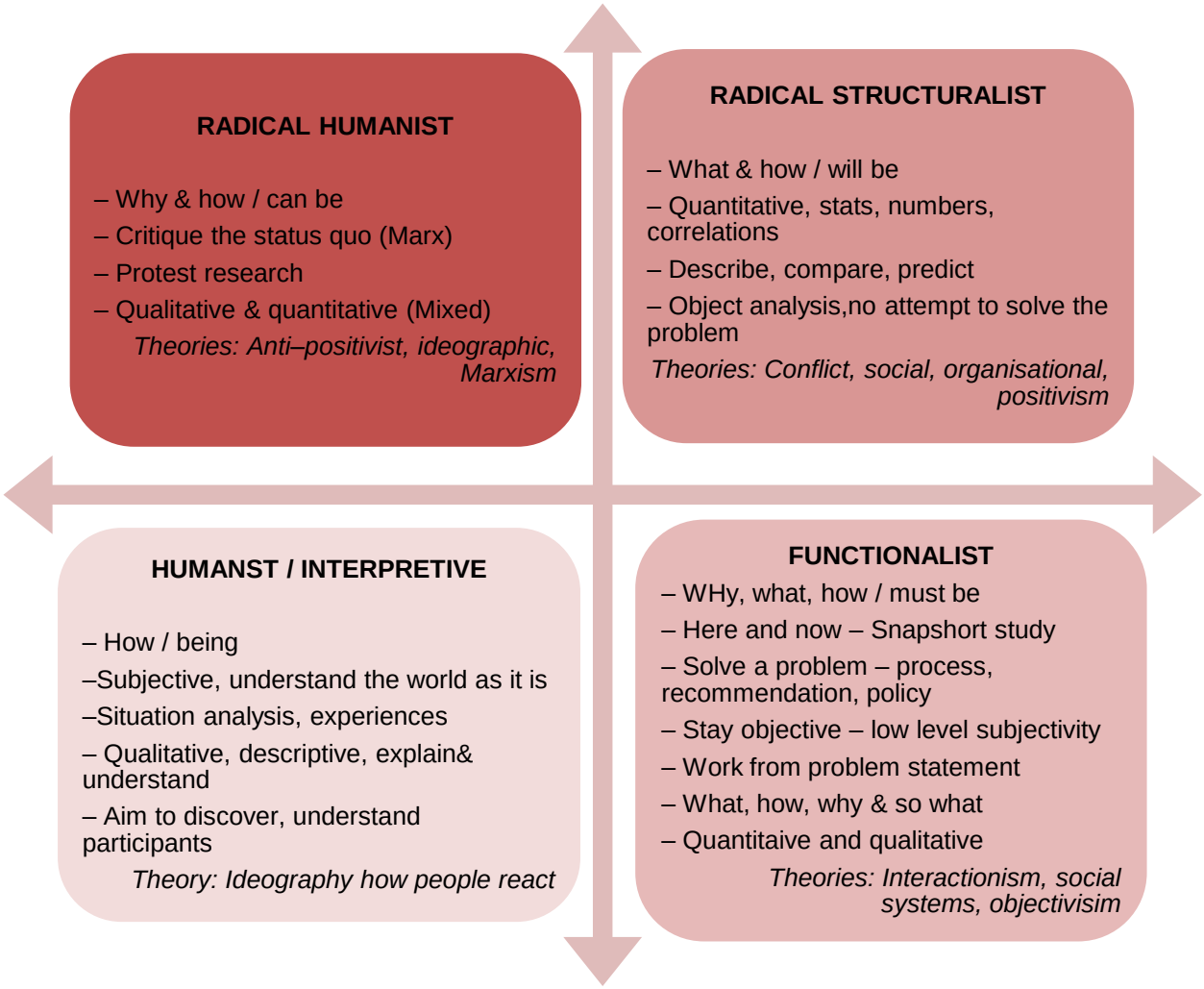
3.2 RESEARCH METHODOLOGY

Methodological choice, according to Holden and Lynch (2004:397) and Žukauskas, Vveinhardt and Andriukaitienė (2018:121) is linked to the researcher's philosophical standpoint and the phenomenon investigated. There exist a variety of philosophical perspectives to research all depending on the objectives, methods and research problem identified. Research is seen as an important aspect of new theory development, and this may lead to new practices and to provide correct philosophical foundations by using the correct methodology. Philosophy is seen as the judgement, value, norms, standards, a frame of reference, view of the world and/or the perspective a person has on a given phenomenon. Philosophical approaches are the basis of the investigation as it guides the researcher's views and knowledge applied to solve the research problem. Guba and Lincoln (1994:107) explained that a philosophy embodies an individual's world view and moreover their understanding of the world, including how people (respondents of a study) fit into different settings and environments (Guba & Lincoln, 1994:107). In the sections that follow the theoretical paradigms and philosophical dimension/foundations are discussed. Tourism research has attempted to duplicate and distribute the belief of these paradigms. This is necessary to generate new knowledge and solutions for tourism. Therefore these following paragraphs discuss both the positivistic or post–positivistic theoretical paradigms.

3.2.1 Theoretical paradigms in research: Positivistic or post–positivistic theoretical paradigms

According to Rehman and Alharthi (2016:51), the paradigms in research convey the "*philosophical dimensions of social sciences*" this relates to the ontology, epistemology, methodology and methods of the study (Kivunja & Kuyini, 2017:266). The research paradigm on which a study is based is, therefore, the aggregate views of the workings of the world, serving as a reference framework. This has an impact on how a researcher conducts research. According to Krauss (2005:759), a theoretical paradigm is the "*identification of the underlying basis that is used to construct a scientific investigation*". As such, it is the beliefs and notions that direct research, sensibily and rationally. Moreover, a "paradigm" is a belief system of viewpoints which steers research (Morgan, 1980:607; Nieuwenhuis, 2016:53; Žukauskas, Vveinhardt & Andriukaitienė, 2018:124). Figure 3–2 shows the four theoretical paradigms.

Figure 3–2: Theoretical paradigms in Morgan's and Burrell's approach



Source: Burrell and Morgan (1997) adapted by author.

Ardalan (2020:1) and Salihu, Ramadneh and Rashid (2020:8) agree with Burrell and Morgan (1997:22) on the four different theoretical paradigms;

- A functionalist paradigm aims to get clarity on what individuals' responsibility is in society. Salihu *et al.* (2020:8) state that this paradigm focuses on how society functions as a unit with the generation of empirical results as information.

- An interpretive paradigm gets the opinion of individuals involved and not just "observers" (Rehman & Alharthi, 2016:54). This is a subjective approach which requires understanding the society in order to understand the world (Günbayi & Sorm, 2018:63).

- A radical humanist takes a look at things that are developed by the society, which is influenced by social factors. It takes a look at the current situation from a subjective standpoint.

- A radical structuralist investigates the problem without the objective to solve it. This paradigm sees the reality of the status quo from an objective viewpoint.

Theoretical paradigms on which this study is based are:

The functionalist approach reflected the evaluation of the performance of regions (tourism destinations), a SWOT analysis and provided what it should be to remain a competitive tourism destination and give strategic recommendations on how to achieve TDC (tourism destination competitiveness). This approach is according to Günbayi and Sorm (2018:57) the most agreed upon and used approach in quantitative research. A humanist or interpretive approach may be reflected in the thinking that undergirds your research to understand the performance of a tourism destination by the inputs or insights of individuals involved (respondents). However, this study was more based on a functionalist approach as it aimed to improve the poorly perceived competitiveness of tourism destinations (Sedibeng and Fezile Dabi district municipalities–current research problem).

3.2.2 Philosophical dimensions of foundations

There exist two key philosophical dimensions which are ontology and epistemology. The definitions that provide clarity between the different concepts of ontology and epistemology follow. Ontology is how an individual understands certain realities (Rehman & Alharthi, 2016:51). In specifically social studies Wahyuni (2012:69), gives that realist and objectivist views exist that understand that the reality is due to or occurs not in terms of the influence of dependence of "*social actors".* Contradictorily, subjectivists or nominalists do see the influence these actors have on reality. Neuman (2014:93) agrees that by investigating these realities, it would supply answers to what these realities are and what their core characteristics are. Žukauskas, Vveinhardt and Andriukaitienė (2018:124) reiterate that an ontology approach would be used if researchers intend to comprehend the real "*nature of society"*. Originating from Greek word *episteme*, epistemology has the meaning of or is used for the word *knowledge* (Kivunja & Kuyini, 2017:27). Epistemology is defined by Rehman and Alharthi (2016:52) as the approach where individuals strive to accumulate knowledge and understanding. How these answers and understanding are gathered is based on the concepts of axiology and methodology. Kivunja and Kuyini (2017:27) also state that the epistemological approach has the goal of creating knowledge, which is the best option to gain or understand the facts. The methodology is specific to research. This could depend on the topic or the researcher. This study follows an epistemological research methodology. This is the case as research is done to generate knowledge about the effect that specific determinants have on tourism destination

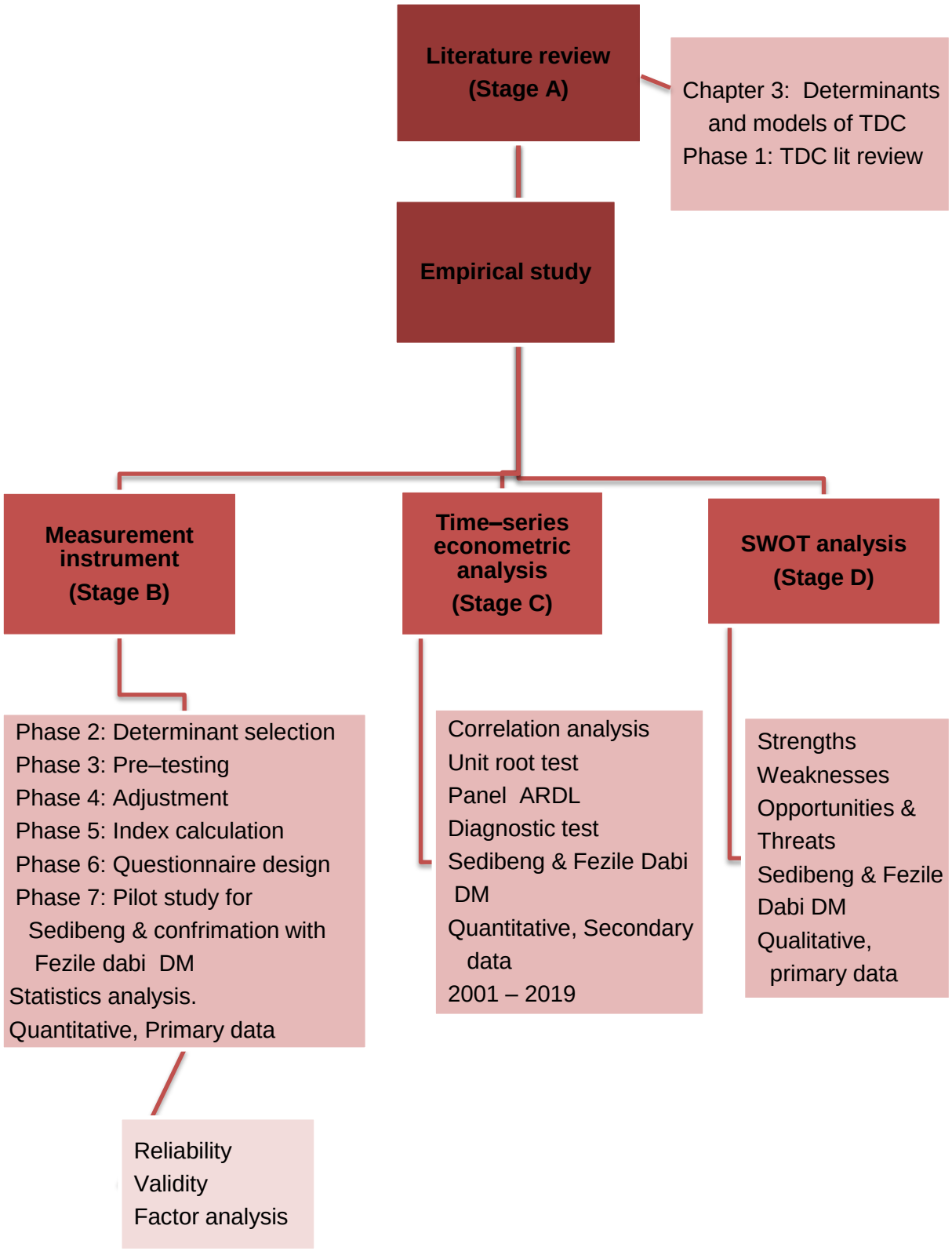
competitiveness of the region. Overall the main objective is to investigate the state of tourism in a specific destination.

3.3 RESEARCH DESIGN

Other than the research methodology, a study has a specific research design. The research design should give a step–by–step plan on the method used to complete the study and received results (Rehman & Alharthi, 2016:53). Trafford and Leshem (2008:90) state that the research design is the "*strategy*" followed in investigating a certain matter. The research design is aimed at being clear and concise so that this process can be repeated by other researchers. A research design could be known as the strategy, blueprint, plan or procedure. For this research, it was regarded as the procedure as this incorporated *what* needs to be done and *how*.

A causative, exploratory or descriptive research approach can be followed when investigating a research problem. Causative research investigates the relationship of influences of one factor on another; exploratory research takes a more in–depth approach in understanding the status quo of circumstances whereas descriptive research aims to give an explanation of the attributes of the events or factor (Van Dun, Hicks & Wilderom, 2017:175). This study took on a causative, exploratory and descriptive perspective: causative because the time–series econometric analysis investigated the impact of the determinants on tourism development. The development of the measurement instrument is explanatory as the study looks to investigate the nature of the tourism industry's potential or competitiveness of the regions that have yet not been measured empirically. This study is also descriptive as the SWOT (strength, weakness, opportunities and threats) analysis aimed to describe the strengths and weaknesses of these regions. Put forward in the following sections are the methods used, in collaboration with research methodology as a premise of a selection of research design and methodology to solve the research question. The distinction between *research design* and *methodology* is between the definition as the steps taken in research and the world views, respectively. The following section (Section 3.3) describes the study's research design or as mentioned the "plan of action, strategy or blueprint" followed to receive results. Figure 3–3 gives a visual representation of the research design executed to complete this study.

Figure 3–3: The research design of the study



Source: Own compilation

3.3.1 Literature review: Stage A

Creswell (2014:27) states that after understanding what the research problem is, it is crucial to do an extensive review of the literature. A review of literature is done in Chapter 2 of this study on the themes and related concepts of tourism development and competitiveness. A study of this nature requires a comprehensive literature review of the concepts involved. The literature review provided a background to the two main concepts of this research, namely, tourism development and competitiveness. The importance of tourism and competitiveness is explained, followed by the literature review on the determinants and existing models of tourism destination competitiveness. These models were used as a starting point in the development of the tourism destination competitive measurement instrument. Throughout time different models were constructed to explain the competitiveness of tourism destinations. The strengths and weaknesses of each existing model were taken into consideration when developing the tourism destination competitiveness measurement instrument to ensure that it is a comprehensive measurement instrument. The literature review enabled the successful identification of the research gap in the study field. This was given in Chapter 1, Section 1.5. The research gap on literature point was identified as these models are predominantly theoretical and not empirically measurable. The literature review was done by the use of journal articles, indices and books. The majority of resources were gathered from Science Direct, Scopus and Emerald databases. The keywords used include *tourism, competitiveness, destination competitiveness and determinants of tourism competitiveness,* to name a few. Subsequently, the empirical portion is explained, which is an important step as it produced a contribution to the research field. Sections 3.3.2 and 3.3.3 follow the research design specific to the measurement instrument and time–series analysis, respectively.

3.3.2 Empirical study: Development and testing of measurement instrument: Stage B

3.3.2.1 Defining scales

The term measuring instrument is synonymous with scale and index. A measuring instrument or scale can be seen as a measure that combines the values of several items (indicator variables) into a combined measurement (Straus & Wauchope, 1992:286). Farooq and Shankar (2016:81) state that the development and the validation of a scale could be face difficulties. Amongst the difficulties are multicollinearity. Van Peer, Hakemulder and Zyngier (2012:101) state that the selection of a measurement instrument can impact (i) quality of data received, (ii) the determinations that are done, (iii) the statistical examination performed and finally (iv) the conclusion. The measurement options are nominal (lowest level of measurement, ordinal) more info than nominal, interval and ratio level. A nominal measurement is a method that

encompasses only counting, recording names or labels (Marmor & Bashkansky, 2020:2622), for example in a questionnaire when the information received regarding gender can be a measurement in terms of the percentage, for example, 59 percent male respondents and 41 percent, female respondents. Open–ended questions are measurements in terms of nominal measures.

Ordinal scales arrange the data from the lowest to the highest form (Allanson & Notar, 2020:379). This is a straight forward method as its purpose is labelling an item on a scale. An ordinal level measurement instrument is, according to Van Peer, Hakemulder and Zyngier (2012:103), a measurement of respondents' inclinations. This measurement does not provide info on the difference between preferences. The ratio of interval level of measurement provides the information on the difference that ordinal levels lack (Van Peer, Hakemulder & Zyngier, 2012:103). It was not only able to distinguish between the preference but also the level, and the amount. There exists a difference between ratio and interval measures. Ratio scales have a zero "0" starting point whereas interval scales do not. An example of an interval measure is the Likert scaling method. This method empowers the researcher to determine the average value of each statement in question as well as conducting tests. The current study makes use of nominal measurements in the questionnaires' Section A– demographics section, interval scale (Likert) in the testing of the development and testing of the measurement instrument.

3.3.2.2 Types of scales

There exist different types of scales namely checklist, multiple–choice, graphic rating scale, itemized rating scale, rank–order rating scale, constant–sum rating scales and fraction rating scales, Likert scaling and semantic differential scales. Depending on the study's motivation, the method and information required, the different types of questions of statements could be used. Van Peer, Hakemulder and Zyngier (2012:105) mention eight types of formats for questionnaires. (i) Checklists are used to assist respondents to select a number of items in a group. This simplifies the completion and analysis of the questionnaire but could, unfortunately, guide respondents to specific answers. (ii) Multiple choice can be seen in three forms. First, a question followed with possible answers, second, incomplete sentence followed by possible options, third, statements followed by answers. (ii) A graphic rating scale requires respondents to indicate the point on a continuum to stipulate their point of view towards a statement or questions. This is an easy method to complete but difficult to analyse as results. (iv) Itemized rating scales are the same as graphic rating scales and only differ when it comes to providing respondents with a set number of possible answers in labelled groups. (v) Rank–order rating scales are used when respondents are required to place the statements in a specific order. Marmor and Bashkansky (2020:2622) mention that ranking data is done to portray the strengths

of the relationship between the items. (vi) Constant–sum rating scales are used when respondents are required to provide items with a specific value or points, and fractionation rating scales take a ratio level of measurement. (vii) When a respondent is required to convey a viewpoint by identifying a specific point on the scale of "*bipolar*" aims, they would have a semantic differential scale. (vii) Likert scaling is one of the most popular and agreed–upon types of scale. This type usually requires respondents to indicate the level they agree or disagree with a statement provided. According to Vonglao (2017:337), Likert scales are used to look at the attitude of an individual and not his/her knowledge. For the purposes of this study, the scale was a component of the measurement instrument. A scale was used in the development and testing phases of the measurement instrument. In the development phase, a scale would be used by subject experts in pre–testing to determine the average importance of the determinants in terms of tourism development. When testing the measurement instrument by pilot studies in the regions, respondents were required to identify the level of tourism development in terms of a determinant in a specific region.

3.3.2.3 Scale development process

In order to develop a scale (measurement instrument), various methods or techniques can be utilised. The validity of the construct of a scale (measurement instrument) can be investigated by use of various methods which includes, (i) reliability, (ii) validity (convergent, discriminant, unidimensionality and nomological), (iii) invariance and (iv) model fit. These techniques utilised in this study are listed in Table 3–1.

Table 3–1: Types of analysis of scale development

Type of analysis	Existing methods or techniques	Methods used in the study
Reliability	Cronbach's Alpha, composite reliability– CFA & EFA	**X**
Convergent validity	Factor analysis	
Discriminant validity– construct	Factor analysis Principal Axis Factor	**X**
Uni–dimensionality– construct	Factor loadings and comparison between variances	**X**
Nomological validity– construct	Correlation between scales	
Invariance	Fit indices– CFA	
Model fit	Modification of indices, standardized residuals, Squared multiple correlations, fit indices.	
Factor analysis	Bartlett's test of Sphericity and Kaiser–Meyer–Oklin's measure of sampling adequacy	**X**
Factor structure	Eigenvalues	**X**

Source: Own compilation

Reliability: The reliability can be predicted through the use of the Cronbach's Alpha (α). Internal reliability, according to Sharma (2016:271), is a measurement used if there is more than one item, therefore, indicating if there exists coherence between the values indicated by respondents. Cronbach Alpha uses the estimate or determines the internal consistency that is associated with the scores from a scale. If there is no consistency, there will not be any reliability of the scores of the scale. Patel (2015:4) states that if Cronbach's Alpha (α) exceeds 0.70, it would be acceptable. Therefore, indicating if there exists coherence between the values indicated by respondents. In addition, a Cronbach Alpha exceeding 0.7 indicates that the reliability criteria have been met. According to Vaske, Beaman and Sponarski (2017:164), the Cronbach's Alpha can be influenced by the quantity of items on the scale (measurement instrument), dimensionality and the inter–correlation of the items in the construct (scale, measurement instrument). For example, the increase in the quantity of items (determinants) could lead to an increase in reliability. The closer to one, the value of the Cronbach Alpha (α) is to one, and the more reliable the construct could be in practice. Generally, the statistical value of the Cronbach's Alpha ranges between 0 and 1 (Vaske, Beaman & Sponarski, 2017:165). However, there can exist an instance of a negative Alpha value indicating a negative correlation between items.

Convergent validity is when all of the items that are measured are statistically significant (Ahmad, Zulkurnain & Khairushalimi, 2016:2). This type of validity can be tested by the three methods; (i) Factor analysis– CFA (confirmatory factor analysis). Lewis (2017:239), states that CFA is utilised to evaluate the scale development of the internal structure of a questionnaire. The CFA is general used to establish the validity of items on a scale or construct (Crede & Harms, 2019:19) this is usually multi–dimensional scales (Carter, 2016:731). Lewis (2017:239) indicates that the CFA techniques should be used subject to the EFA (exploratory factor analysis) as it identifies the fundamental hidden variables. Moreover, EFA the techniques are used when the items are not known, whereas CFA is used if the items are known. (ii) Robust maximum likelihood is used as it is not reliant on the hypothesis of multivariate normal distribution (Li, 2016:937). (iii) The average variance extracted is known as the items in the construct's percentage of variance.

Discriminant validity is the result when there does not exist redundant items in the construct or scale (Ahmad, Zulkurnain & Khairushalimi, 2016:3). Hashim, Mukhtar and Safie (2019:190) say that the discriminant validity gives the *"uniqueness of the construct"*. Moreover, Ab Hamid, Sami and Sidek (2017:1) postulate that in studies that have latent variables and a variety of items that embody a construct, it is crucial to test discriminant validity. The validity of the scale is

necessary and achieved by discriminant validity (Franke & Sarstedt, 2019:430) though (i) Factor analysis– EFA. Carter (2016:714) state that the dimensions of a newly developed scale are investigated through the EFA method. (ii) Principal axis factor (PAF) with a direct quartimin Oblique– orthogonal– Rotation. Factor loadings are generally accepted to explore the discriminant validity of the construct (Hashim, Mukhtar & Safie, 2019:190).

Unidimensionality is the presence of one construct explained by a variety of items (Hattie, 1985:49). The development of measures generally includes more than two items explaining the construct. This investigates the relationship between these items. Anderson and Gerbing (1988) postulate that an analysis of the composite score provided information as to whether or not the measure can be accepted. During the development of a measurement instrument, the items of which the construct comprise was tested by CFA. The CFA is used to test the uni–dimensionality as a method to "*refine the scale",* testing the construct. Factor loadings, cross–loadings and comparison between average variance extracted and squared correlation between each pair of constructs (shared variance test). The number of determinants that loads on to each other should be known before further analysis could be done.

Nomological validity is the use of two scales– the method is utilised to determine the correlation between these two scales or constructs (Lakshman, Vo & Ramaswami, 2020:92). According to Lee (2019:137), the nomological validity is linked to the relationships between variables which correlate with the existing theory and hypothesis. Highly correlated values of "*r"* above 0.5 prove nomological validity. As such, the nomological validity proves if the model tested is in accordance with theory.

Meitinger (2017:448) state that **invariance** is tested through multi–group confirmatory factor analysis through structural equation models. Tadesse, Gillies, and Campbell (2018:449) give that the reasoning behind the investigating invariance is to establish similarity between the groups and/or items on a scale. Rutkowski and Svetina (2017:40) indicate that the Likert scale type items defy the concept of normal distribution. As the development and testing of the tourism destination measurement instrument utilise the Likert–scaling approach, invariance testing was not used.

Model fit is defined (Alavi, Visentin, Thapa, Hunt, Watson & Cleary, 2020:2209). If a model is well–suited, the results are more accurate. (i) Chi–square is generally utilised to test the model fit through the use of covariance structure models. Bagozzi and Foxall (1996) believed that the use of chi–square is not sufficient as a singular analysis as the sample size has an impact on the results. The increase in the sample size could increase the possibility of disregarding the theoretical model. The decrease in the sample size could potentially lead to not detecting

oddities from this theoretical model. Other tests that should also be considered include tests such as (i) Modification indices, (ii), squared multiple correlations and (iii) standardised residuals

Factor analysis: (i) Bartlett's test of Sphericity is a hypothesis that states that the correlation matrix is known as the identity matrix. Therefore, the items on the scale are not related to one another and not suitable for use. (ii) Kaiser–Meyer–Olkin's measure of sampling adequacy provides the proportion of variance for the items. If the Kaiser–Meyer–Olkin's results are higher to one, the factor analysis is valuable.

Factor structure: The Eigenvalues are used in dimensionality analysis (Zopluogluan & Davenport, 2017:2). This study utilised factor analysis, factor structure and reliability techniques to validate the measurement instrument for regional tourism destination competitiveness successfully.

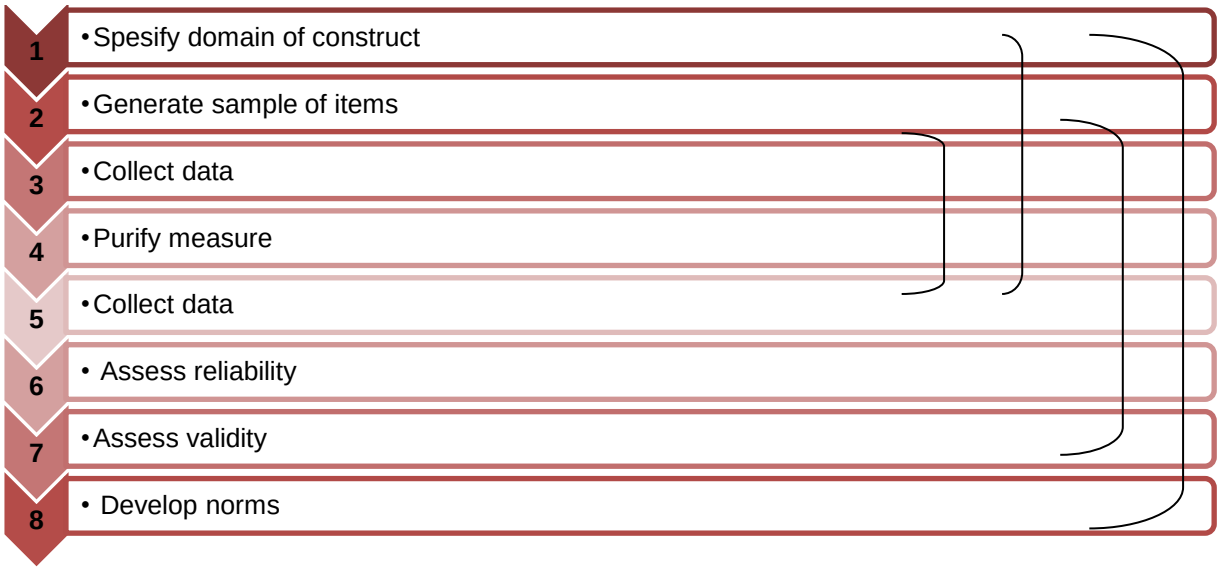
3.3.2.4 Best practices in scale development

The best practice principles, recommendations, guidelines and/or procedures for scale development from four important researchers are described in the following section. These are the noteworthy issues that were raised, which made a significant contribution to the field.

3.3.2.4.1 Churchill (1979) framework for the development of measures for constructs

According to Kock, Josiassen and Assaf (2019:1227), the development and application of measurement tools to quantify constructs, commonly referred to as "*scales*", are important to knowledge creation within the social sciences". Eight procedures could successfully execute the procedure for the development of a measure is advocated by Churchill (1979:66). The framework of Churchill procedures is shown in Figure 3–4.

Figure 3–4: Churchill's framework for developing measures



Source: Churchill (1979:66).

Procedure 1: Specify the domain of the construct. Through investigating the literature field, it should be clear what is aimed to be measured.

Procedure 2: Generate a sample of items and data collection. The items can be identified through literature reviews, previous research including theories and questionnaires by use of judgment sampling. Not all the items that have an impact on the construct must be used, but only a sample of the most significant items. This should give knowledge regarding which items influence the construct and the degree as well that these items entail.

Procedure 3: Purify measure and data collection. This is executed by means of factor analysis and Cronbach's Alpha coefficient. The factor analysis indicates the features describing the construct. The Alpha coefficient is used to investigate the internal consistency. This theory states that each item has a different significance in determining the construct.

Procedure 4: Assess reliability. The face and content validity tests are used to test reliability. The reliability of the measure can be tested by the Alpha coefficient. The higher Alpha value indicates the items are stable and indicate the relevant in describing the construct. This is, therefore, a crucial statistical analysis. To test for Cronbach Alpha, IBM SPSS was used.

Procedure 5: Assess validity. The validity analysis ultimately indicates whether or not the construct is successfully and adequately presented. Also, discriminant validity is valuable. EFA was used to identify the dimensions using IBM SPSS. CFA was used to test for reliability and validity using SmartPLS.

Procedure 6: Develop norms. The "*raw score*" resulted from the use of the measure. This raw score should be translated as the discussion of the level of measurement.

These procedures apply to the development of a measure that consists of multiple items (Kock, Josiassen & Assaf, 2019:1227). The study of Wang, Hung and Li (2018:26) made use of Churchill's (1979) recommendations of developing a measure for functional congruity in tourists in China. Wang, Hung and Li (2018) executed the study in three steps:

Step 1: Identification of items through content analysis from online sources that explain the measure.

Step 2: Expert panel and pilot test to further test and refine the items identified in the first step.

Step 3: Survey (questionnaire) execution in testing the validity and reliability of the measure

Also, a study by Luo (2018:465) followed Churchill's proposed steps of developing a measurement of the CSR (corporate social responsibility) within the tourism industry sub–industry, gambling. First, the questionnaire was developed through analysis of literature. Thereafter, a panel of experts on the concept of CSR in gambling analysed the questionnaire. The third step is pilot testing with 150 respondents. After inputs were given, adjustments were made to the measurement. The questionnaire also made use of the Likert scale approach for the statements or questions. Finally, 350 questionnaires were again distributed.

3.3.2.4.2 Hinkin's (1995) scale development recommendations

A study by Hinkin in 1995 investigated the development methods of a total of 277 scales between the time–period 1989 and 1994. Hinkin (1995) made a model of the three stages of relevant steps within each phase for scale development;

Stage 1: Item generation

- Content validity is the main reasoning of the first stage, thus indicating that the measurement is adequate.
- Deductive– partitioning– item generation is used when the theoretical was previously defined.
- Inductive– grouping– item generation is used when respondents of the study give information
- The connection between the items selected and the theory should be indicated.
- Various items are needed to enable the possibility of item reduction.

Stage 2: Scale development

- Design the study by ruminating on the sample size, the required response rate and the types of scale necessary.
- Scale construction should take into account the techniques to investigate the factor structure and goodness–of–ft.
- Reliability assessment which is the internal consistency reliability should consider how stable the scale is over some time.

Stage 3: Scale evaluation

- Confirmatory factor analysis is the most used technique.
- Stable factor structure gives the confirmation of construct validity. Construct validity should, according to Grobler and Joubert (2018:3), not be overlooked but serve a great significance in determining the success of a scale– measurement instrument.
- Discriminant validity is essential.
- Independent samples increase generalisability.

3.3.2.4.3 Rossiter's (2002) scale development procedures

Rossitier (2002) suggests a substitute *"procedure"* that could be used when developing a measurement instrument. It utilised the C–OAR–SE (construct definition, object classification, attribute classification, rater identification, scale formation and enumeration and reporting) method. This method takes into account reasonable opinions and consensus between experts in the field. This measurement only requires content validity utilised as Rossiter (2002:2005) believe that the construct and predictive validity test is unsuitable for the assessment of a measure. Rossiter (2002) also critiques Churchill's (1979) framework as it only forms a part of the C–OAR–SE method. In addition, Rossiter (2002) is opposed to the view that the framework of scale development, the importance of factor analysis reliability testing could result in the appropriate scale describing a construct through uni–dimensionality.

The identified steps in the development of a scale in the Rossitier (2002)model of scale development are:

Step 1: Construct definition: Give the definition of the construct and outline the objectives of the scale.

Step 2: Object classification and **Step 3**: Attribute classification is both done by open–ended interview questions to the sample frame. It is also necessary to categorise the object. Produce the items that denote the object.

Step 4: Construct definition should be set out.

Step 5: Rater (respondents) identification: Raters and the individuals conducting tests. This could include experts in the field.

Step 6: Scale formation is used to unite the items and object for the scale. To determine the adequate rating scale for the items that are able to measure open–ended questions. The rater's sample requires the pre–testing.

Step 7: Enumeration regards the implication of the scale. This is done by utilising index and average values to results in a total score. This could be a scale that is on a range, for example from 0 to 10.

3.3.2.4.4 DeVellis' (2003) and Worthington and Whittaker's (2006) scale development guidelines

Devellis (2003) formed an eighth step scale development process which was also the selected recommendation of Worthington and Whittaker (2006).

Step 1: Determine what should be measured: It should be apparent and distinctly set out what the purpose of the measurement instrument, what the aim of measurement is. The investigation into theory could create a framework or reference to the objective of the measurement instrument. Thus being clear in what the construct is, is detrimental to the development of a measurement instrument. This should be executed by investigation of a theory (Chapter 2). Clearly indicate the items that should be measured.

Step 2: Combine items pooling the items which characterise the construct: Items should be selected based on relevance to the construct. Starting with a larger number of items which are identified from step 1, items undergo a reduction process. It should be kept in mind that redundancy does not always have a negative impact on the construct in the first phases of development. It is beneficial to include a large amount of items. The most important items that have high relevance to the construct is selected, whereas items that have little relevance to the construct will be removed. Note that redundancy is only accepted in the first item pool and nor in the final construct. The advantages and disadvantages of items can be used to weigh the relevancy to the construct. The rationale of item pooling is to result in a reasonable basis from which the scale can be developed.

Step 3: Decide on the layout of the measurement. Short and concise questionnaires are preferable. If the questionnaires are long and it is time–consuming– which would discourage the completion of the questionnaires. The different methods of scale format construction are; (i)

Thurstone is scaling which the purpose of the scale is to create items that are differentially reactive to the construct. (ii) Guttman scaling identifies items that have increased levels of the attribute or construct. Importantly scales that have the same weighted items, measuring determinants of an occurrence are approximately parallel. Although they do not measure the same item, this measurement can be used to measure a single construct. The Likert scaling approach is commonly used in research and practice.

Step 4: Review item pool by experts. Make use of subject experts to give input with their knowledge regarding the relevance and quality of the items selected as a measurement of the construct. This is also a means to perform a content validity analysis. The face validity should be analysed by this process, investigating the clarity, the grammar, to reduce redundant items. The significance of the items needs to be carefully analysed by the experts as it directly relates to the relevance of the items.

Step 5: Validation of items by convergent and discriminant validation methods. The items that relate to the construct and those that give the complications are identified.

Step 6: Administer items to sample. The adequate sample size is between 150 and 200, and a total of 300 are usually accepted. After the identification of the relevant and validated items that adequately describe the construct, the final creation of the construct should be executed.

Step 7: Evaluate items. The EFA technique can be made use of. The sampling method can include purpose sampling and a combination of purposive and convenience sampling. The CFA, goodness–of–fit index and model fit could be used for analysis. Factor analysis is used to determine the pooling, or itemized groups constitute a uni–dimensional factor. The coefficient Alpha of reliability is also used to determine the quality of a scale.

Step 8: Improve the scale length. Reduction of the scale by use of specific criteria. The length is the scale and the covariation has an impact on the Alpha mentioned above. It should be noted that short scale simplifies the process for respondents to complete the questionnaire, whereas longer scales are more reliable. A balance in the length of the scale should be reached.

The principles of DeVellis (2003); Lewis *et al.* (2005) and MacKenzie, Podsakoff and Podsakoff (2011) are used as guidelines in the development of scales. The reasoning for the use of these authors' works is due to the general acceptance of these theories. These theories were also used in the works of Barry, Chaney, Stellefson and Chaney (2011), Carpenter (2018), Thomas, Quintal and Phau (2018) and Cacciotti, Hayton, Mitchell and Allen (2020). Mackenzie *et al.* (2011) added additional steps that follow the above–mentioned steps by Devellis (2003).

Step 9: Cross–validation scales can be useful in the instance where changes to the scale were made during the development process.

Step 10: Develop norms for the scale: Norm development should be clearly set out to assist with the score explanation.

3.4 CURRENT STUDY SCALE DEVELOPMENT PROCESS: MEASUREMENT INSTRUMENT DEVELOPMENT AND TESTING

Taking into account the multiple models of scale development, the steps (given as phases) of development and testing of the measurement instrument of tourism destination competitiveness was deal with in the following section. In this study, a combination is used by Churchill (1979) and Hinkin's (1996) recommendation of scale development to develop and validate the measurement instrument of tourism destination competitiveness. A qualitative research approach is followed in phases 1, 2 and 4, as these phases do not make use of numerical values but literature and opinions in words, nominal data. A quantitative research approach is followed in phase 3 of pre–testing, the construction of the index value and development of the questionnaire phase 5 which makes use of numerical values given by subject experts and the testing process in Phase 5 and 6, respectively. The use of a measurement instrument could be valuable for regions– in this case, the Sedibeng and Fezile Dabi district municipalities in Phase 7. This would enable them to measure their tourism competitiveness on an empirical scale. Quantitative scales are, in some cases easier to use for analysis purposes than to reply qualitatively. By identifying the development of each region for each specific determinant, a region would be able to develop strategies to improve where needed. This learns a destination to be open to change and to manage the adaptation in a changing industry. Although the development and testing of the measurement instrument follow the recommendation made by Churchill (1979) and Hinkin (1995) the phases used do not correlate point for point; however, some of the recommendations and steps were included within the phrases given.

3.4.1 Phase 1: Investigation into tourism destination competitiveness (domain)

The first phase of developing the measurement instrument was to investigate the appropriate determinants and models of tourism destination competitiveness. This was done by conducting a literature review on tourism development and competitiveness, Chapter 2, Sections 2.2 and 2.3, respectively. This provided background and an understanding of what tourism destination competitiveness entails. Thereafter, Chapter 2, Section 2.4 and 2.5 investigated the different possible determinants of tourism destination competitiveness by taking a look at the different determinants and existing models, respectively. This is a very important step, as it indicated

what has already been tested and used, what are the known factors in the field of tourism research. If a clear picture can be painted on what exists, it makes possible the assessment of these existing models, thus assisting in improving the development of a new measurement instrument. The term *determinants* were used in this study to represent factors, indicators and attributes that determine the success or failure of tourism destination competitiveness in a region. Initially, 21 determinants were selected as necessary in terms of their influence on tourism destination competitiveness. Phase 3 also determined whether these factors have significance in determining tourism destination competitiveness in a region. Note that the term items mentioned in the above guidelines, procedure or a step of scale development are the dimensions and determinants in this study.

3.4.2 Phase 2: Determinants selection

The selected determinants were grouped into three dimensions in terms of their relevance. The dimensions are (1) resources, (2) infrastructure and (3) enabling environment and authorities that were explained. Thereafter a table was constructed describing each determinant. The table has two columns, first giving the determinant within the dimension, and the second column describes the determinant. The description was important to generate clarity between each determinant– what it specifically means in the study of the measurement instrument and how it could be measured.

3.4.3 Phase 3: Pre–testing (see Annexure A)

After the determinants have been selected from Chapter 2, it is required to establish the importance of each selected determinant. The purpose of the pre–testing was to finalise the determinant selection by identifying the most important and significant determinants of tourism destination competitiveness. The reasoning behind the pre–testing was to collect information on the opinions of subject–matter and industry experts before the final questionnaire was distributed. This was necessary to distinguish between relevance, importance and the redundant and unnecessary determinants that could have been mentioned in the literature but do not coincide with reality in the tourism industry in the current times.

3.4.3.1 Sample method, frame and size

Respondents in the pre–testing included subject and industry experts in both economic development and tourism research field and the tourism industry. A respondent is identified as an individual who is involved in a study as a "*subject*" (Hinton McMurray & Brownlow, 2014:6). These individuals are found nationally (South Africa) and internationally. The majority of pre–testing respondents are active participants in education and research in tourism and/or

economics studies. The rationale behind the use of these individuals as respondents is that they are perceived to have in–depth knowledge of the workings of the tourism industry and any other industry. They had a background in the workings of the economy as a whole and can give insight into the important determinants of competitiveness of region and tourism as individual factors. Combining and redefining these determinants created the measurement instrument. Therefore both these categories of individuals gave proper feedback and inputs into the significance and importance weighting of these dimensions and individuals determinants. There were a total of 37 individuals selected as respondents based on knowledge of tourism and economics. The sample method and size were dependent on the availability of research experts in the field of economics and tourism. Therefore the purposive sampling method was selected as it was required to make use of subject and industry experts, who were subjectively selected.

3.4.3.2 Data collection and analysis

Data was collected by the use of document correspondence and subjects were contacted via email. The response rate for the pre–testing was 31 out of 37 respondents resulting in a response rate of 83.78 percent. This is an adequate response rate out of a total of 37 respondents. Data were analysed by calculating the average value of each determinant and dimension. The qualitative values for the ranking and weighting values were received as well as qualitative feedback on possible changes required to improve the measurement instrument.

3.4.4 Phase 4: Adjustment and finalisation of the measurement instrument

Subsequently, there was the pre–testing phase. All inputs and recommendations from industry and subject experts were carefully taken into account and considered to ensure the best possible development of the measurement instrument.

3.4.5 Phase 5: Measurement instruments' index calculation

The index value of each dimension and determinant were developed by use of the importance weights through the following formula:

$$Index\ value = \frac{determinant\ or\ group\ value}{3.81(largest\ weight\ value)}$$

The index value, therefore, indicated the importance of each determinant and dimension in achieving tourism destination competitiveness. The index value would be multiplied with the performance rating to result in a final tourism performance value.

3.4.6 Phase 6: Questionnaire design

The rationale behind the use of a questionnaire was to collect the opinions of respondents active in the tourism industry. According to Brandon (2011:26), the questionnaire is acceptably used to collect information on respondents regarding specific areas. The questionnaire was divided into four sections:

Section A: The first section contained the demography–related questions such as age, the segment of the population, district municipality, town and percentage of income from tourism if the respondent is (i) a community member/ tourist, (ii) tourism–related business, or (iii) government organisation respondent. Participant in the segment "tourism–related business pertains to adventure activities, accommodation facilities, conference and wedding venues, food and beverage facilities, souvenir shops, tour agencies and guides, transportation services. Only the essential demographic information was asked, which was required for analysis. Information such as marital status, race and other social criteria has little bearing on how individuals describe the performance of a region. This section determined the profile of the respondent in each region, which could also give potential insight into their reasoning.

Section B: This section required the evaluation of the selected area's natural resource dimension and individual determinants related to natural resources. A Likert scale approach was used to rate the performance of the dimension and individual determinant, as stated in Table 3–2.

Section C: Infrastructure and the facilities available in a region are crucial to ensure success. Therefore, Section C contained questions that allow the evaluation of infrastructure in a tourism destination. A Likert scale approach is used to rate the performance of the dimension and individual determinant, as stated in Table 3–2.

Section D: Questions are based on the performance of the dimension and individual determinants in the regions relating to the development and/or existence of environment for enabling tourism progress. These sections ultimately gave an understanding of the total and determinants–based performance of a region in terms of its tourism destination competitiveness. The following scale in Table 3–2 was used in the questionnaire to rate the performance of the three dimensions and individual determinants.

Table 3–2: Tourism destination performance ranking

Tourism destination performance ranking	
0	No facilities available
1	Facilities are available, but there is a lack of performance
2	Average availability of facilities.
3	Facilities available are performing adequately but could improve
4	Facilities are performing efficiently and are in perfect condition

Source: Own compilation

The scale does not allow for a "*not sure*" option or an answer to have uncertainty. The questions were straightforward and easy to answer based on the research topic; this was made possible by pre–testing the measurement instrument in Phase 3.

3.4.7 Phase 7: Pilot study– Sample 1 and 2 (see Annexure B)

After the questionnaire was designed, the pilot study was done to evaluate the performance of tourism destinations in terms of their competitiveness in being a successful tourism destination. The pilot study made use of closed–ended type questions, as respondents were asked to select a ranking position on a scale. Trafford and Leshem (2008:91), state that even though open–ended questions lead to a more detailed answer, closed–ended question could be used to have brief and to–the–point answers. The open–ended question needs more thought, whereas close–ended questions are easier to answer even though the questionnaire questions are closed–ended. During telephonic interviews, most individuals were very talkative and explained their answers by giving examples in their area. This was used to give insight into the completion of the SWOT analysis.

3.4.7.1 Sample frame and size

In the demographic section, Section A, there was differentiation made between the types of the respondent. The reasoning for differentiating between respondents is only for analysis purposes. This could be used for future research, investigating the differences in opinion between the types of respondents. The respondents are not required to have an understanding of tourism destination competitiveness as it is only required for them to identify the performance of determinants. Only in the pre–testing phase should respondents have knowledge about what entails tourism destination competitiveness. Sections B, C and D contained questions relating to the testing of the measurement instrument for tourism destinations. The second section, Section

B started the testing of the measurement instrument by requiring respondents to ranking the dimension *resources* and the resource–related determinants. Section C required the evaluation of the dimension *infrastructure* and infrastructure–related determinants, and Section D requested the evaluation of the dimension *enabling environment and authorities* and six determinants related to this dimension. Purposive sampling is used as the respondents were selected based on their knowledge of the region. According to Silverman (2014:60), a purposive sampling approach is based on the researchers' opinion of who was best suited to answer the questions. They are therefore selected "*on purpose*" relating to their ability to best answer the questions. A total of 320 questionnaires were completed. According to Brandon (2011:43), the increase in the samples size led to a decrease in the sample bias. Therefore, if the sample size is larger, individuals have more reassurance in the study. Nunnally (1978) states that the adequate number of responses for a questionnaire is ten for each factor, subject or question in the case of this research it would be at least 10 per each determinant.

3.4.7.2 Data collection

Data were collected from July to September 2020. Note that during this period South African regulation during the COVID–19 (Corona Virus Disease) pandemic lockdown prohibited travel between regions; therefore the time taken to collect the necessary amount of responses was longer than anticipated. Other than that the collection of data was relatively easy as everyone in the region is a potential respondent or candidate. The respondents were provided with the questionnaire which they completed. A total of 320 questionnaires were completed for the district municipalities of Sedibeng and Fezile Dabi. This follows the 10:1 ratio, for each variable 10 questionnaires were completed for each district municipality. The questionnaires were either completed manually on a paper form or electronically on a link and/or document. To collect the data, face–to–face, telephonic and mail correspondence were used. For pilot testing, a data services agency was also consulted to gather data. A purposive sampling approach is followed in the collection of the questionnaires in the pre–testing well as a pilot study. Rahi (2017:3) defines purposive sampling as the method of respondent selection based on the knowledge of respondents regarding the research problem. In the case of the pre–testing, industry and subject experts were required to give inputs as they have knowledge in this field. In the case on the pilot testing in each district municipality, (i) community member/ tourist, (ii) tourism–related business, or (iii) government organisation within the district municipality have been selected as they have knowledge regarding the performance of the determinants in the district municipality.

Data collected by the use of the questionnaires were first captured. Second, the data was "*cleaned*" to make sure that no errors would occur and "*coded*" to simplify analysis. Thereafter SPSS and SmartPLS were used for the statistical analysis. Brownlow (2014:xii) states that the

benefit of using SPSS is the ease of use for running many statistical analysis. Tests performed include factor loadings, Kaiser–Meyer–Olkin, Bartlett's Test of Sphericity (construct reliability and validity). The following section discussed the test performed.

3.4.7.3 Data analysis

This section offered an outline of the techniques used in the analysis of data. The statistical software called IBM SPSS (Statistical Package for Social Scientists) version 28 was used for exploratory analysis as well as SmartPLS– CFA.

The steps followed in data analysis using SPSS and SmartPLS are:

- After collecting primary data, an excel spreadsheet was used to capture the raw data;
- The data in the excel spreadsheet was then imported into SPSS ;
- The first statistical technique was to perform descriptive statistics. The technique involves presenting frequencies to analyse respondent's profiles and other data using tables, cross–tabulations, pie charts etc.

Table 3–3 gives a summary of the statistical analysis of the measurement instrument of tourism destination competitiveness (development and testing).

Table 3–3: Summary of statistical analysis for the development of the measurement instrument

Type	Analyses	
Program	SmartPLS 3	SPSS 28
Model	PLS–SEM	
Analysis	CFA	EFA
Objective	Structural validity	Discriminant validity and reliability
Tests	Factor loadings– composite/convergent reliability AVE Cronbach's Alpha	Bartlett's Test of Sphericity Kaiser–Meyer–Oklin Cronbach's Alpha

Source: Own compilation

3.4.7.3.1 Descriptive analysis

First, a descriptive analysis was performed. The use of descriptive analysis was to describe the profile of the respondents. Hinton, McMurray and Brownlow (2014:35), state that the main drive of descriptive analysis is to condense the large dataset to ease discussion. For the purpose of this study, the most important descriptors needed are the frequencies of each question. The demographic information in Section A is used.

Factor analysis was performed in order to establish the factors that explain the effectiveness of learnership programmes in addressing skills gaps in the hospitality organisations in Gauteng province. The factor analysis involved the initial extraction of factors. This is called the PCA (principal component analysis). If there are any factors that are cross–loaded, then the Varimax Rotation is performed in order to refine the resultant elements.

3.4.7.3.2 Statistical analysis

The *factor analysis* is a data reduction procedure. This test takes a look at the relationship between variables and to identify fewer variables than explaining these correlations or relationship. Factor analysis consists out of two types, namely (i) principal component analysis and (ii) common factor analysis. The principal component analysis is the most frequently used test. Davies and Fearn (2004:1) define PCA as a technique that is mathematical in nature, which modifies information "*in a data set of samples*". This technique could be used for a few of many variables (Davies & Fearn, 2004:2). However, the more variables present, the more valuable the information.

Factor analysis was used to determine the correlation between variables. Brandon (2011:48) articulates that a correlation analysis is necessary to establish whether the variables are linked and in what way. Patel (2015:2) describe factor analysis as the statistical procedure to reduce data. In the case where there are many variables, it reduces the variables that highly relate to one another as a dimension.

SPSS– EFA

Masood and Lodhi (2016:146) state that the use of the SPSS programme is broadly accepted as an effective qualitative analysis programme. Also, Hinton, McMurray and Brownlow (2014:xii) postulate that the benefit of using SPSS is the ease of use for running many statistical analyses. Where Cronk (2019:6) describes it as a "*powerful*" tool used for statistical analysis. Ong and Puteh (2017:18) mention that SPSS is easy to use, and adequate software to use when performing EFA, Pearson's correlation tests. Lloret, Ferreres, Hernández and Tomás

(2017:427) state that the average variance explained through the use of the Kaiser–Meyer–Olkim method and Chi–square used for goodness–of–fit (ML). Zhang, Li, and Chai (2020:16) postulate that EFA is a form of factor analysis which enables the identification of factors that have an influence on those observed variables. The KMO (Kaiser–Meyer–Olkin) and Barlett's Test is the preferred test to investigate the EFA (Hashim, Mukhtar & Safie, 2019:4). According to Hashim, Mukhtar and Safie (2019:4), the KMO results should be above a 0.5 value in between 0 to 1 range, indicating that factor analyses could be executed. There exists the need to also execute an EFA analysis which could not be done on SPSS. Therefore SmartPLS is required as it could facilitate the testing of EFA.

SmartPLS– CFA

SEM (structural equation modelling) according to Janadari, Sri Ramalu and Wei (2016:187), investigates the interrelationship between variables. SEM has been a popular method in recent years to analyse the validity and reliability of constructs (Hair, Matthews, Matthews & Sarstedt, 2017:109). Covariance–based SEM (CB–SEM) and partial least squares SEM (PLS–SEM) are the two possible methods for SEM. Janadari *et al.* (2016:187) give the differences as (i) CM–SEM is used when testing theories– accepting and rejection and (ii) PLS–SEM is used when "*developing theories in exploratory research*". Therefore, the use of PLS–SEM was more adequate to use as this study aimed to conduct exploratory research in the development and testing of a tourism destination competitiveness index. In PLS–SEM, it is required first to test the outer model named model measurement (Ab Hamid, Sami & Sidek, 2017:2). Therefore the investigating how an item (determinant) loads on the construct, dimension explaining tourism destination competitiveness. The study of Gooroochurn and Sugiyarto (2005) also used CFA for the analysis of weights assigned to the indicators.

As PLS–SEM software is more thorough, it is mostly used in relation to the use of SEM–AMOS software (Ong & Puteh, 2017:18; Sarstedt & Cheah, 2019:201). The rationale for the use of PLS–SEM was the ability to investigate complex models (Olya, 2017:8). For PLS–SEM, this study made use of SmartPLS software which is utilised to investigate complex interconnections between variables (Sarstedt & Cheah, 2019:198). Therefore, SmartPLS was used in this study to investigate the determinants of tourism destination competitiveness. With the PLS–SEM the discriminants validity is given though the AVE (average variance extracted). The AVE gives the average variance that a construct and the measures (items or determinants).

The current study made use of EFA and CFA, which utilises the following:

- Factor loadings: To test the discriminant validity, the AVE values should be higher on itself than any other construct (Hashim, Mukhtar & Safie, 2019:191). Identification of the factors loadings, load onto the factors (determinants), the SEM (structural equation modelling) can be done for structural validity.

- Average variance explained: Average variance explained is used to test for convergent validity (Janadari, Sri Ramalu & Wei, 2016:189). The item loadings also indicated the convergent validity. Janadari *et al.* (2016:190) indicate that the AVE value should exceed 0.5, indicating that the value of the construct that explained the variance of the items (determinants).

- Cronbach's Alpha: Internal reliability according to Bryman and Cramer (2009:363) is a measurement used if there is more than one item, therefore, indicating if there exists coherence between the values indicated by respondents. The reliability can be predicted through the use of the Cronbach's Alpha (α) (Hashim *et al.*, 2019:4). Cronbach Alpha is used to estimate or determine the internal consistency that is associated with the scores from a scale. If there is no consistency, there has not been any reliability of the scores of the scale. Internal reliability, according to Bryman and Cramer (2009:363), is a measurement used if there is more than one item. Patel (2015:4) states that if Cronbach's Alpha (α) exceeds 0.70, it would be acceptable. The closer to one the value of the Cronbach Alpha (α) is the more reliable it is, and the more correct all the variables are to measure the same construct (Hashim, Mukhtar & Safie, 2019:4).

3.5 Empirical study: Time–series econometric analysis for long and short–run relationship: Stage C

A second statistical analysis was performed (empirically) on the available variables of tourism destination competitiveness in the Sedibeng and Fezile Dabi district municipalities with the use of secondary data. This analysis was conducted to establish the link between tourism variables and other relating variables that have an impact on the competitiveness of tourism destinations.

3.5.1 Sample frame, size and period

The time–series econometric analysis was conducted for the period 2001 to 2019. This analysis was done for the Sedibeng and Fezile Dabi district municipalities. Apart from collaborating with the measurement instrument's testing, it could be a sufficient analysis on its own as it creates an empirical picture of the linkages between dependent and independent variables. This gives

more clarity on the state of tourism in the Sedibeng and Fezile Dabi district municipalities. The time–series analysis section of this study takes place from 2001 to 2019. This was due to the availability of data for both districts municipalities. This results in 57 observations for the Sedibeng district municipality which is three local municipalities. For the district municipality of Fezile Dabi, there were 76 observations as there are four local municipalities.

3.5.2 Data collection and variable description

Variables that relate to tourism destination competitiveness were selected to investigate its link to tourism development, as the increase in a regions' tourism destination could positively impact its tourism competitiveness. These variables were selected based on their connection to the three dimensions and 16 determinants used in Section 3.4.5. These variables are economically, socially, environmentally or politically connected to tourism destinations competitiveness. The data were collected on the Quantec™ data site.

The dependent variable for the study was tourism (*tourism*) as the econometric analysis aims to investigate the impact of variables on tourism destination competitiveness or development. Tourism competitiveness or development could be measured by the number of arrivals or the amount of spending on tourism–related goods and services. Therefore the number of arrivals and the amount of spending on tourism–related goods and services was calculated as a single variable. This is known as tourism receipts (tourism arrivals and tourism spending). A more complicated method was used to add the two individual variables together as an index value. The following method was used to calculate the tourism index. This method of the index calculation was followed as tourism arrivals and tourism spending have different criteria.

The independent variables were: Crime– the number of crimes committed for each 100 000 individuals, which explained the level of criminality in a region. Population density– the number of individuals who are in a tourism density area. GVA (gross value added)– this gave the picture from the supply–side of the economy. The human development index (HDI) is a measure that combined four indicators (i) standard of living, (ii) knowledge, (iii) life expectancy and (iv) income. This was a composite and broadly used variable. This was used to measure human development. Tress index– The variables tress index, or the industry composition of economic activity indicated the degree of diversification that is present within an economy– tourism destination. Unemployment rate– the unemployment rate that is present. Exchange rate– the value of the South African Rand in terms of the United States of America Dollar. Health facilities are the number of health facilities that are present in the tourism destination. This includes clinics and hospitals and dispensaries. Note that the variables relate within the specific tourism

destination and discussion is based on the tourism industry and the related variables within the Sedibeng and Fezile Dabi district municipalities.

3.5.3 Statistical analysis

3.5.3.1 Correlation analysis

According to Bryman and Cramer (2009:355), the correlation is a method that results in the level to which two or more factors (in this case, determinants) are linked. The correlation between variables is defined by Islam, Ghani, Kusuma and Theseira (2016:1725) as the "*degree or strength"* that exist among the test variables. This tests whether a linear relationship is present amid variables (Schober, Boer & Schwarte, 2018:1763). According to Neuman (2014:216), the correlation between variables cannot be an assumption but should be tested by use of a formula; $r = \frac{\sum_{i=1}^{N} (Yi - Y)(Xi - X)}{\sqrt{\sum(Yi-Y)^2}\sqrt{\sum(Xi-X)^2}}$. The widely–used formula developed by Pearson (1895) could be simplified in statistical analysis by selected the "correlation" option on the Eviews statistical program. More specifically, the Pearson's correlation gives the link between two variables. This indicates the strength of the relationship between the variables (dimension and determinants) and the selected component. The symbol "r" represents the correlation between the dependent and independent variables. The null hypothesis is (H_0) the occurrence of no correlation between variables. It is important to note that the correlation analysis did not give the causality relationship of variables. The Granger causality test indicates this. Schober *et al.* (2018:1765) propose that the results of the correlation coefficient be interpreted as in Table 3–4.

Table 3–4: Interpretation of correlation coefficient values

r Value range	Interpretation
0.00– 0.10	Negligible and insignificant correlation
0.10– 0.39	Weak correlation
0.40– 0.69	Moderate correlation– still reasonable
0.70– 0.89	Strong correlation
0.90– 1.00	Very strong correlation

Source: Schober, Boer and Schwarte (2018:1765)

According to Dănăcică (2017:150), this value is influenced by the distribution shape, outliers (extreme values) and the sample size. Cui, Sun, Ma and (2020:779) postulate that an r value below 0.3 indicates a low correlation, however, if the correlation value is below 0.30 the correlation value is debatable (Brandon, 2011:48). A r value between 0.3 and 0.5 indicates a

standard average correlation, a r value between 0.5 and 0.8 indicates relative high (Islam, Ghani, Kusuma & Theseira, 2016:1726) and a r value between 0.8 and one is an extremely high correlation between variables.

3.5.3.2 Unit root test

The unit root test followed the correlation analysis preceding the panel analysis (Koyuncu & Ünal, 2020:171). According to Hlsouskova and Wagner (2005:4), the use of a stationary test has increased over time. The results from the unit root test indicated which statistical test should be further conducted. According to Fan and Talib (2019:115), the main reasoning behind the use of unit roots is to identify if there are variables who integrate at the second difference. These variables should then be disregarded as they cannot be used in the model. A shock or an unpredicted development can occur for a variable at a specific period in time (Güriş, Tiftikçigil & Tıraşoğlu, 2017:38). Mirdashtvan, Najafinejad, Malekian and Sa'doddin (2020:1981), postulate that if the "*statistical properties*" of the time–series or model analysed do not change over the time–period it reflects a stationary state. The change or development will subside progressively if variables are stationary. In the case were variables are non–stationary, the change or development will be everlasting. The reasoning behind first testing the stationarity is to avoid results being unauthentic (Shabbir & Zeb, 2019:49). There are four tests for investigating the presence of unit root in panel data (Javed, Ashfaq, Adil & Bakhsh, 2016:789). These test that was performed for this study is namely; Levin, Lin and Chu (LLC), Augmented Dickey–Fuller (ADF), Im, Pesaran and Shin (IPS) and Phillips–Perron (PP).

The **ADF** test for unit roots was developed by David Dickey and Wayne Fuller in 1979. This can be used to test the stationarity of an autoregressive model (Yoong, Latip, Sanusi, Kusairi, Prasetyo, Olilingo, Putra, Salim, Rustam, Haeruddin & Asriati, 2020:140). This unit root test is proposed by Hossain, Siddika, Koly and Akter (2020:72) to be usually accepted and used to test for the presence of unit roots. Koyuncu and Ünal (2020:171) agree with the use on the ADF unit root test as an adequate one when investigating the relationship between variables through panel analysis. Even though this test is seen by researchers as adequate, this study made use al all four tests of stationary. The study of Sarkodie and Owusu (2020) utilised the PP, KPSS and ADF test to investigate the presence of unit roots for the variables. **PP** was developed based on the principles of the ADF testing. **IPS** (1997, 2002, 2003), Liang (2017:19) states that the IPS test is one of the most used in panel analysis. **LLC** (2002) is also used for cross–sectional data (Safdar & Nawaz, 2020:63). The study of Bashir, Ahmad and Nasim (2018) and Safdar and Nawaz (2020) utilised the LLC test to investigate the presence of unit roots. The null Hypothesis is contradictory to the H_0 of the other unit roots in stating the unit roots are present

(Boršič & Bekő, 2018:44). Baker and Yuya (2020:717) mention that the LLC unit root test has the assumption that the panel data have equal autoregressive parameters.

The null hypothesis states that there does not exist unit roots in the series and is therefore stationary whereas the alternative hypothesis has unit roots and non–stationary series (Baig, Ali, Salam & Khan, 2020:248). The rejection of the null hypothesis indicates a stationary time series. The hypothesis is rejected until stationary is a result without moving to second difference i(2) (Javed, Ashfaq, Adil & Bakhsh, 2016:790). This H_0 is only applicable to ADF, IPS and PP (Agiomirgianakis & Sfakianakis, 2016:195). This does not apply to the KPSS test. The Null hypothesis of the KPSS indicates the absence of unit roots, non–stationarity. The unit root results can indicate whether the series' stationarity balanced of unbalanced. Baig, Ali, Salam & Khan (2020:248) defines a balanced stationary series as all the variables having the same level of stationary– either stationary at levels or stationary at first difference. Bahmanshir (2018:135) postulates that the unit root test is used to test the reliability of the variables.

3.5.3.3 Panel analysis

The use of panel analysis has increasingly become popular (Born & Breitung, 2016:1290). This popularity is due to the following reasons, as stated by Paul (2011:1):

- More informative results are achieved as time–series and cross–sections are combined.
- Panel data can analyse information on companies, dimensions of individuals, countries and much more over a specific time–period, therefore, it takes into account heterogeneity as something that is a usual occurrence or phenomenon.
- With the use of panel analysis, data could be better analysed in a way that time–series or cross–section could not do on its own.

The unit root test results indicated that the use of panel ARDL (autoregressive distributive lag) analysis would be an appropriate analysis. Fan and Talib (2019:114) state that the use or ADRL panel analysis is adequate when investigating the long–run and short–run relationships between variables if there is a mixture of unit root results between i(0) and i(1).

Yoong, Latip, Sanusi and KusairI (2020:141) argued that the ARDL method is used because:

- It can be used as a mixture of stationarity– at levels and first different. However, none of the variables at the second difference can be used.
- Effective and reliable analysis method– OLS

3.5.3.3.1 Diagnostic test

With an ARDL model, it is expected that the normality test and cross–section dependence test be executed to test the stability (Hossain, Siddika, Koly & Akter, 2020:72). As such stability of diagnostic tests should be conducted (Rashid, Jieh, Samah & Basri, 2017:80). Diagnostic test indicated the trustworthiness of the panel ARDL model (Shaibu & Omoregbe, 2019:137).

Normality test: Testing the normality of an observation has been a topic of discussion since 1973. The normality test is used according to Torabi Montazeri & Grané (2016:55) and Kundu, Mishra and Khare (2016:8), as a means to investigate whether the sample is distributed normally. The Jarque–Bera test (1987) for normality is widely used to analyse the normality of observation in order to indicate the stability of the analysis (Desgagné & Lafaye de Micheaux, 2018:2308). Jarque and Bera (1987:167) state that this test makes use of Pearson's kurtosis and skewness. These tests are said by Liang, Tang and Zhao (2019:5719) to be the usual test utilized to test normal distribution. Kundu *et al.* (2016:9) give the formula as:

$$JB = n\left[\frac{S2}{6} + \frac{(\mathrm{k}-3)}{24}\right]$$

The *"s"* represents the skewness and *"k"* the Kurtosis coefficient *"n"* the sample size. The skewness takes a look at the symmetry around the means of the probability's density where the kurtosis looks at the height of the probability density (Wijekularathna, Manage & Scariano, 2019:4) in the case where the skewness value of 0 it indicates perfect symmetry of the mean. For the Lurtosisi, a value below one is accepted (Lloret, Ferreres, Hernández & Tomás, 2017:420).

The results should be between 0 and 3 to indicate normal distribution and that a Jarque–Bera statistic below zero is probable (Kundu *et al.* (2016:9). The H_0 is that the observation is normally distributed which could be rejected if the sum of the Jarque–Bera is not near zero. The larger the value of the Jarque–Bera statistic, the higher the possibility to reject H0 (Torabi *et al.*, 2016:55). Kundu *et al.* (2016:9) state that the Jarque–Bera test is best suited to use for larger samples. Therefore the Jarque–Bera test for normality was suitable for this study.

Heteroskedasticity is an issue as it disturbs the model's influxes in terms of their consistency and validity (White, 1980:817). The White test indicates the presence of heteroskedasticity (Koengkan, 2018:4210). The White test is routinely used to investigate the occurrence of heteroskedasticity (Charpentier, Ka, Mussard & Ndiaye, 2019:13). Sarkodie and Owusu (2020:6) give the H_0 of heteroskedasticity as there is no presence of heteroskedasticity and according to White (1980:817), homoscedasticity.

Cross–sectional dependence describes the situation where a "*cross–section's*" variables are correlated with each other. According to Kouassi, Akinkugbe, Kutlo & Brou (2018:55), the H_0 of the LM cross–section dependence is the there exists no cross–section dependence. Sekmen and Gokirmak (2018:151) state that the H_0 is accepted when the probability is above 0.05. The Breusch and Pagan (1980) LM test can analyse the cross–dependence in a panel model (Sezer, 2017:4). The cross–section dependency will, according to Adıgüzel, Bayat and Kayhan (2017:456) indicate the validity of unit roots. However, due to a mixture in unit roots, the current study can only test the normality test and cross–section dependence.

3.6 SWOT analysis: Stage D

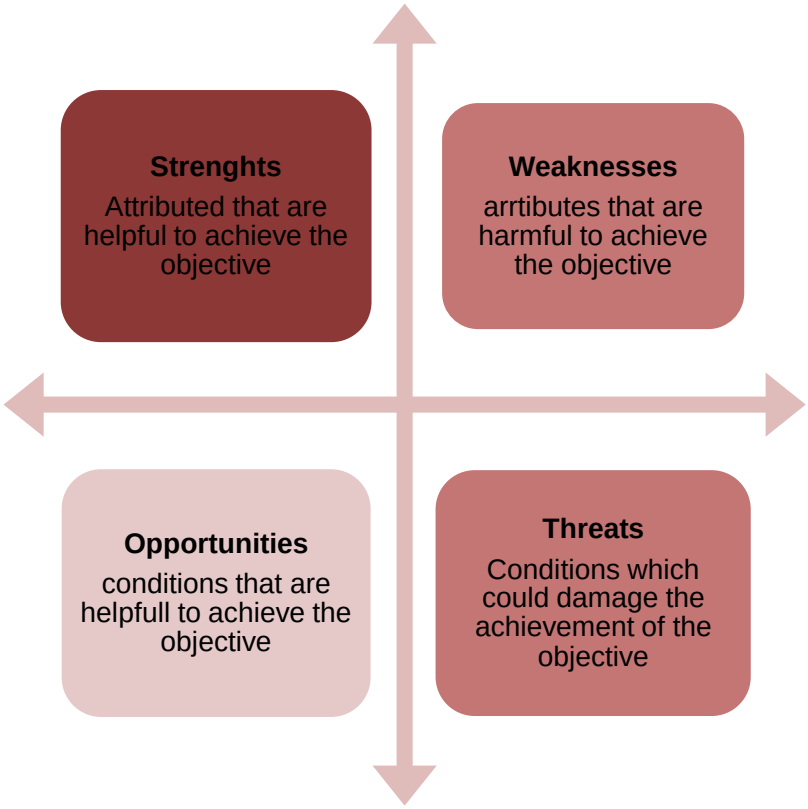
According to Güre and Tatl (2017:1000), if an organisation (this could also apply to a region) undertakes strategic planning, it could have a positive impact on their productivity as assisting in resource allocation. If said organisation or region could ensure effective resource allocation, it could lead to the successful obtainment of set goals such as tourism development of the increase in tourism competitiveness. This is done by a SWOT analysis (Pickton & Wright, 1998:101). The purpose of a SWOT analysis is to deliver strategies through investigating the strengths, weaknesses, opportunities and threats of an organisation or region (Abdel–Basset, Mohamed & Smarandache, 2018:116).

The steps to strategic planning are, according to Gürel and Tat (2017:1001),

1. Vision
2. Missions
3. Objectives to reach
4. SWOT analysis
5. Strategy development
6. Strategy implementation
7. Competitive advantage

When investigating the tourism setup of the Sedibeng and Fezile Dabi district municipalities, it was clear that the first two steps of having a vision and mission were completed and indicated on each district municipality's webpage (Fezile Dabi district municipality (2020); Sedibeng district municipality (2020)). However, these municipalities fail to set out a few key objectives and do not have a SWOT analysis. Thus the development of strategy could be incorrect and/or not sufficient, which means that the implementation could fail to generate the desired effect, which is to achieve the objectives. The competitive advantage of the region was therefore not identified. Figure 3–5 illustrates the SWOT analysis.

Figure 3–5: SWOT analysis



Source: Hatta, Riskarini and Ichwani (2018:353)

An internal and external analysis (Güre and Tat, 2017:1000) in the form of a SWOT analysis is performed. Hatta, Riskarini and Ichwani (2018:352) state that a SWOT analysis takes a look at the strengths, weaknesses, opportunities and threats that have an impact on the organisation, in this case, district municipalities. The current study's SWOT analysis was done for both Sedibeng and Fezile Dabi district municipalities (regions). The interviews were used to complete the SWOT analysis. However, the information for the SWOT analysis was mainly received from interviews with experts in each region. Interviews were conducted face–to–face or telephonically due to national regulation during the COVID–19 pandemic. A total of six respondents (three in the Sedibeng district municipality and three in the Fezile Dabi district municipality) have participated in the SWOT analysis. These respondents were selected based on their knowledge of the district municipality's tourism industry, purposively, (i) they should have knowledge and experience in the field and its application, (ii) they should have the willingness and capacity to participate, (iii) they should have sufficient time to participate and (iv) they should have communication skills to have the ability to answer the questions.

Additionally, during telephone interviews with questionnaire respondents, some would elaborate on the reasoning for their value indicated for determinants in the selected regions.

These insights were also used to develop the SWOT analysis. It should be noted that a balance between quality and quantity of entries must be held to ensure a sufficient and accurate analysis.

The advantages of SWOT analysis, according to Gürel and Tat (2017:1003) are:

- This could give a broader scope to a possible answer to the problem.
- This could be applied from a broad perspective such as individual, firms–based, national and international perspective.
- Assist in the identification of opportunities that could be utilised to improve market position (competitiveness).
- This analysis is in line with theories and analyses of Porter, Delphi Panel and Norton Balance Score Card.
- This is a simplistic analysis in nature (Pickton & Wright, 1998:101).

The disadvantages of SWOT analysis, according to Gürel and Tat (2017:1004) are:

- The internal (strengths and weaknesses) analysis could be biased, and this is from the organisation of the region's point of view only.

However, in this study, the SWOT analysis is not solely dependent on the viewpoints of the district municipality but also based on other analytic findings. The studies of Chens, Sok and Sok (2008), Ritchie and Sheehan (2010), Liu (2013) and Dimanche (2019) made use of qualitative data in the form of interviews to determine the levels of competitiveness in selected tourism destinations. These studies had tourism experts and stakeholders of the tourism destination as respondents.

3.7 SYNOPSIS

The distinction between the terms *research design* and *research methodology* is given in Section 3.2 and Section 3. The research methodology is the viewpoints of the researcher, which influences the way in which research is conducted. It was distinguished that ontology is the philosophy of reality and epistemology is how we know that reality and methodology are the specific practices used to obtain knowledge. The research design is the plan or strategy that a study follows to get an answer to the research question. Therefore, it guides the study to results. Selecting the research design is based on critical thought. A conscious decision was

made to cover most areas by undertaking a questionnaire, time–series econometric analysis and SWOT analysis by use of qualitative and quantitative research methods. The research method, therefore discussed in terms of the four stages of the research design for the realisation of the study objectives (see Figure 1–1). Stage A the literature review, Stage B measurement instrument development and testing, Stage C the time–series statistical analysis and Stage D the SWOT analysis. Chapter 4 discussed the results of the development and testing of the measurement instrument as a measure of tourism destination competitiveness of the Sedibeng and Fezile Dabi's district municipalities.

CHAPTER 4: RESULTS AND DISCUSSION OF THE MEASUREMENT INSTRUMENT

4.1 INTRODUCTION

The competitiveness of a tourism destination is an intricate concept (Cimbaljević, Stankov & Pavluković, 2019:2472). Therefore, a combination of investigation methods would be appropriate to ensure adequate analysis. Preceding chapters explained the purpose of the study, the methodology and method followed to produce results. Chapter 1 gave the objective of this study, which was to investigate determinants that leads to an increase in a tourism destination competitiveness or tourism development. The identification of tourism destination competitiveness determinants was made through a literature review on concepts, determinants and models of tourism destination competitiveness in the second chapter. Chapter 3 gave the methodology approach on which the research design was based. This study investigated the impact of various determinants on tourism developments in a regional tourism destination. To successfully identify the quantitative and qualitative impact of determinants on tourism destination competitiveness, the following three analyses are executed. Chapter 4 puts forward the results from the development and testing of the measurement instrument in Sedibeng and Fezile Dabi district municipalities. First, a tourism destination measurement instrument was developed and tested that makes up Stage B in the study. Phase 1 to 7 based on Churchill (1979) and Hinkins (1995) as described in Chapter 3 Section 3.3.2.4.

4.2 DEVELOPMENT OF THE TOURISM DESTINATION COMPETITIVENESS MEASUREMENT INSTRUMENT

Chapter 3, Section 3.3.2.4 discussed the best practices of measurement development. This study followed the generally accepted principles and designs of Churchill (1979) and Hinkin (1995). A tourism destination competitiveness measurement instrument was developed by means of the following phases:

4.2.1 Phase 1: Identification of the construct domain– an investigation into determinants of TDC

The construct domain developed “tourism destination competitiveness measurement instrument” intended to help the regional level tourism in the Sedibeng and Fezile Dabi district municipalities that form part of Gauteng province and the Free State province, respectively.

4.2.2 Phase 2: Determinants selection: item generation

Item generation was done through existing literature and categorisation of items into determinant and dimensions. A literature review and previous research (Van der Schyff, 2019) were used as a starting point for determinant selections on which the development of the measurement instrument was based on. Also, existing models of tourism destination competitiveness were analysed to develop a comprehensive measurement instrument. The purpose of Chapter 2 provided the identification of relevant and current determinants of tourism destination competitiveness.

4.2.3 Phase 3: Pre–testing:

During Phase 3 the initial data collection and purification by using expert validation, pilot testing and scale refinement, modification and finalisation were done.

- Pre–testing: The pre–testing completed by done by industry and subject experts nationally and internationally. These experts were requested to give the importance weight value and priority value of each determinant and dimension to tourism destination competitiveness or development (expert validation). The pre–testing phase also requested additional inputs on the selection of relevant determinants, the development of the measurement instrument and overall critical investigation (Chapter 3, Section 3.4.3). The reasoning behind the different values that are given to each dimension and determinant is due to the fact that not all the tourism destination competitiveness determinants or dimensions carry equal importance in leading to tourism destination competitiveness and for that reason, it was important for the subject and industry experts to give the priority and importance weighting of each dimension and determinants. The results were recorded on Microsoft Excel™ to ease simple calculations through the use of formulas. According to Hashim, Mukhtar and Safie (2019:4) the pre–testing by expert opinions is a method of determining the validity of the questionnaires (the measurement instrument). However, the validity of the measurement instrument itself was statistically investigated.

- Scale refinement, modification and finalisation: The pre–testing phase also requested additional inputs on the selection of relevant determinants, the development of the measurement instrument and overall critical investigation.

4.2.3.1 Priority results of dimensions and determinants of tourism destination competitiveness

The priority was requested as it indicates the precedence of each dimension and determinant in leading to tourism destination competitiveness. The following instructions were given to complete the priority ranking;

- Determinants in dimension (1) Resources– Rank from 1 to 6 *(1– highest priority and 6– lowest priority)*
- Determinants in dimension (2) Infrastructure– Rank 1 to 8 *(1– highest priority and 8– lowest priority)*
- Determinants in dimension (3) Enabling Environment and Authorities– Rank 1 to 7 *(1– highest priority and 7– lowest priority).* Table 4–1 gives the priority values of the dimensions and determinates gathered from the pre–testing phase by industry and subject experts.

Table 4–1: Priority values for tourism destination competitiveness

Dimension or Determinant	Average priority value	Priority rank
1. Resources	**1.74**	**2**
1.1. Natural resources and strategic location	1.81	1
1.2. Historical and cultural resources	3.42	3
1.3. Technology, innovation and communication	3.81	4
1.4. Entrepreneurship, business community and work force	4.33	2
2. Infrastructure	**1.71**	**1**
2.1. Health and education facilities	5.17	5
2.2. Accommodation facilities	3.16	1
2.3. Transportation facilities	3.58	2
2.4. Sport and recreation facilities	5.74	6
2.5. Food and drink facilities	4.32	4
2.6. Essential services	3.97	3
3. Enabling environment and authorities	**2.55**	**3**
3.1. Public–private partnerships	5.35	6
3.2. Safety and security	2	1
3.3. Government spending and efforts	3.99	4
3.4. Local leadership and political stability	3.77	2
3.5. Red tape limitation	3.70	2
3.6. Macro–economic environment	4.58	5

Source: Own compilation

It should be noted that the results given in Table 4–1, represents the average values of the determinants and dimension after the adjustments recommended by industry and subject experts were implemented. As these experts opinions regarding the priority values and importance weights were given in conjunction with the recommended adjustments, it resulted in distinct values of these determinants before they were combined as discussed in Chapter 3 Section 3.4.4 namely Phase 4. In order to provide one value for determinates combined, the average values of the two determinates were used to then again calculate the average value of the combined determinants. In addition, It should be noted that the values of the dimensions are not the average values of the determinants but the average values of the specific dimensions given by the dimensions out of three.

Priority results of dimensions of tourism destination competitiveness

The dimension **resources** have an average priority value of 1.74 out of three. The dimension of **infrastructure** has the lowest priority average of 1.17 out of the three dimensions. The **enabling environment and authorities** dimension have an average priority value of 2.55 out of three. Therefore the priority rankings of the dimensions were: **1**– infrastructure, **2**– resources and **3–** enabling environment and authorities. Infrastructure has according to the subject and industry experts the highest priority. Jovanović and Ivana (2016:289) found similar priorities with this finding in stating that tourism infrastructure is the foundation on which of tourism development is built. Strategies could be developed by using the priority values are a benchmark for objective identification and strategy development. Of the three dimensions, the lowest priority was given to enabling environment and authorities. This priority ranking could be a push for the community members and local tourism–related businesses (adventure activities, accommodation facilities, conference and wedding venues, food and beverage facilities, souvenir shops, tour agencies and guides, transportation services) to step up to the challenges of making their efforts and strategies to improve their tourism destination.

Priority results of determinants of tourism destination competitiveness

In the dimension *Resources* with an averaged priority value of 1.74, the following values were given to the determinants in the dimension. The determinant, **natural resources and strategic location** have an average priority value of 1.81 out of the four determinants. **Historical and cultural resources** have a priority average of 3.42 out of four determinants in the resources dimension. A study by Stetic, Simicevic, Pavlovic and Stanic (2014) had a similar finding in stating that cultural and historical richness has an importance value of 4.26 out of five. For **technology, innovation and communication,** a value of 3.81 is given for the average priority out of the four determinants. **Entrepreneurship, business community and workforce** is given

a 4.33 value for the average priority between the four determinants. Therefore the priority value of the determinants in the resources dimension is; **1**– natural resources and strategic location, **2**– entrepreneurship, the business community and workforce, **3**– historical and cultural resources and **4**– technology, innovation and communication. The natural resources and strategic location have a significant influence on tourism competitiveness. As such, natural resources and the strategic location are the most important determinants in the dimension of resources. The model of Ritchie and Crouch (1993) agrees with this in stating that resources are among the four important determinants that encourage tourism destination competitiveness. Also, Lo, Mohamad, Chin and Ramayah (2017:764) believe that natural resources are greatly important as it and cultural resources attract more tourism arrivals to a tourism destination. The second priority in the dimension resources is given to entrepreneurship, the business community and workforce. Jaafar, Rasoolimannesh and Lonik, 2015:18) state that entrepreneurship is a great benefit of the tourism industry as it has easy start–up and not large capital needed to open a start–up tourism–related business.

In the dimension *Infrastructure* with an averaged priority value of 1.71, the following values were given to the determinants in the dimension. **Health and education facilities** were rated with an average priority value of 5.17 out of the six determinants in the dimension infrastructures. An average of 3.16 is given to **accommodation facilities**. For **transportation facilities,** 3.58 was given as the average of the priority level. A low priority value of 5.74 was awarded to **sport and recreation facilities.** An average value of 4.32 was given to the priority of **food and drink facilities**. Stetic *et al.* (2014) state that an important value of 2.97 out of five was given to food and drinks facilities as an important contributor to a tourism destination's success. The **essential services** of a tourism destination have a priority average of 3.97 out of the six determinants in the infrastructure dimension. Therefore the priority value of the determinants in the infrastructure dimension is; **1–** accommodation facilities, **2–** transportation facilities, **3–** essential services, **4–** food and drink facilities, **5–** health and education facilities **6–** sport and recreation facilities and. The result that accommodation facilities should be the most important in terms of priority for tourism destinations is not surprising. Excellent accommodation facilities are needed to encourage overnight tourism. If tourists spend a night in a tourism destination, they would be more encouraged to spend more on goods and services in the tourism destination.

In the dimension *Enable environment and authorities* with an averaged priority value of 2.55, the following values were given to the determinants in the dimension. **Public–private partnerships** have an average priority value of 5.35. The priority ranking of **Safety and Security** of a tourism destination was rated at 2. **Government spending and efforts,** on

tourism and marketing efforts and sustainable tourism policy and destination management, are the second least important precedent for tourism destination competitiveness as it has a value of 4 for the average priority. In similar research, Jaafar, Rasoolimannesh and Lonik (2015) investigate the limiting effects of certain factors on tourism destination competitiveness. The results indicate that the lack of marketing skills is extremely limiting to tourism destination competitiveness with a value of 3.42 out of five. As such strong marketing efforts will have a positive impact on tourism destination competitiveness. Also, Das and Dirienzo (2010:477) mention that there is a high positive correlation of 0.78 between tourism destination competitiveness and the reduction of corruption levels. As such, this study indicates that a reduction in corruption could possibly lead to an increase in tourism destination competitiveness. The **local leadership and political stability** have 3.77 as the average priority. The average priority value of 3.70 was a result of the determinant **rep tape.** The **macro–economic environment** of a tourism destination, as a determinant, was given an overall average value of 4.58 put of the entire six determinants in the infrastructure dimension. Therefore the priority value of the determinants in the enabling environment and authorities dimension are; **1**– safety and security, **2**– red tape, **3**– local leadership and political stability, **4**– government spending and efforts and **5**– private–public partnerships and **6**– macro–economic environment.

Overall the following five determinants have the highest priority throughout the three dimensions **1**– Natural resources and strategic location, **2**– safety and security, **3**– accommodation facilities, **4**– historical and cultural resources and **5**– transportation facilities.

4.2.4 Phase 4: Adjustment and refinement of the measurement instrument

As stated in Chapter 3, Section 3.4.4, the industry and subject experts are the pre–testing Phase 4 made the following recommendations

The following were the main recommendations and comments were made:

- To make questionnaires available online and not only Microsoft Word. This protects respondents' identity and also simplifies completing the questionnaires.

- Reduction of the number of determinants to ensure easy questionnaire completion by respondents. Therefore, the two determinants "*government spending on tourism and marketing efforts*" and "*sustainable tourism policies and destination management*" were combined as "*government spending and efforts*".

- In addition "*health and education facilities*" were also combined.

- Communication facilities were added under the dimension "*resources*" with "*technology and innovation*".

- Relocating the determinant "*strategic location*" as a factor for the determinant "*natural resources'* as it is more appropriate.

- As a result, the measurement instrument had 16 determinants within the three dimensions explaining tourism destination competitiveness

- It should be recognised that the success of a tourism destination is dependent on the demand or needs of a tourist. For example, a tourist could possibly be interested in a secluded and remote area, and as such, the strategic location of a tourism destination would be positive, if the tourism destination as opposed to a tourism destination that is in the "hustle and bustle" of a region.

4.2.5 Phase 5: Calculation of index value

The pre–testing phase of the study was completed by industry and subject experts. The index value was calculated by using the importance of weighting of each dimension and determinant. The index value is calculated by use of the importance weighs provided by subject and industry experts. Table 4–2 gives the average importance weighting and the calculated index values for the tourism destination competitiveness measurement instrument by industry and subject experts.

Table 4–2: Importance of weight results for dimensions and determinants of tourism destination competitiveness

Dimension or Determinant	Average weight value	Index value
1. Resources	**3.55**	0.9317
1.1.Natural resources and strategic location	3.34	0.8766
1.2.Historical and cultural resources	3.16	0.8294
1.3.Technology, innovation and communication	2.95	0.7742
1.4.Entrepreneurship, the business community and workforce	2.87	0.7533
2. Infrastructure	**3.45**	0.9055
2.1.Health and education facilities	2.74	0.7192
2.2.Accommodation facilities	3.77	0.9895
2.3.Transportation facilities	3.74	0.9816
2.4.Sport and recreation facilities	2.81	0.7375
2.5.Food and drink facilities	3.71	0.9738

2.6.Essential services	3.42	0.8976
3. Enabling environment and authorities	**3.26**	0.8556
3.1.Public–private partnerships	2.03	0.5328
3.2.Safety and security	3.81	1
3.3.Government spending and efforts	2.90	0.7612
3.4.Local leadership and political stability	3.14	0.8241
3.5.Red tape limitation	3.16	0.8294
3.6.Macro–economic environment	2.64	0.6929

Source: Own compilation

It should be noted that the results given in Table 4–2, represents the average values of the determinants and dimension after the adjustments recommended by industry and subject experts were implemented. As these experts opinions regarding the priority values and importance weights were given in conjunction with the recommended adjustments, it resulted in separate values of these determinants before they were combined as discussed in Chapter 3 Section 3.4.4 namely Phase 4. In order to provide one value for determinates combined, the average values of the two determinates were used to then again calculate the average value of the combined determinants. In terms of the dimension, the importance values indicated that resources are the most important, followed by infrastructure, and the least essential dimension is enabling environment and authorities. In terms of the determinants, the five most important determinants are;

1– **Safety and security**: This agrees with the high rating the current study has for safety and security in regional tourism destination at 3.81 out of 4. Which is consistent with other research such as a study by Bulatovic and Rajovic (2015), reported that safety and security have a 3.43 out of five importance value. **2**– **Accommodation facilities**, with a value of 3.77 the accommodation facilities have received the second–highest importance weighting. **3**– **Transportation facilities**: The definition of tourism, "*the activities of persons traveling and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes*" as developed by the UNWTO (United Nations World Tourism Organisation) (2008:1), highlights transportation as an essential facilitator of tourist arrivals. The importance values of the transportation facilities indicated that with a 3.74 value it is the third most important determinant in the measurement instrument. **4**– **Food and drink facilities**, was one of the key attractions to a tourism destination with an importance weight of 2.81 out of four. **5**– **Natural resources and strategic location**: Lo, Mohamad, Chin and Ramayah (2017:364) agree that the natural resources which can also include the strategic location of a tourism destination are pivotal to ensure success. A study by Bulatovic and Rajovic

(2015:12) agrees with this high importance of 3.34 out of five of this study in stating that they received 4.06 out of 5 for cleanliness. The cleanliness depends on the maintenance of natural resources such as the fine and flora to reduce any form of pollution. The current study indicated an importance value of 3.34 for the determinant *natural resources and strategic location*.

4.2.5.1 Development of measurement instrument

The index value of each dimension and determinant was developed by use of the importance weights through the following formula:

$$Index\ value = \frac{determinant\ or\ group\ value}{3.81(largest\ weight\ value)}$$

The index value was calculated by dividing each dimension and determinants with the largest average weighted value 3.81 (*safety and security*) to produce an index value. For the dimensions and determinants to be on the same scale and to simplify interpretation, it is necessary to convert the average values to an index value. The higher the index value to one, the more important the determinant and dimension is to lead to tourism destination competitiveness. The index value calculation was required as the determinants and dimensions were weighted differently and should be on the same scale to ensure accurate analysis.

4.2.6 Phase 6: Questionnaire design

The questionnaire was successfully designed with the adjustments made stated in Chapter 3, Section (see Annexure B)

4.2.7 Phase 7: Pilot study– Administering of the measurement instrument

The pilot study was used to determine the validity and reliability of the measurement instrument (Hashim, Mukhtar & Safie, 2019:3). The testing of the measurement instrument was done by using purposive sampling of 400 respondents in selected municipality districts in Sedibeng consisting of three local municipalities and Fezile Dabi consisting of four municipalities. Prior to administering the questionnaire to samples 1 and 2, the purpose and objective of the research was clarified to the respondents and ensured confidentiality and anonymity and obtain consent from the respondents. During the data collection process, questionnaires were administered to 400 respondents. The sample was split into two samples, namely Sedibeng district municipality (sample 1) and Fezile Dabi district municipality (sample 2). Sample 1 was used as a pilot testing of the measurement instrument and sample 2 was used to confirm the measurement instrument. Data collection was done during the months from July to August year 2020 on sample 1, and for sample 2 it was collected during the months from August to September 2020.

Questionnaires were distributed to 200 respondents of the Sedibeng district municipality and 200 to respondents at the Fezile Dabi district municipality. These questionnaires were administered through hard copies and electronic documents. Out of the 400 respondents, 197 were received from Sedibeng and 188 received from Fezile Dabi district. As mentioned by Noar (2003:626) and Rubio *et al.* (2001), certain researchers see a sample of 500 as desirable for performance exploratory or confirmatory analysis whereas other researchers regard 300 as sufficient and 150 as the minimum for the process of scale development. The final questionnaire, as handed out to the respondent, can be seen in Appendix B. Table 4–3 provides the sample size and response rate.

Table 4–3: Sample size and response rate

Item	Sedibeng DM	Fezile Dabi DM	Total
Questionnaires distributed	200	200	400
Questionnaires returned	197	188	385
Unusable questionnaires	19	28	47
Useable questionnaires	160	160	320
Response rate	98.5%	94%	96.25%
Percentage useable	80%	80%	80%

Source: Own compilation

The main purpose of this study was to develop an instrument that measures tourism destination competitiveness. The instrument was the tourism industry–specific for regions. The approach followed in this study was to use the Sedibeng district municipality's tourism industry as the pilot study. The Sedibeng district municipality was used as sample 1 to purify and refine the instrument and sample 2 Fezile Dabi district municipality was a replication of the results.

The demographics of the Sedibeng district municipality and the three local municipalities can be seen in Chapter 5, Section 5.3.1 below. The demographics of the Fezile Dabi district municipality and its four local municipalities could be seen in Section 5, Section 5.4.1 below.

The instrument administered consisted of 16 items that consisted of Section A, Demographical part (age, gender, district municipality, town or area of tourism activity, the respondent's area in tourism) and a Sections B, C and D with three dimensions, namely:

- Section B– Dimension 1– Resources– 4 items,
- Section C– Dimension 2– Infrastructure– 6 items and

- Section D– Dimension 3– Enabling Environment and Authorities– 6 items.

As mention above the instrument was based on an in–depth literature study and determinant as identify by Van der Schyff (2019). Table 4–4 gives the 16 items of the measurement instrument.

Table 4–4: The 16 items and three dimensions of the measurement instrument

Dimensions	Codes	Items / determinants	Likert Measuring scale
RESOURCES	R1	How are Natural resources and strategic location performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	R2	How are Historical and Cultural resources performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	R3	On what level are Technology and innovation as well as communication as performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	R4	How are Entrepreneurship and the Business community and Labour force performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
INFRASTRUCTURES	I1	How are the Health and Education facilities performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition

	I2	How are the Accommodation facilities performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	I3	On what level are Transportation facilities performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	I4	How are the Sport and Recreation facilities performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	I5	How are the Food and Drink facilities performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	I6	How are the Essential services performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
ENABLING ENVIRONMENT AND AUTHORITIES	EA1	How are the Private–Public partnerships performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	EA2	How are the Safety and Security performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance

			3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	EA3	How is government Spending and efforts performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	EA5	Is there limited Red tape encouraging business?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition
	EA6	How is the Macro–economic environment performing to ensure TDC?	0– No facilities available 1– No facilities available– lack of performance 2– Facilities available– lack of performance 3– Average performance 4– Performing adequate– could improve 5– Performing efficiently– perfect condition

Source: Own compilation

4.2.7.1 Data analysis and results

In the paragraphs that follow the statistical actions used to analyse the data was discussed, but before data analysis can be performed, data preparation needs to be completed. Several processes such as data coding, data entry, missing values recovery, data transformation need to be performed (Bhattacherjee, 2012). As mentioned above the questionnaire was handed out in hardcopy by the researcher and electronic format by the researcher and external data collectors. The data preparations consisted of:

- After collecting primary data, an excel spreadsheet was utilised for capturing the raw data and performing data cleaning;
- The data in the excel spreadsheet was then saved as a CSV file to be able to be imported into SPSS and SmartPLS
- The validation and reliability of the measurement instrument were tested by using EFA (exploratory factor analysis) was performed to identify the dimension using IBM SPSS and CFA (confirmatory factor analysis) using SmartPLS .

The purpose of the use of SmartPLS in addition to SPSS is due to the additional test that could be conducted on SmartPLS statistical programme required to analyse validity and reliability. To assess the factor analysis, Kaiser–Meyer–Olkin Measure of Sampling Adequacy and the Bartlett's Test Sphericity was used as given in Table 4–5.

Table 4–5: Barlett's Test of Sphericity and KMO

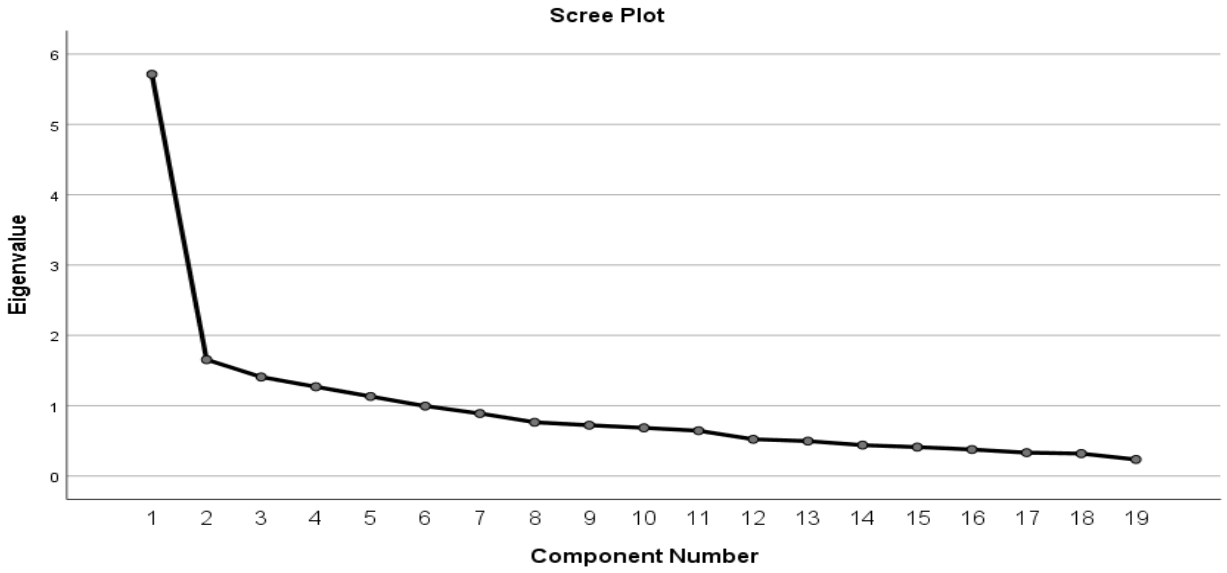
	Sample 1: Sedibeng district municipality			Sample 2: Fezile Dabi district municipality		
	Resources	Infrastructure	Enabling environment and authorities	Resources	Infrastructure	Enabling environment and authorities
Kaiser–Meyer–Olkin Measure of Sampling Adequacy	.747	.757	.839	.752	.750	.769
Bartlett's Test of Sphericity Approx. Chi–Square	191.315	264.607	301.961	124.748	209.062	268.693
Df	10	21	21	10	21	21
Sig.	.000	.000	.000	.000	.000	.000

Source: Own compilation

The KMO (Kaiser–Meyer–Olkin) examined the appropriateness of factor analysis, and it is seen in Table 4–5 a KMO of O.747 for *resources*; KMO of 0.757 for *infrastructure* and a KMO of 0.839 for *enabling environment and authorities* was obtaining. In Table 4–5 for sample 2 (Fezile Dabi district municipality) a KMO of 0.752 for Resources; KMO of 0.750 for Infrastructure and a KMO of 0.769 for Enabling Environment and as indicated by Hair *et al.* (2010: 404) the factor analysis would be appropriated.

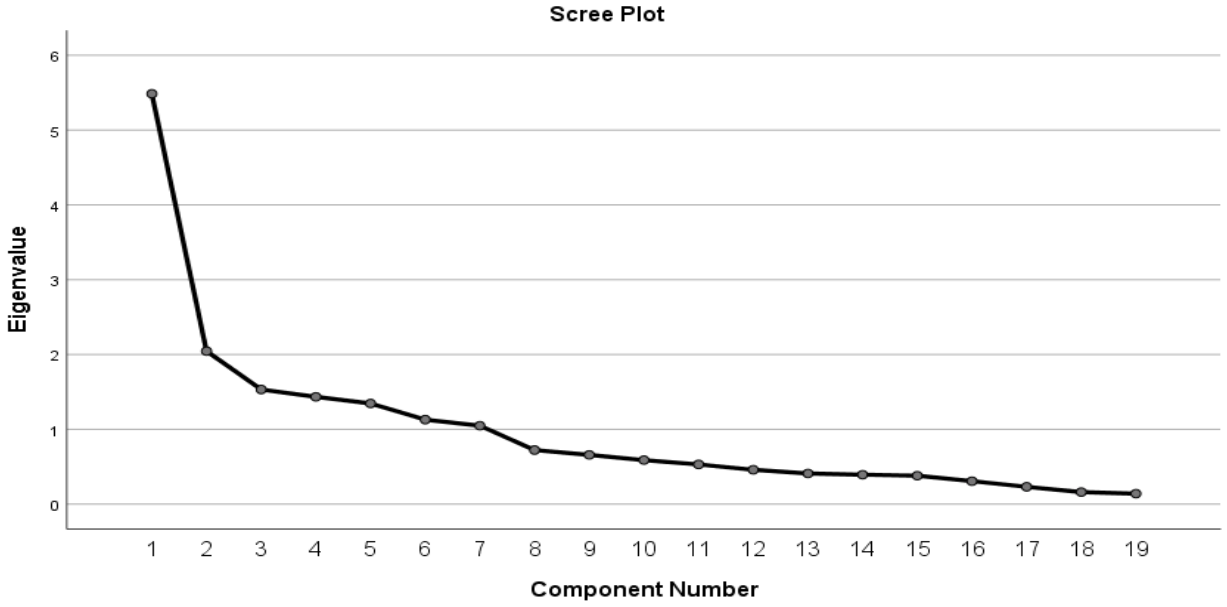
Exploratory Factor Analysis for sample 1 (Sedibeng district municipality) and sample 2 (Fezile Dabi district municipality) was performed to look at Bartlett's Test and Measurement of Sampling Adequacy. It is clear from Snedcor and Cochran (1989) that non–normality would be shown if the sample originated from non–normal distribution. As seen from Table 4–5, the test is confirmed that factor analysis would indeed be applicable as the significance was below 0.05. Figures 4–1 and 4–2 provide the scree plots for the Sedibeng and Fezile Dabi district municipalities.

Figure 4–1: Scree plot for the Sedibeng district municipality



Source: Own compilation

Figure 4–2: Scree plot for the Fezile Dabi district municipality



Source: Own compilation

The scree plots also showed that three factors could be extracted for sample 1 and sample 2 (see Figures 4–1 and 4–2). Figure 4–2 (Sedibeng district municipality) and Figure 4–2 (Fezile Dabi district municipality). Table 4–6 gives the exploratory factor analysis for sample 1 and 2.

Table 4–6: Results of exploratory factor analysis (EFA) on the 16–items for the three dimensions

	Sample 1: Sedibeng district				Sample 2: Fezile Dabi district			
Item	**Factor Loading**	**Eigen Value**	**% Variance Explained**	**Cronbach Alpha**	**Factor Loading**	**Eigen Value**	**% Variance Explained**	**Cronbach Alpha**
Resources		2.564	51.283	.760		2.287	45.748	0.694
R1	.765				.755			
R2	.754				.749			
R3	.719				.568			
R4	.622				.734			
Infrastructure		3.027	43.249	.778		2.765	39.503	0.743
I1	.671				.616			
I2	.663				.662			
I3	.732				.551			
I4	.719				.697			
I5	.596				.632			
I6	.608				.663			
Enabling environment and authorities		3.322	47.458	.814		2.928	41.823	0.763
EA1	.717				.594			
EA2	.600				.571			
EA3	.675				.600			
EA4	.678				.714			
EA5	.789				.661			
EA6	.655				.774			

Source: Own compilation

To assess validity using ***Confirmatory Factor Analysis (CFA)*** was performed using SmartPLS. Before SEM (structural equation modelling) can be performed the number of factors, and the item loadings onto the factor, need to be known. Therefore an EFA was completed (see Table 4–6 above) before a CFA was performed. A PLS–SEM CFA (confirmatory factor analysis) was performed utilising SmartPLS software. Structural validity of the scale was established . PLS–SEM was selected for the main repetition of the confirmatory analysis mainly because it fits for non–normally scattered data (Hair, Hult, Ringle & Sarstedt, 2014). Therefore, CFA was completed as a second factor analysis to enhance the assurance of new instrument to measure

tourism destination competitiveness from the viewpoint of respondents within the Sedibeng district municipality (sample 1) and the Fezile Dabi district municipality (sample 2).

To identify the dimensions/factors of sample 1 and 2 an EFA was performed to reduce the data and to refine the instrument and to evaluate the discriminant validity of the dimensions/factors identified (Farrell, 2010). A simple principal component analysis was performed on 16 items for sample 1 and sample 2. To be able to identify the dimensions or factors extract, the Eigenvalues, the percentage of variance explained and individual factor loadings were deliberated. The results showed that three dimensions or factors were extracted with eigenvalues larger than one.

Table 4–6 identifies *resources* as a dimension/component as it has an Eigenvalue above one equal to one component solution. Therefore, the first component for Sedibeng district municipality explains 51.283 percent and for Fezile Dabi district municipality a 45.748 percent of the total variance, which is accepted in practice.

It is clear from Table 4–6 that items did not cross–load and the factor loadings ≥ 0.4 were considered significant. As portrayed, the factor loadings stretched from 0.569 to 0.789, meaning that all items were useful measures of their factors. The Cronbach's Alpha s that exceed 0.70 indicate that all the factors were internally consistent and well defined by their items (DeVellis, 2003).

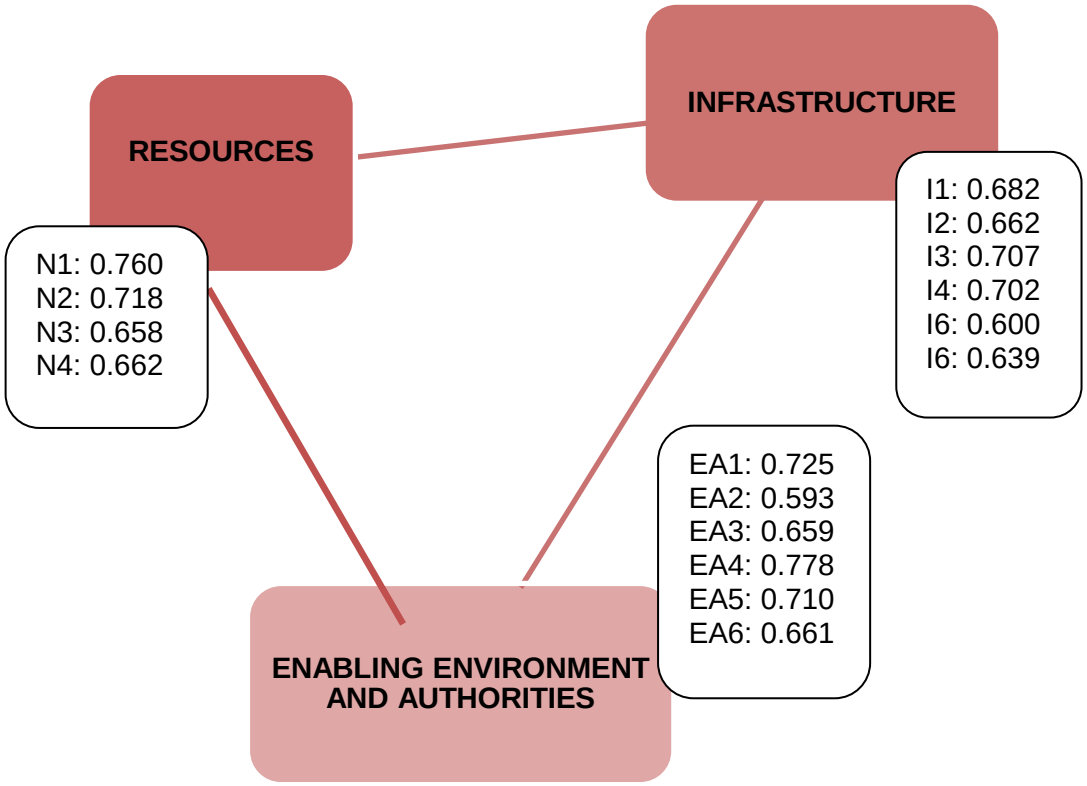
For the second dimension infrastructure for Sedibeng District municipality 43.249 percent of the total variance is accounted for component 2 extracted and explained but for Fezile Dabi district municipality total variance of 39.503. For the third dimension, a total variance of 47.458 percent can be explained for Sedibeng district municipality and 41.823 percent for the Fezile Dabi district municipality. The reliability statistics for the dimension resources are given in Table 6–6 using SPSS.

The first step which needs to be tested is internal consistency. Researchers widely use Cronbach Alpha to evaluate a questionnaire's consistency. The closer the Cronbach Alpha is to 1.0, the greater the internal consistency. As seen in Table 4–6, the results of the Cronbach Alpha are provided after running the analysis in IBM SPSS. The Cronbach Alpha for *resources, infrastructure and enabling environment and authorities* was above 0.70 for sample 1 and 2 except for the Cronbach Alpha for *Resources* for sample 2 was below 0.70. However, as mentioned by Nunnally and Bernstein (1994), it is acceptable. Therefore, the findings reported in Table 4–6 confirm the discriminant validity and the reliability of the 16 items used to measure the three dimensions for both sample 1 and sample 2. Both the discriminant validity and reliability demonstrate construct validity.

4.2.7.2 Assess validity using Confirmatory Factor Analysis (CFA)

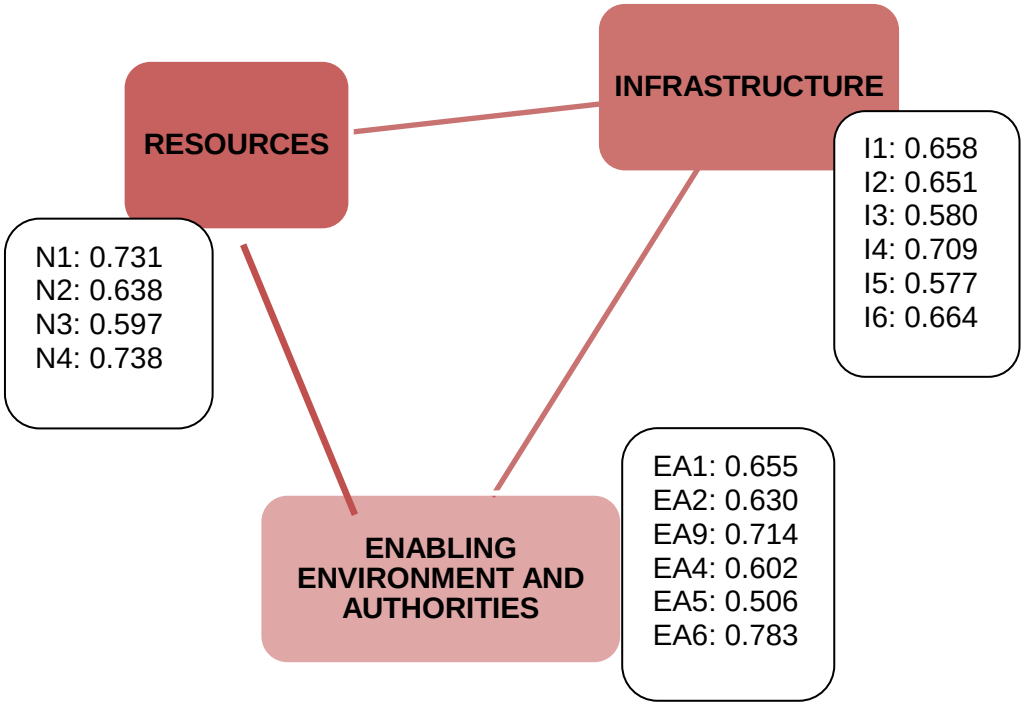
Before SEM (structural equation modelling) can be performed the number of factors, and the item loadings onto the factor needs to be known, and therefore, an EFA was completed before a CFA was performed. A PLS–SEM CFA was performed utilising SmartPLS software. Structural validity of the scale was established. PLS–SEM was selected for the primary iteration of the confirmatory analysis mainly because it is appropriate for non–normally distributed data (Hair, Hult, Ringle & Sarstedt, 2014). Therefore, CFA was performed for a second factor analysis to enhance the confidence of new instrument to measure tourism destination competitiveness from the perspective of respondents within the Sedibeng district municipality (sample 1) and the Fezile Dabi district municipality (sample 2). Figure 4–3 and Figure 4–4 indicate the results for the PLS–SEM confirmatory analysis.

Figure 4–3: PLS–SEM confirmatory factor analysis for Sedibeng district municipality, with SmartPLS



Source: Own compilation

Figure 4–4: PLS–SEM confirmatory factor analysis for Fezile Dabi district, with SmartPLS



Source: Own compilation

SmartPLS was used as the PLS–SEM extracted model is seen as a more true one according to the findings of Afthanorhan (2013) who directed a cooperative CFA analysis using both SmartPLS and AMOS software and concluded that PLS–SEM path modelling using SmartPLS is appropriate to be utilised on the confirmatory factor analysis which is more reliable and valid and that is why PLS–SEM is used in this study as given in Table 4–7.

Table 4–7: PLS reliability and validity

	Sample 1: Sedibeng district municipality				Sample 2: Fezile Dabi district municipality			
Factor/ Item	**Cronbach Alpha**	**CR**	**AVE**	**Rho_A**	**Cronbach Alpha**	**CR**	**AVE**	**Rho_A**
Resources	0.813	0.838	0.509	0.771	0.700	0.807	0.457	0.703
Infrastructure	0.778	0.840	0.430	0.780	0.743	0.818	0.393	0.752
Enabling Environment & Authorities	0.761	0.862	0.473	0.818	0.764	0.764	0.415	0.778

Source: Own compilation

As seen in Table 4–7, the Cronbach Alpha results for sample 1 and sample 2 construct values are above 0.70, showing that the constructs are reliable. However, as mentioned by Henseler, Ringle and Sinkovics *(*2009), Cronbach's Alpha can underestimate internal consistency reliability, and that is why such a Composite Reliability (CR) can be more appropriate. As SmartPLS was used in the data analysis composite reliability measure was checked to look at the internal consistency and as seen from the results above in Table 4–7 the values above are above 0.8 and 0.9 (Henseler *et al.,* 2009) and that all value is considered as satisfactory. Only the value of *enabling environment and authorities* for a sample was just below 0.8, but was still satisfactory and as mentioned by Henseler *et al.* (2009) only values under 0.6 show lack of reliability.

According to Henseler *et al.* (2009) for the assessment of validity, two subtypes of validity are measured, namely convergent validity and discrimination validity. Convergent validity explains that a set of indicators embody the same underlying constructs. To test for convergent validity, the AVE (Average Variance Extracted) value was used. AVE should be above 0.5 or more and the CR 0.7 or more. CR (Composite Reliability) should be higher than the AVE (Götz, Liehr–Gobbers & Krafft 2010). However, as emphasised by Fornell and Larcker (1981), even if AVE is less than 0.5, but composite reliability is higher than 0.6, the convergent validity of the construct is still adequate. As seen in Table 4–7, the obtained AVE values *for infrastructure and authorities and enabling environment* in sample 1 constructs were 0.430 and 0.473 and for sample 2 *resources* (0.457), infrastructure (0.393) and enabling environment and authority (0.415) respectively. When taken together with the values of CR, they were higher than 0.6 for each construct in sampled 1 and 2, and it can be stated that convergent validity was established.

Table 4–7 depicts that all CR (composite reliability) values are above 0.7, indicating internal consistency. All AVE (average variances extracted) are not above 0.5, indicating lack of convergent reliability. Finally, the values Rho_A reliability coefficients are all above 0.7, complying with the suggestions of Dijkstra and Henseler (2015). Sample 1 Sedibeng District municipality's structural validity of the measurement instrument was given in Figure 4–2 and Sample 2 Fezile Dabi district municipality's structural validity of the measurement instrument was given in Figure 4–3. Table 4–8 provides the discriminant validity for the Sedibeng and Fezile Dabi district municipalities.

Table 4–8: Discriminant validity for Sample 1: Sedibeng district municipality

	Sample 1: Sedibeng district municipality			Sample 2: Fezile Dabi district municipality		
	Resources	Infrastructure	Enabling environment and authorities	Resources	Infrastructure	Enabling environment and authorities
Resources	0.676			0.713		
Infrastructure	0.697	0.627		0.641	0.656	
Enabling environment and authorities	0.658	0.719	0.644	0.564	0.650	0.688

Source: Own compilation

Discrimination validity as another subtype of validity using Fornel and Larcker (1981) discriminant validity was assessed for both samples by comparing the square root of each AVE in the diagonal with the correlation coefficients (off–diagonal) for each construct in the relevant columns and rows. Step 1 is to prove that indicators strongly load more on their corresponding construct than on the other constructs and the second step is comparing AVE value to inter–construct correlations. These square roots of AVE need to be larger than the inter construct correlation (Chin & Newsted, 1999). As depicted in Table 4–6 and Table 4–7, this is the discriminant validity between the constructs and supported by the measurement model.

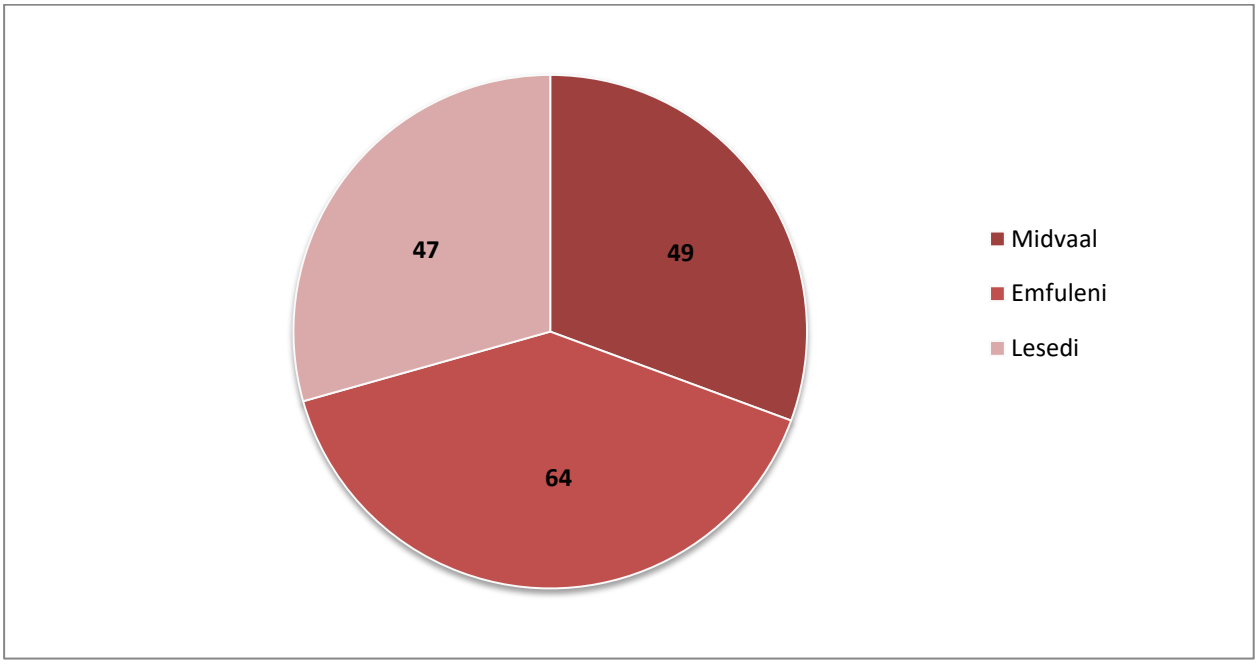
To conclude, the main objective of the study was to develop a scale and to test the scale on two samples. The three–dimension and 16–items scale that was extracted using EFA have been validated. Statistical analysis of the tourism destination competitiveness measurement instrument applied to the Sedibeng and Fezile Dabi district municipalities. The results from testing the measurement instrument through statistical analysis was explained in this section. The statistical analysis was done for each dimension and determinant of the measurement instrument for tourism destination competitiveness. For the statistical analyses in this section, the questionnaires from both the regional tourism destinations of Sedibeng and Fezile Dabi district municipalities were used.

4.3 SEDIBENG DISTRICT MUNICIPALITY'S RESULTS AND DISCUSSIONS

4.3.1 Measurement instrument's descriptive analysis

Tomić, Leković and Tadić (2019:757) give age, income, family size, education (socio–economic changes) as influencers of the development of a tourism destination. These are influential factors as they have an impact on consumer spending and destination selection. To investigate the influence of these factors is not the purpose of this study, but demographic information of the respondents used to identify the types of respondents. The descriptive analysis is used to outline and deliver the results for interpretation (Antonius, 2004:288). This ensures that understanding and interpretation are simplified. The descriptive statistics first take a look at the Sedibeng district municipality. Thereafter, the three local municipalities within Sedibeng are discussed. For the Sedibeng district municipality, a total of 160 useable questionnaires were collected. The age, gender, region, the segment of the population and percentage of income are analysed with descriptors. These descriptors are discussed according to each local municipality. Figure 4–5 presents the number of questionnaires completed by respondents in the Sedibeng district municipality.

Figure 4–5: Number of questionnaires completed in the Sedibeng district municipality



Source: Own compilation.

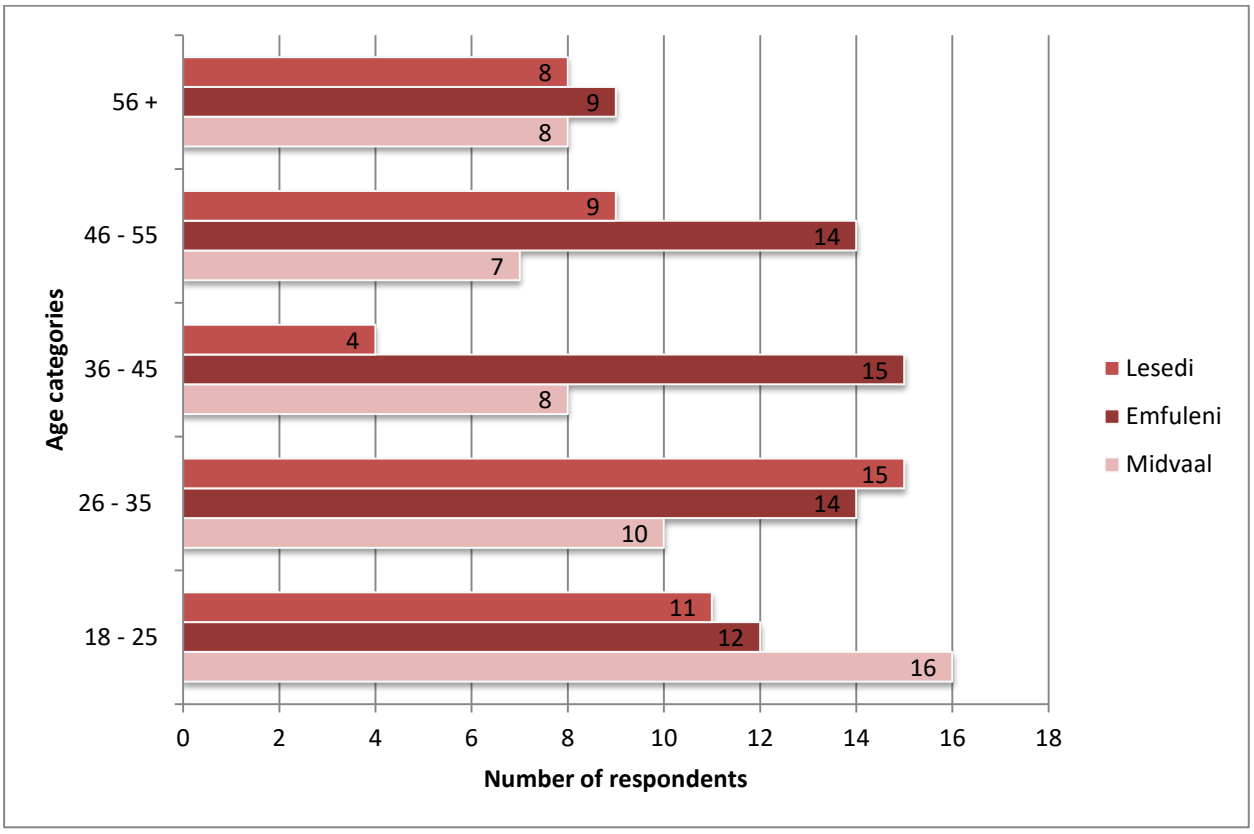
For the **Midvaal local municipality,** a total of 49 questionnaires were completed. Therefore 49 out of 160 questionnaires represent Midvaal local municipality. This equals to a 30.63 percent representation of Midvaal local municipality in the Sedibeng district municipality. A total of 64

questionnaires were gathered from the **Emfuleni local municipality**. A total of 64 out of 160 results in 40 percent representing Emfuleni local municipality. **The Lesedi local municipality** represents 29.37 percent of the Sedibeng district municipality as 47 questionnaires were collected out of 160 questionnaires. The three local municipalities have a relatively equal representation of the Sedibeng district municipality.

4.3.1.1 Age groups of respondents

The ages of the respondents provide an understanding of the type of respondents who completed the questionnaire. The ages of the respondents were categorised into dimensions to ease interpretation. The ages of the respondents were divided into different categories, given in Figure 4–6.

Figure 4–6: Age categories: Sedibeng district municipality



Source: Own compilation

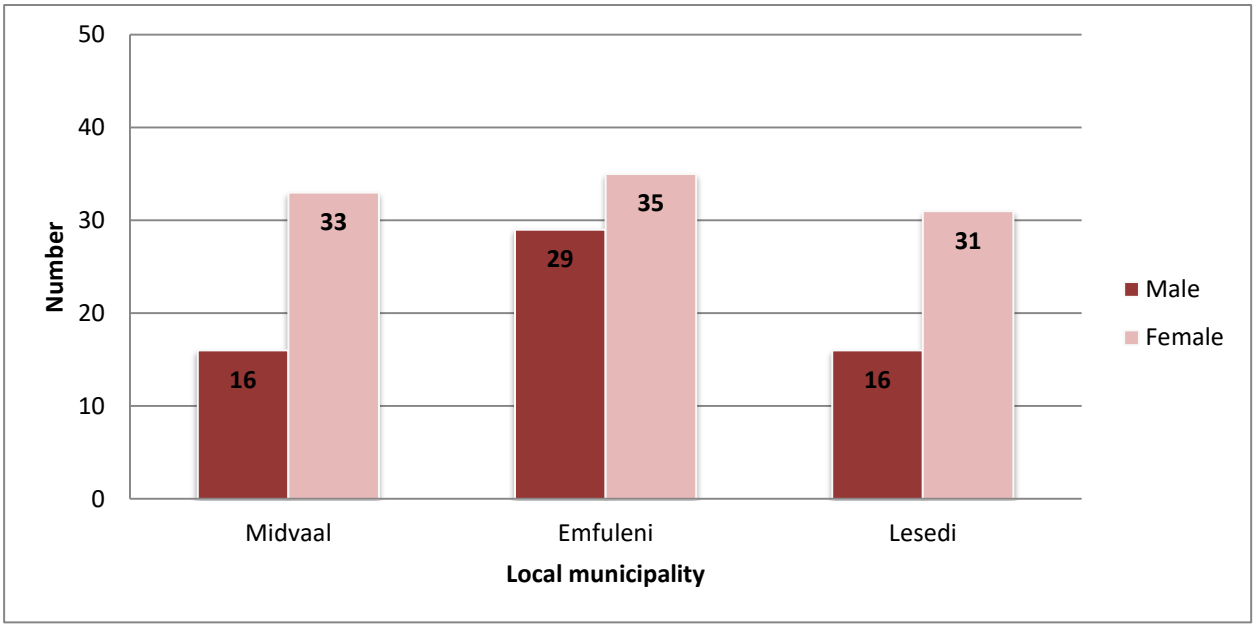
The majority of respondents in **Midvaal local municipality** are aged between 19 and 25 years old, as 32.7 percent of Midvaal's respondents' ages in this category. In the **Emfuleni local municipality,** the greater total of respondents ranged between the age category 36 to 45 years old. The **Lesedi local municipality** has a majority of 31.9 percent in the age category 26 to 35 years old. The majority of respondents are relatively young. Even though the age of an

individual has an impact on consumer behaviour, the questionnaire does not investigate consumer behaviour but the performance of a tourism destination. For that reason, the age of respondents does not have a significant impact on the results. It does, however, help to better understand the type of respondent who participated in the study.

4.3.1.2 Gender of respondents

The gender of the respondents possibly gives an understanding of the type of respondent. The questionnaire allowed the selection for the genders male, female and an option “prefer not to answer”. The gender of each respondent is given in Figure 4–7 for each of the local municipalities in Sedibeng.

Figure 4–7: Gender of respondents: Sedibeng district municipality



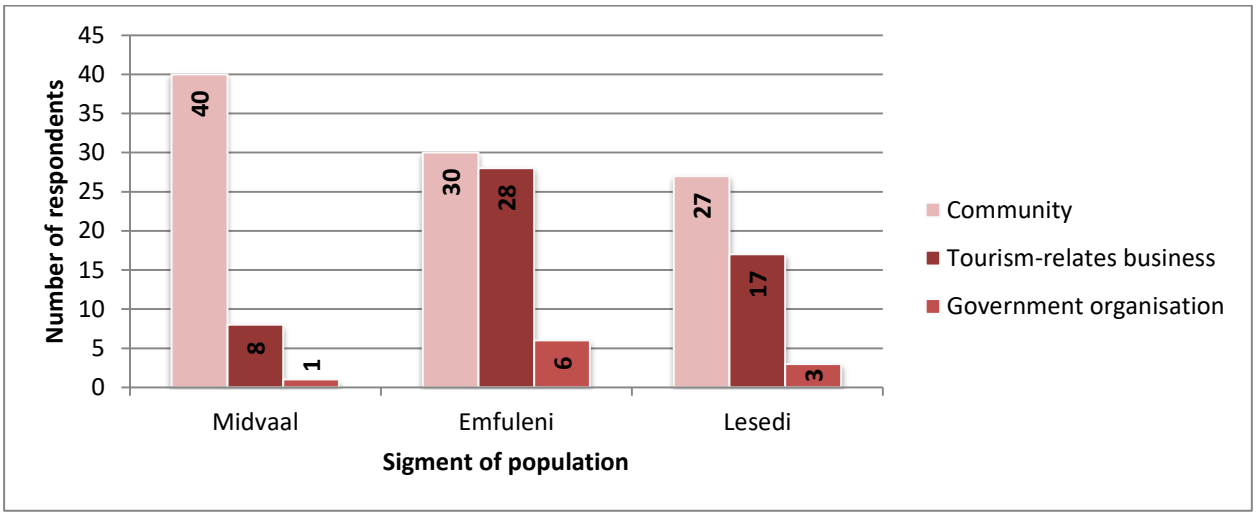
Source: Own compilation

In both **Midvaal local municipality** and the **Lesedi local municipality** there is a relatively large gap between the number of male and female respondents. The **Emfuleni local municipality** is more balanced in terms of the gender of respondents. An interesting note is that the majority of respondents are females. Throughout the collection of the questionnaires, it was noticed that more females were open to assist in the completion of the questionnaires. This could be a possible explanation for the reasoning for all three of the local municipalities have more female than male respondents.

4.3.1.3 Segment of the population

There were three different types of respondents who completed the questionnaire, namely, community members/ tourists, tourism–related business owners or managers and lastly government organisations. Figure 4–8 presents the three dimensions of respondents who completed the questionnaire for the Sedibeng district municipality.

Figure 4–8: Segment of the population: Sedibeng district municipality



Source: Own compilation

In the **Midvaal local municipality,** the majority of respondents are categorised as community members/ tourists followed by tourism–related business and then at the very least at two percent there are governmental organisation employees. A total of 40 out of 49 respondents are community members/ tourists. Whereas tourism–related businesses are 8 out of 49, and finally, only one respondent who completed the questionnaire was a government employee. The reason for the few tourism–related business respondents is due to the limited number available in Midvaal. The few government employees were due to their openness to participate in a research study. As a result, more community members/ tourists were approached.

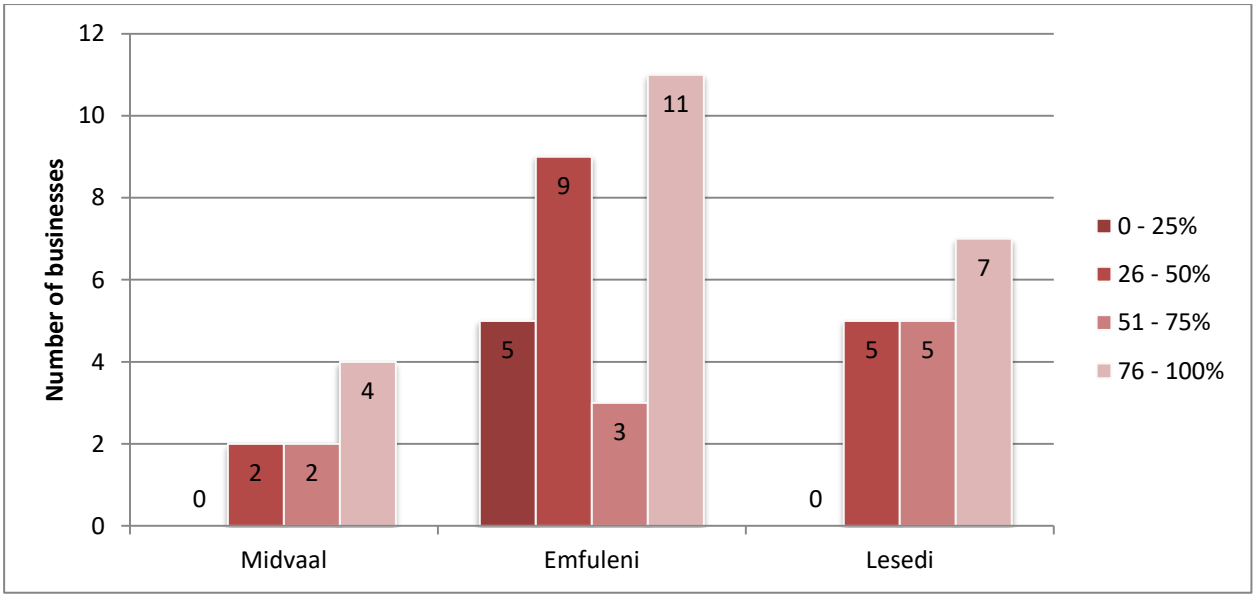
Community members/ tourists and tourism–related businesses in **Emfuleni local municipality** are relatively equally divided at 46.9 and 43.8 percent respectively. Most government organisations or employees who completed the questionnaires were from Emfuleni. A total of 9.4 percent of respondents were from Emfuleni. The **Lesedi local municipality** could be relatively compared to Emfuleni in terms of the ratio of the segment of the population. The percentage of community members/ tourists is 57.4 percent to tourism–related business of 36.2 percent.

It should be noted that the least number of questionnaires were completed by government organisational employees. Through questionnaires collection, it was observed that government organisations are very reluctant to participate in research studies. Another explanation is that there are considerably fewer government employees in the local economic development (LED) division which includes tourism and the development of the region. They were selected based on their ability to complete the questionnaire successfully.

4.3.1.4 Percentage of tourism–related business income received

Tourism–related businesses were asked to indicate the percentage of income they received from tourism. This is specific to tourists outside specific tourism destinations– local municipality. The percentage of income generated from tourist indicated the importance tourism has for these businesses and could also be used as an indication of success to attract outside tourists. Outside tourists are defined as individuals outside of the border of the specific tourism destination. Figure 4–9 represents the percentages of income that tourism–related businesses received from tourist outside the tourism destination.

Figure 4–9: Percentage of income: Sedibeng district municipality



Source: Own compilation

In the **Midvaal local municipality,** the majority of tourism–related business (4) received between 76 and 100 percent of their income from tourism. Only two tourism–related businesses stated that their income generated from tourists from outside Midvaal lies between 26 to 50 percent. This is also the case for the **Emfuleni local municipality** and **Lesedi local municipality** as most businesses receive between 76 and 100 percent of their income from

tourists outside their tourism destination at 11 and 7 businesses respectively. Only five businesses in both Emfuleni and Lesedi receive between 0 and 25 percent of their income from tourists outside the respective tourism destinations. From this, it could be taken that the majority of income generated is inside the three local municipalities' tourism destinations. Therefore strategies need to be developed to attract tourists from outside the local municipalities.

4.3.2 Measurement instruments testing the Sedibeng district municipality's tourism performance value

A pilot study was executed in the Sedibeng district municipality to test the tourism destination competitiveness measurement instrument. Table 4–9 gives the performance weights that were required to complete the implementation.

Table 4–9: Performance weighting of the tourism destination competitiveness measurement instrument

Tourism destination competitiveness (TDC) performance weighting	
0	No facilities available
1	Facilities are available but lack of performance
2	Average performance of facilities.
3	Facilities available are performing adequately but could improve
4	Facilities are performing efficiently and in perfect condition

Source: Own compilation

Table 6–9 above was used in the pilot study (questionnaires) of which the purpose is to identify the performance (tourism destination competitiveness) of the dimensions and determinants in the selected tourism destination. Table 4–10 presents the tourism performance in percentage for the Sedibeng district municipality.

Table 4–10: Tourism performance of the Sedibeng district municipality

Dimension or Determinant	Index value	Average weight value	Tourism performance (%)
1. Resources	**0.9317**	**2.1534**	**40.13%**
1.1.Natural resources and strategic location	0.8766	2.2037	38.64%
1.2.Historical and cultural resources	0.8294	2.1472	35.62%
1.3.Technology, innovation and communication	0.7742	2.3129	35.81%
1.4.Entrepreneurship, the business community and workforce	0.7533	2.3681	35.68%
2. Infrastructure	**0.9055**	**2.3926**	**43.33%**
2.1.Health and education facilities	0.7192	2.5153	36.18%
2.2.Accommodation facilities	0.9895	2.8148	55.70%
2.3.Transportation facilities	0.9816	2.2269	43.72%
2.4.Sport and recreation facilities	0.7375	2.2761	33.57%
2.5.Food and drink facilities	0.9738	2.7607	53.77%
2.6.Essential services	0.8976	2.3681	42.51%
3. Enabling environment and authorities	**0.8556**	**2.0123**	**34.43%**
3.1.Public–private partnerships	0.5328	1.8957	20.20%
3.2.Safety and security	1	2.1288	42.58%
3.3.Government spending efforts	0.7612	1.7423	26.52%
3.4.Local leadership and political stability	0.8241	1.9877	32.76%
3.5.Red tape limitation	0.8294	2.0061	33.28%
3.6.Macro–economic environment	0.6929	1.9264	26.69%
Sedibeng district municipality			**37.42%**

Source: Own compilation

The following formula was used to calculate the finale index value for the measurement instrument:

$$Tourism\ performance = \frac{index\ value\ x\ average\ weight\ value}{5}\ X\ 100$$

This formula was used to calculate the performance of each dimension and determinant in percentage form. A percentage is a better way to simplify interpretation. Table 4–11 represents the scales of tourism performance for interpretation.

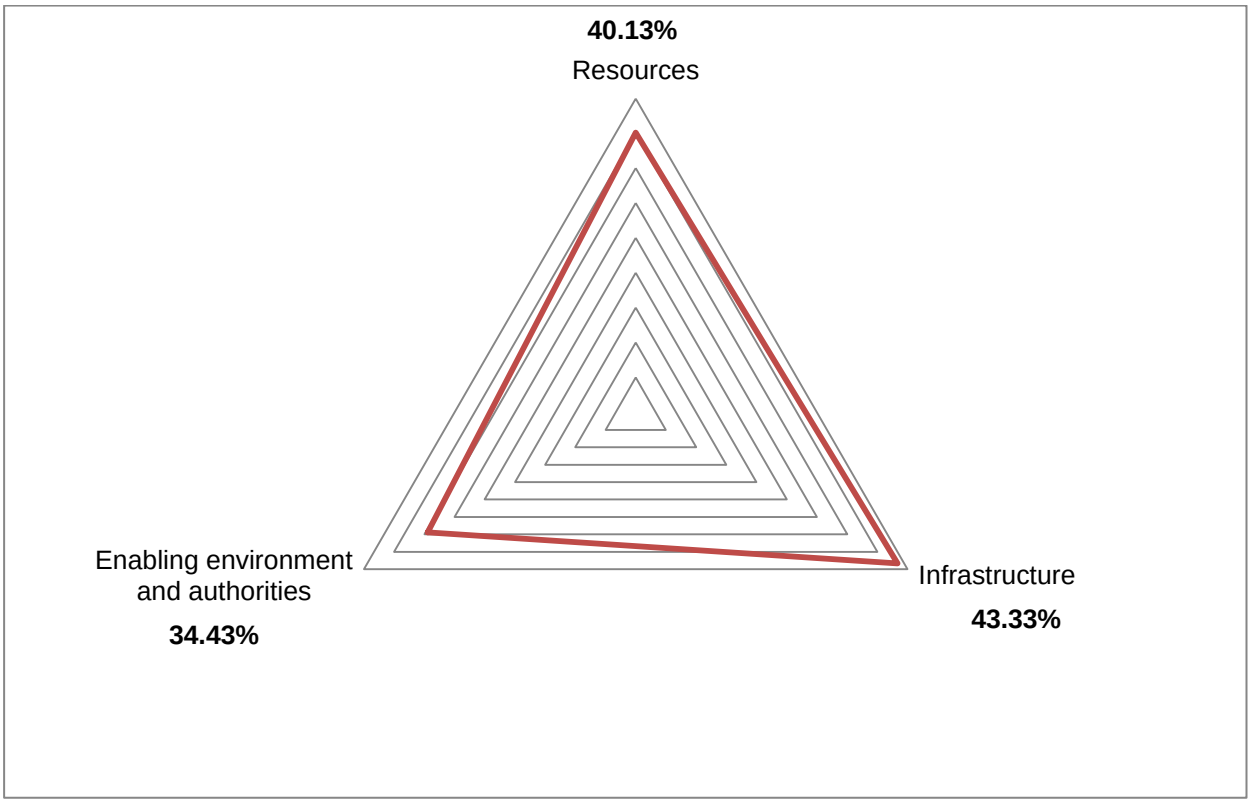
Table 4–11: Tourism performance scale

Table 1: Tourism destination competitiveness (TDC) performance weighting	
0– 20 %	No facilities available
21– 40 %	Facilities are available, but there is a lack of performance
41– 60 %	Average performance of facilities.
61– 80 %	Facilities available are performing adequately but could improve
80– 100 %	Facilities are performing efficiently and in perfect condition

Source: Own compilation

Figure 4–10 presents the tourism performance values of the measurement instrument tested in the Sedibeng district municipality.

Figure 4–10: Tourism performance of dimensions in the Sedibeng district municipality

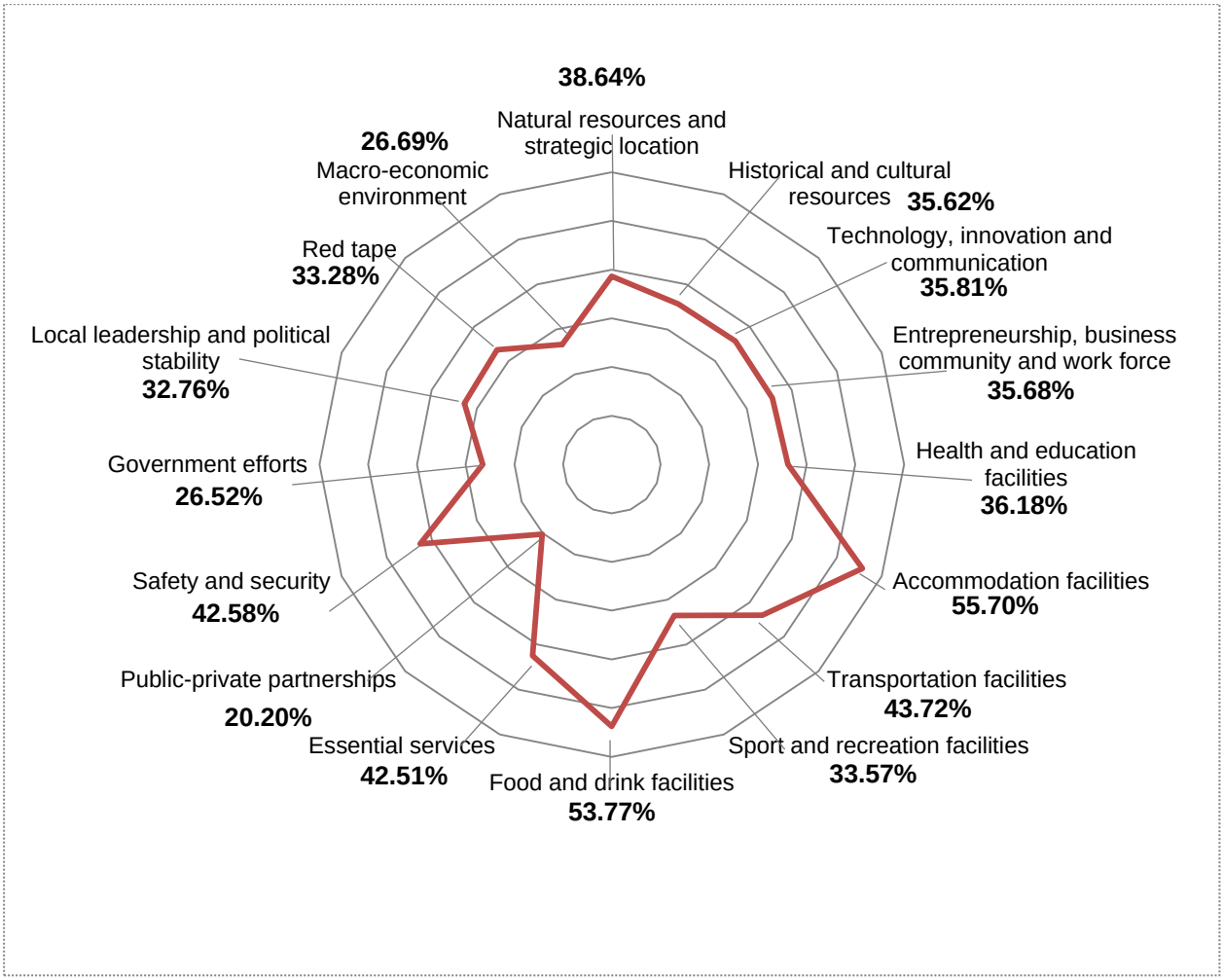


Source: Own compilation

Resources have a tourism performance of 40.13 percent, indicating that resources have an average performance. **Infrastructure** has a tourism performance of 43.33 percent, indicating that the dimension infrastructure has an average performance. According to Kim (2001), tourism infrastructure is one of the top four determinants of tourism destination competitiveness that have a significant impact on the performance of a tourism destination. The last dimension **Enabling environment and authorities** have a tourism performance of 34.43 percent, which

indicates that there is a very poor performance in the dimension. The most developed dimension in terms of tourism in the Sedibeng district municipality is resources. The determinants are interpreted per dimension in terms of tourism performance from the lowest to the highest performing dimensions. The results were discussed in each scale dimension from the lowest to the highest percentage in each dimension. Figure 4–11 presents the results of the tourism performance (determinants) for the Sedibeng district municipality.

Figure 4–11: Tourism performance of determinants in the Sedibeng district municipality



Source: Own compilation

4.3.2.1 No facilities available (0–20%)

The poorest performing determinant in the Sedibeng district municipality is **public–private partnerships** with a 20 percent performance out of a 100 percent. This indicates that public–private partnerships do not exist.

4.3.2.2 Facilities are available but lack in performance (21– 40%)

The **spending and efforts of the government** to spend on marketing and sustainable development have a performance percentage of 26.52 percent. Kim (2001) noted that tourism policies which is one of the governmental vs agencies' responsibility could have a significant influence on tourism destination competitiveness. As stated in Chapter 1, Section 1.2, Porter (1990) argues that the actions of government play a part in the performance of a region–tourism destination. The second–lowest performance was given to **macro–economic environment** of 26.69 percent. An unemployment rates of 18.8 percent (Midvaal local municipality), 25.9 percent (Lesedi local municipality) and 34.7 percent (Emfuleni local municipality) is noted by Municipalities South Africa (2020). Thus an unemployment percentage between 18 and 35 percent is high and would, to a certain degree, explain the low performance in the macro–economy of the Sedibeng district municipality as a tourism destination.

Local leadership and political stability have 32 percent in terms of the performance in a tourism destination. A performance value of 33.27 percent was given to the determinant, **red tape limitation**. Poor performance was also given to **sport and recreation facilities** with 33.57 percent in terms of its performance in the district municipality of Sedibeng. This is followed by **historical and cultural resources** which have a performance value of 35.62 percent. A 35.68 percentage was given to **entrepreneurship, the business community and workforce** for performance in tourism destination competitiveness. **Technology, innovation and communication** have 35.81 percent as the level of performance in the Sedibeng district municipality. **Health and education facilities** were given 36.18 percent as the performance of this determinant in the tourism destination. **Natural resources and strategic location** according to the pre–testing, is the fifth most important determinant of the 16 determinants. A performance value of 38.64 percent was the result in Sedibeng district municipality. This is a very poor performance for a determinant that carries such importance. According to the Sedibeng District Municipality (2020), the tourism destination is only about a half an hour drive from the major city Johannesburg. This is positive as this is close proximity. The pre–testing results indicate only a 36 percent success in performance which is very low with the proximity advantage. However, the strategic location only partially represents this determinant.

4.3.2.3 Average performing facilities (41– 60%)

Essential services are the lowest–performing determinants in the dimension, indicating the average performance of facilities. With a 42.51 performing percentage essential services in the Sedibeng district municipality could improve.

According to the pre–testing, **Safety and security** should have the highest priority for a tourism destination. With a performing percentage of 42.57 percent, active respondents in Sedibeng's tourism industry should aim to improve and implement safety measures. **Transportation facilities** are performing adequately with a 43.72 performance percentage. **Food and drink facilities** are the second–highest performing determinant in the Sedibeng district municipality with 53.77 percent. The best performing determinant in the scale dimension 41 to 60 percent is the **accommodation facilities**. A performance of 55.70 percent was given to the accommodation facilities in the Sedibeng district municipality. Accommodation facilities are the second most important determinant in a tourism destination.

4.3.2.4 Facilities available and performing adequate but could improve (61– 80%) and facilities are performing effectively and in perfect condition (81– 100%)

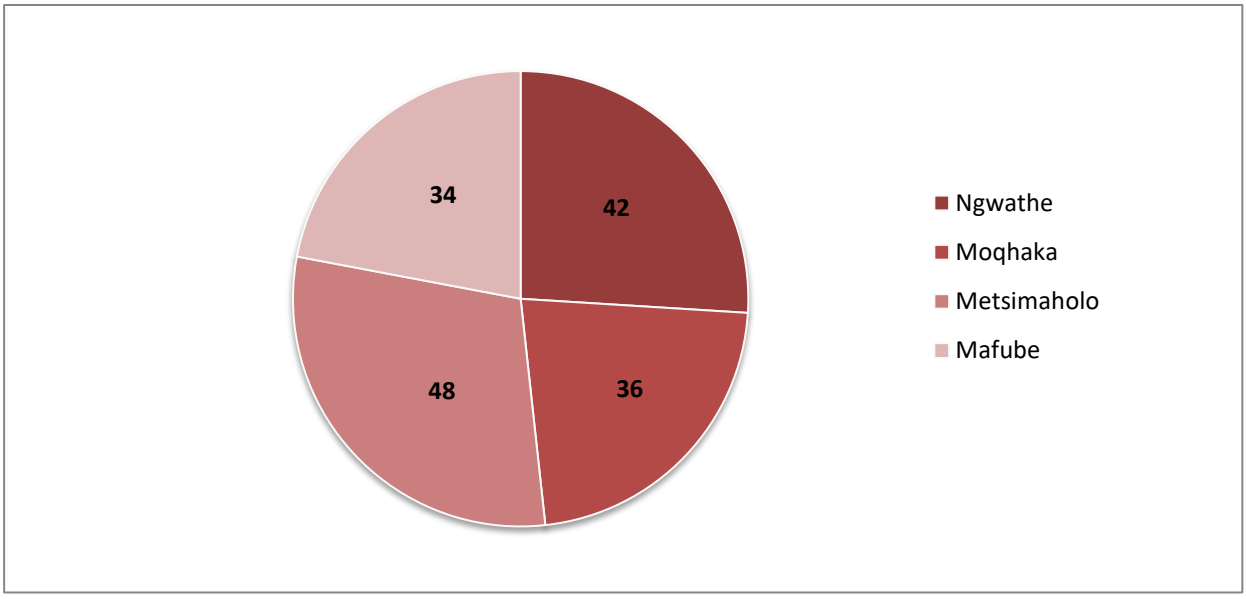
This is also the case for the scale dimension 81 to 100 percent, indicating facilities are performing efficiently and are in good condition. This is a worrisome outcome, as strong performance is needed to ensure tourism destination competitiveness. This, however, provides an opportunity for strategy development. The tourism destination competitiveness measurement instrument has a final index value of **37.42 percent** for the Sedibeng district municipality. This is calculated by the average of the tourism performance percentage of each dimension and determinant. According to the tourism performance scale, the Sedibeng district municipality's tourism facilities are available but lack extremely in performance.

4.4 FEZILE DABI DISTRICT MUNICIPALITY'S RESULTS AND DISCUSSIONS

4.4.1 Measurement instrument's descriptive analysis

According to Shoham and Brenčič (2003:127), a better understanding regarding a consumer (tourist) will make it easier for policymakers and businesses to ensure positive spending on goods and services. For the Fezile Dabi district municipality, a total of 160 useable questionnaires were collected. The age, gender, region, segment of the population and percentage of income are analysed with descriptors. These descriptors were discussed according to each local municipality. Figure 4–12 illustrates the number of questionnaires completed in each of the local municipalities of the Fezile Dabi district municipality.

Figure 4–12: Number of questionnaires completed in the Fezile Dabi district municipality



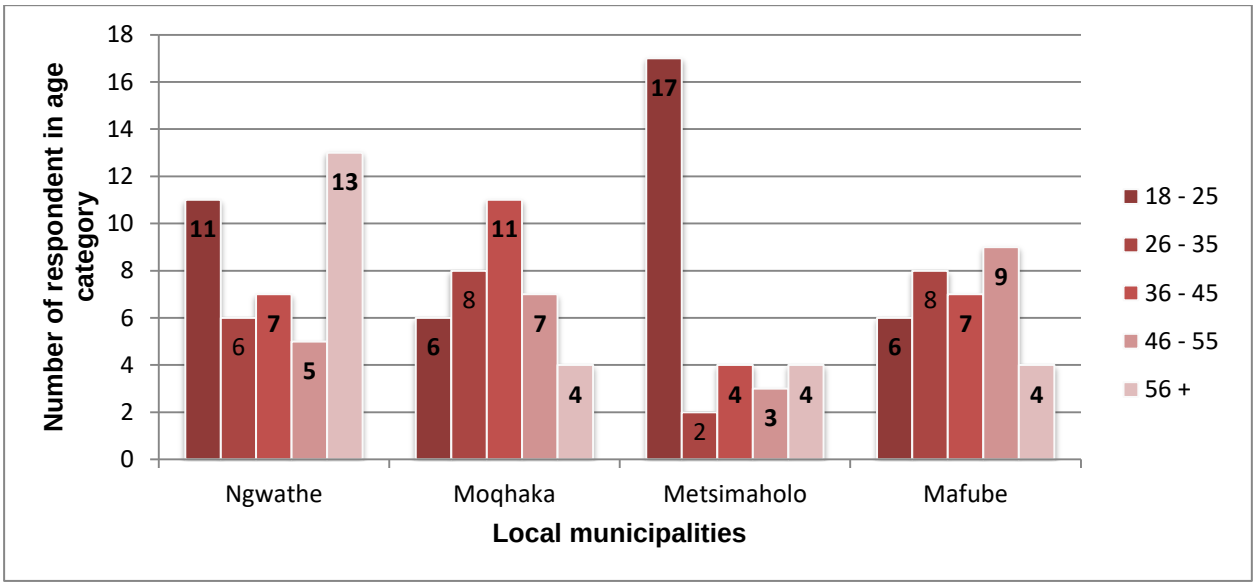
Source: Own compilation

A total of 42 out of 160 questionnaires were completed for the **Ngwathe local municipality**. This represents 26.25 percent of the questionnaires in the Fezile Dabi district municipality. The majority of questionnaires were completed for the Ngwathe local municipality. **Moqhaka local municipality** had 36 questionnaires out of a total of 160 questionnaires. A value of 30 percent is given for the **Metsimaholo local municipality** as 48 out of 160 questionnaires were completed. For **Mafube local municipality,** an aggregate of 34 completed questionnaires results in 21.25 percent representation of the Fezile Dabi district municipality. Even though the number of questionnaires completed differs between the local municipalities, this is not significant enough to mislead the balance of representation between the different local municipalities.

4.4.1.1 Age groups of respondents

The age of the respondents provided an understanding of the type of respondents who completed the questionnaire. The ages of the respondents were categorised into dimensions to ease interpretation. Figure 4–13 represents the ages of respondents who participated in the study for the testing phase of the measurement instrument of tourism destination competitiveness.

Figure 4–13: Age of respondents: Fezile Dabi district municipality



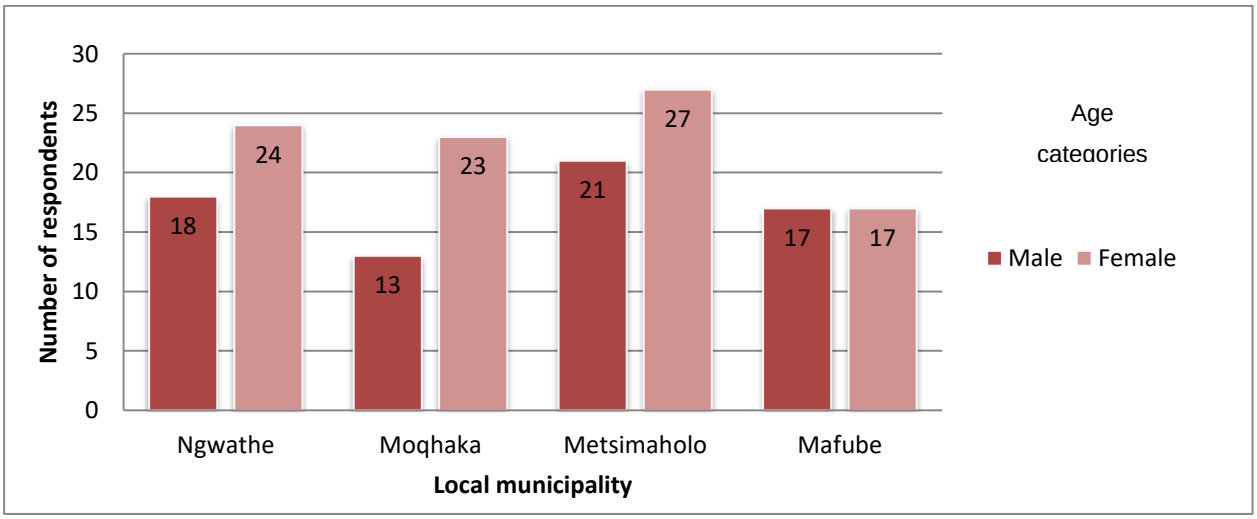
Source: Own compilation

For the **Ngwathe local municipality,** most respondents are in the age category 56 and older as 13 respondents out of the 42 lies in this category. A possible explanation for this could be that the majority of individuals from this local municipality chose this region for a peaceful retirement. This is especially the case for the town Parys. **Moqhaka local municipality** has a relatively equal spread representation of all the age dimensions in terms of the number of respondents. In the **Metsimaholo local municipality,** there is again a significant outlier in terms of age of the respondents. A total of 17 respondents which could be converted to 35.4 percent who completed the questionnaires in Metsimaholo are included in the 18– 25 year age category. As in the case of Moqhaka, **Mafube local municipality** also has a proportional distribution of age dimensions compared to Moqhaka and Metsimaholo.

4.4.1.2 Gender of respondents

Marcussen (2011:50) included gender as a determinant of tourism spending in their conceptual model. There is a distinct difference between the financial behaviour of males and females. Balhorn (2013:5) states that males are more likely to take risks in investing money in relation to females. In contrast to men, women could be more open to spending on tourism goods and services. Figure 4–14 represents the number of male and female respondents of each local municipality in Fezile Dabi district municipality.

Figure 4–14: Gender of respondents: Fezile Dabi district municipality



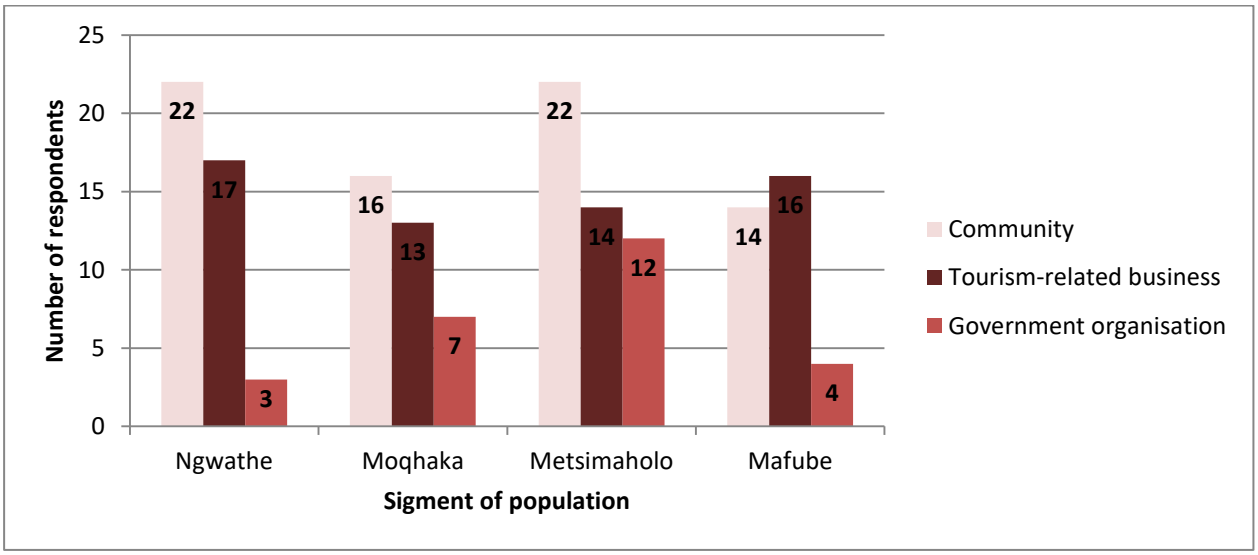
Source: Own compilation

For all the local municipalities, **Ngwathe**, **Moqhaka** and **Metsimaholo** it is understood that the majority of respondents were females, except in the case of **Mafube local municipality**. This could be as noted throughout the questionnaires that females were more open to complete the questionnaires in relation to their male counterparts. The difference between the number of female and male respondents is not significant in this case.

4.4.1.3 Segment of the respondents

Three different types of respondents completed the questionnaire, namely, community members/ tourist, tourism–related businesses and lastly government organisation. The segment into which the population was divided is illustrated in Figure 4–15.

Figure 4–15: Segment of respondents: Fezile Dabi district municipality



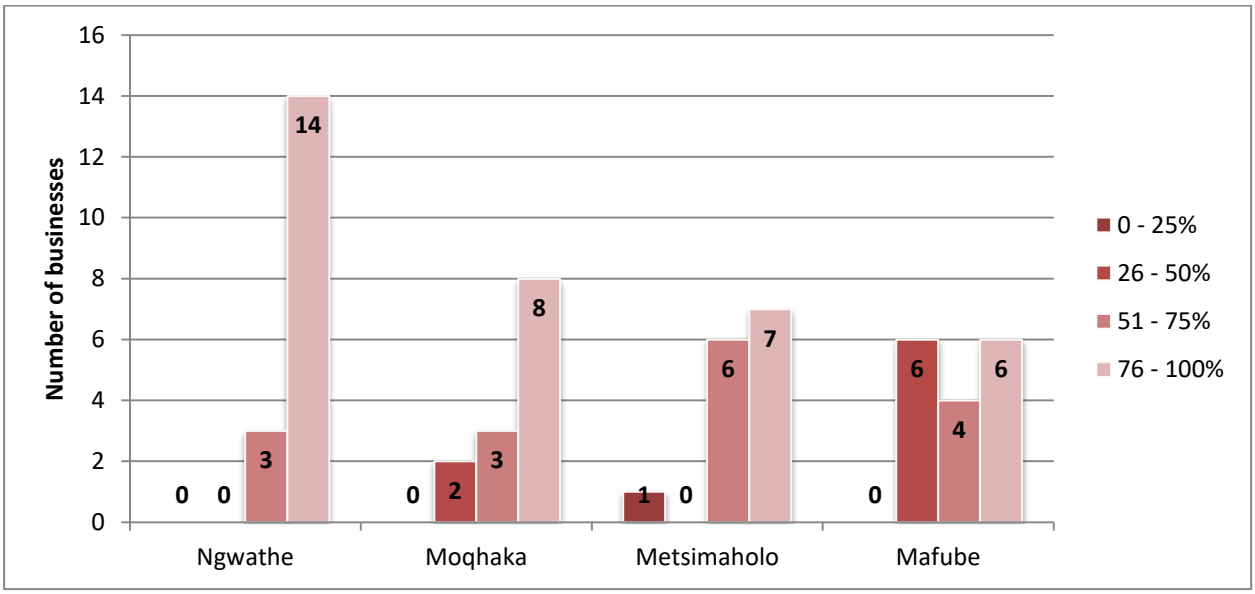
Source: Own compilation

As for the local municipalities of Sedibeng, the greater number of respondents is community members/ tourists. This is the case for **Ngwathe**, **Moqhaka** and **Metsimaholo local municipalities**. The government employees in the Metsimaholo local municipality were the most co–operative with the research study. This resulted in the tourism destination with most government employee responses. With a total of 12 government employees, Metsimaholo has the most government responses between the Sedibeng and Fezile Dabi district municipalities. **Mafube local municipality** is proportionately divided between the three types of population dimension. Interestingly, in relation to the other local municipalities, Mafube has more tourism–related business respondents than community members/ tourists or government organisations.

4.4.1.4 Percentage of tourism–related business income received

The percentage of income generated from tourists outside the district municipality is indicated in Figure 4–16.

Figure 4–16: Percentage of income: Fezile Dabi district municipality



Source: Own compilation

In the **Ngwathe local municipality,** none of the tourism–related businesses receives between 0 and 25 percent and 26 and 50 percent of their income from tourists outside of their region. The majority (14 tourism–related businesses) receive between 76 to 100 percent of their income from tourists arriving from outside the local municipality. A possible explanation for this could be that Parys, a famous tourist town of the Ngwathe local municipalities, is a weekend getaway for the surrounding areas. Its close proximity to major cities such as Johannesburg, Kroonstad, Potchefstroom, to name a few, increases its accessibility. **Moqhaka local municipality** has the most respondents receiving between 76 and 100 percent of their income from tourists outside the local municipality**. Metsimaholo local municipality** has several tourism–related businesses that received 26 to 50 percent of their income from outside their tourism destination, with 6 out of the 14 tourism–related business that received between 51 to 75 percent income from outside Metsimaholo. Moreover, the majority (7 out of 14 tourism–related businesses) receiving 76 to 100 percent of their total income from tourists outside the region. **Mafube local municipality** the most tourism–related businesses earn 26 to 50 percent (6 businesses) and 76 to 100 percent (6 businesses) of their income from tourists outside their tourism destination.

The fact that most of these destinations' income is generated from individuals living in these destinations indicates that these local municipalities (tourism destination) depend mostly on local tourism. This has positive and negative consequences. On a positive note, local tourism is well developed. However, the level of spending should be positive in terms of increasing throughout time to indicate this as a positive. On a negative note, this means that the tourism

destination is not focussed enough on marketing outside of the tourism destination. This could provide an opportunity for improved marking efforts.

4.4.2 Measurement instrument's testing to the Fezile Dabi district municipality's tourism performance value

A second pilot study was executed in the Fezile Dabi district municipality to test the tourism destination competitiveness measurement instrument. See Table 4–9 give the performance weights that were required to complete the implementation. Table 4–12 gives the results for Fezile Dabi's tourism performance.

Table 4–12: Tourism performance of determinants in the Fezile Dabi district municipality

Dimension or Determinant	Index value	Average weight value	Tourism performance (%)
1.Resources	**0.9317**	**2.1500**	**40.06 %**
1.1.Natural resources and strategic location	0.8766	2.3750	37.36 %
1.2.Historical and cultural resources	0.8294	2.2062	36.60 %
1.3.Technology, innovation and communication	0.7742	2.5187	38.99 %
1.4.Entrepreneurship, the business community and workforce	0.7533	2.3687	35.69 %
2.Infrastructure	**0.9055**	**2.3375**	**42.33 %**
2.1.Health and education facilities	0.7192	2.5063	36.05 %
2.2.Accommodation facilities	0.9895	2.6563	52.57 %
2.3.Transportation facilities	0.9816	2.2062	43.31 %
2.4.Sport and recreation facilities	0.7375	2.0438	30.15 %
2.5.Food and drink facilities	0.9738	2.6438	51.49 %
2.6.Essential services	0.8976	2.1125	37.92%
3.Enabling environment and authorities	**0.8556**	**1.9062**	**32.62 %**
3.1.Public–private partnerships	0.5328	1.9687	20.98 %
3.2.Safety and security	1	2.2500	45.00 %
3.3.Government spending and efforts	0.7612	1.6625	25.31 %
3.4.Local leadership and political stability	0.8241	2.0188	33.27 %
3.5.Red tape limitation	0.8294	2.1438	35.61 %
3.6.Macro–economic environment	0.6929	1.8000	24.94 %
Fezile Dabi district municipality			**36.86%**

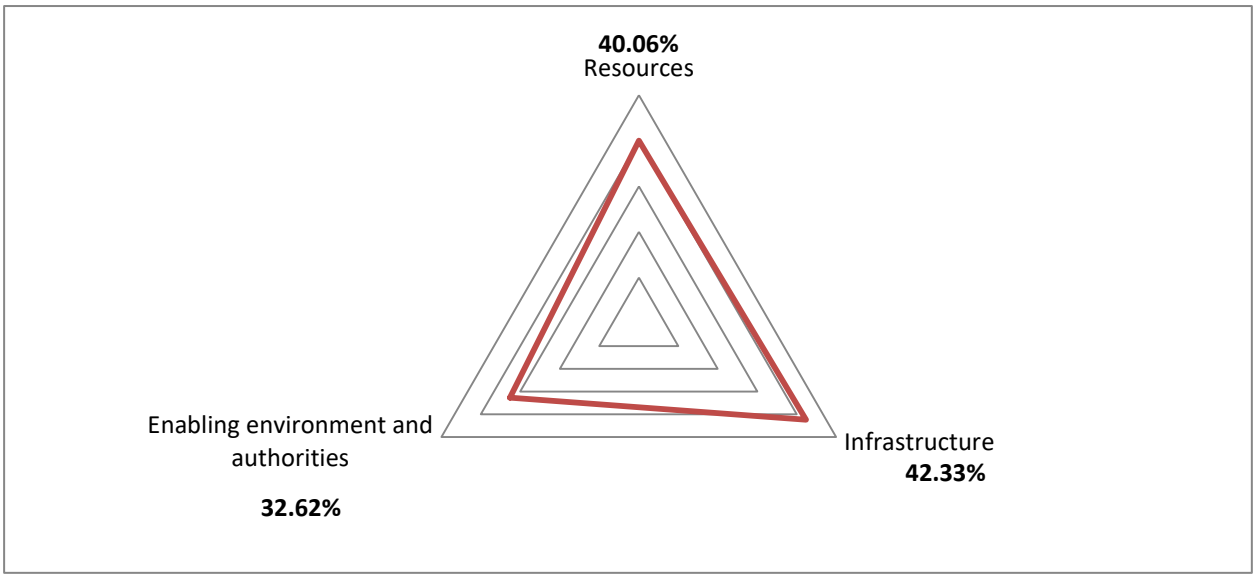
Source: Own compilation

The following formula was used to calculate the final index value for the measurement instrument:

$$Tourism\ performance = \frac{index\ value\ x\ average\ weight\ value}{5}\ X\ 100$$

The tourism performance of the dimensions was provided in Figure 4–17 for the Fezile Dabi district municipality.

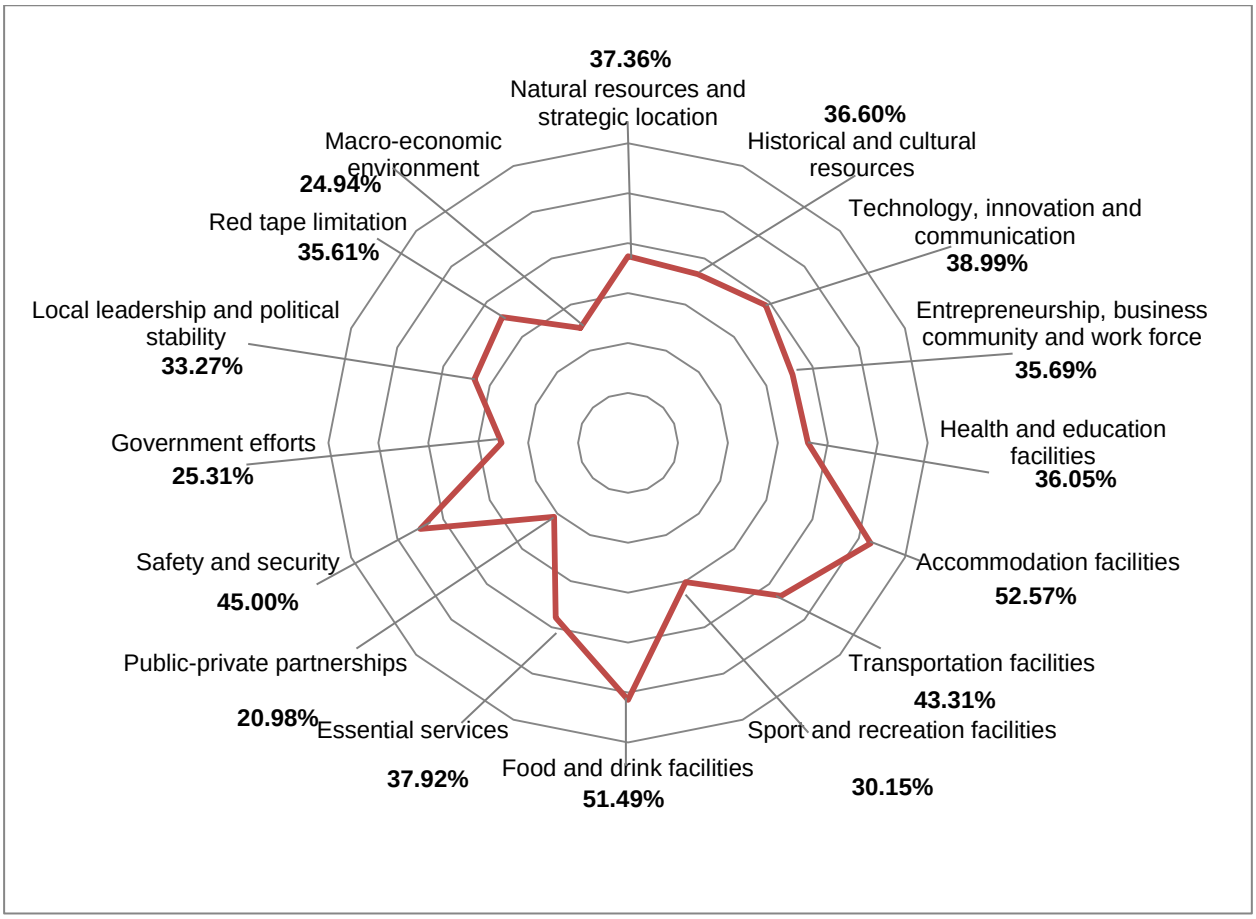
Figure 4–17: Tourism performance of dimensions in the Fezile Dabi district municipality



Source: Own compilation

Infrastructure is the best performing dimension in the Fezile Dabi district municipality with a 42.33 percent performance value. This is closely followed by **resources** with 40.06 performance percentage. **Enabling environment and authorities** received a poor 32.62 percent in terms of performance in the tourism destination. The three dimensions fall in the dimension scale between 26 and 40 percent (facilities are available but lack of performance). Compared to the Sedibeng district municipality, this is the same results in terms of the three dimensions. For both the district municipalities, infrastructure is the best performing overall. Figure 4–18 presents the final index results for the tourism destination measurement instrument applied to the Fezile Dabi district municipality.

Figure 4–18: Tourism performance of determinants in the Fezile Dabi district municipality



Source: Own compilation

4.4.2.1 No facilities available (0–20%)

None of the determinants in the Fezile Dabi district municipality falls within this scale dimension.

4.4.2.2 Facilities are available but lack in performance (21– 40%)

The majority of determinants of tourism destination competitiveness– 12 determinants– fall in the scale dimension that has a performance between 21 and 40 percent. The lowest performing determinant in the Fezile Dabi district municipality is **public–private partnerships** with 20.98 percent.

This is followed by the **macro–economic environment** at 24.94 percent in terms of performance. These results could be corroborated by the statistics from Statistics South Africa (2020a) which indicates negative,–0.45 percent, economic growth rate in the Moqhaka local municipality, a low economic growth rate of 0.4 percent in the Ngwathe local municipality, 2.51 percent in the Metsimaholo local municipality and 0.2 percent in the Mafube local municipality.

The high unemployment rates between 32.1 and 35.2 percent for the local municipality also have a negative impact on the performance of the macro–economy.

The local **government** does not make sufficient **efforts** to ensure marketing of the Fezile Dabi district municipalities as a tourism destination of the development of sustainable tourism strategies at 25.31 percent. Although the community members/ tourists should also participate in this activity, local government plays an essential role in the facilitation of tourism development. The conceptual model of Dwyer and Kim (2003) stipulates that management by government bodies is a large contributor to the success of a tourism destination. The **sport and recreation facilities** that are present do have an extremely weak performance at 30.15 percent. **Local leadership and political stability** exist in the Fezile Dabi district municipality, but this determinant lacks performance with a performance value of 33.27 percent. The **limitation of red tape** is somewhat successful and does not present a significant barrier to doing business at 35.56 percent in terms of performance. **Entrepreneurship, the business community and workforce** have a 35.67 performance percentage. The **health and education facilities** in the Fezile Dabi district municipality have a performance of 36.05 percent. This is followed by the **historical and cultural resources** at 36.59 percent or the performance in the tourism destination to achieve tourism destination competitiveness. A relatively high–performance value is given to the determinant **natural resources and strategic location** concerning other determinants. With a performance value of 37.36 percent this is still very poor performance, but in relation to the other determinants in the Fezile Dabi district municipality, it is one of the better performing determinants. Surprisingly, the **Essential services** have a 37.92 performance percentage. In the scale dimension ranging from 21 to 40 percent, the best performing determinants are **Technology, innovation and communication** at 38.99 percent.

4.4.2.3 Average performing facilities (41– 60%)

Transportation facilities have an average performance of 43.31 percent. The significantly important determinant– as identified in the pre–testing phase– **safety and security** have a performance percentage of 45 percent in the Fezile Dabi district municipality. **Food and drink facilities** are the second–highest performing determinant at 51.49 percent. The **accommodation facilities** in the Fezile Dabi district municipality are the highest performing determinant of tourism destination competitiveness. Relatively the most important determinants of tourism destination competitiveness have the highest performance percentage in the Fezile Dabi district municipality. Even though these important determinants are the highest performance, they still lack in terms of overall performance in the tourism destination (Fezile Dabi district municipality).

4.4.2.4 Facilities available and performing adequate but could improve (61– 80%) and facilities are performing effectively and in perfect condition (81– 100%)

None of the determinants in the Fezile Dabi district municipality fall within this scale dimension. This is troubling as none of the most important determinants of tourism destination competitiveness is performing well. This creates an opportunity to better the performance of these determinants in the Fezile Dabi district municipality. The tourism destination competitiveness measurement instrument has a final index value of **36.86 percent** for the Fezile Dabi district municipality. This is calculated by the average of the tourism performance percentage of each dimension and determinant. According to the tourism performance scale, the Fezile Dabi district municipality's tourism facilities are available but lack extremely in performance.

4.5 SYNOPSIS

In terms of the development of the tourism destination competitiveness measurement instrument through weighing the importance and ranking the priority the most important determinants are: safety and security, accommodation facilities, transportation facilities, food and drink facilities natural resources and strategic location and historical and cultural resources. These determinants should be given more attention in the testing of the measurement instrument and should be considered when developing strategies. The majority of determinants in the Sedibeng district municipality fall in the same group. There are facilities available, but there is a lack of performance (26– 40 percent). Chapter 5 provides the trends analysis on the tourism industries of specifically the Sedibeng and Fezile Dabi district municipalities, time–series econometric statistical analyses as well as the SWOT analysis performed for the current study. The time–series analysis was conducted to provide the long and short–run relationship between tourism and related variables in the district municipalities, also the SWOT analysis was done to indicate the strengths, weaknesses, opportunities and threats of the district municipalities.

CHAPTER 5: RESULTS AND DISCUSSIONS OF THE TRENDS, TIME–SERIES AND SWOT ANALYSIS

5.1 INTRODUCTION

According to Abdullah and Haan (2012:199), Cao, Li and Song (2017:2), Hindley and Font (2017:1684) and Ghaderi, Saboori and Khoshkam (2017:552), there are shifts in the economic, technological, social, environmental and political environments which lead to changes in tourists' needs, expectancy and demands. Tourism destinations are urged to and in some cases, forced to adapt to these changes in order to remain current and competitive. For economic changes, a simple explanation could be given by understanding that the income of households is in most cases spent on essential needs or products (necessities) for survival. Tourism, however, is a luxury item (Gunter & Netto, 2016:1152). Pindyck and Rubinfeld (2013:113) explain that an increase in prices will decrease the demand. Therefore if the prices of tourism activities increase, the consumers (tourists) will not spend as much as before. Cao *et al.* (2017:2) state that during the sub–prime mortgage crisis (2007– 2009) there was an eight percent decrease in international tourist arrivals for the months January to April in the year 2009.

Smart tourism destinations have been a more current topic of research dating back to the 2000s by Gordon Phillips. A destination will be better equipped to handle changes in demand, allocation of resources and increase in efficiency if they are smart tourist destinations (Li, Hu, Huang & Duan, 2017). An improvement in technology can lead to better marketing which reaches a broader audience. Finally, if a tourism destination is "*smart*", it will be able to quickly adjust to changes and/or use these changes to their advantage. Hindley and Font (2017:1684) explain that tourists will be more inclined to select a destination for travel if the destination has been negatively impacted by climate change. The explanation for this could be that advertisements focus on these areas to gain awareness, and as a consequence, more tourists are aware of these destinations. The fear that these some natural resources will not last, such as glaciers, fear of extinction could also drive tourist arrivals. In other instances, tourism destinations impose a limited quota of arrivals to preserve the environment and to limit the negative effect of tourist overflow. This is the case for various destinations including Dubrovnik, Santorini, Venice and Barcelona to name a few (Buckley, 2020). Ghaderi *et al.* (2017:553) believe that the safety and security levels of a tourism destination greatly influence tourist arrivals. If a destination is known for terrorism, crimes, and political instability, tourists will not be open to selecting the destination in fear of their safety and well–being. Social changes can

either ignite or be a result of other environmental changes mentioned. Chapter 5 firstly provided the trends analysis for the tourism industry.

Increases in competition and changes in the above–mentioned environments (Abdullah & Haan, 2012:199) provide difficulties in ensuring that the needs of consumers (tourist) are satisfied. According to Rizzi and Graziano (2017:11), the increase in tourist arrivals and the creation of new tourism destinations have shown a positive growth trend in the global tourism industry. The tourism industry has a significant influence/ contributes to the economic and social statistics of the global economy as it is a large economic industry compared to other industries (World Travel and Tourism Council. 2019b:2). In 2018, the global tourism industry's output represented 10.4 percent of total GDP amounting to 8.8 trillion US Dollars (WTTC, 2019b:2). This was the 8th successive year that the tourism industry's growth exceeds that of the global economy. The manufacturing industry is leading in terms of GDP growth of 4 percent (WTTC, 2019b:7). Compared to the growth rate of the total economy, reaching 3.2 percent, the tourism industry outperformed with a growth rate of 3.9 percent in 2018 (WTTC, 2019:5). Therefore, the tourism industry is second in terms of GDP growth.

Tourism as a research topic has become more popular in the current decade. The trends of the tourism industry form a significant part of research as it gives an overview of the historical and current status quo. This chapter focuses on the trends in the tourism industry. The researcher aims to analyse the workings of the tourism industry, especially in terms of competitiveness. The trends in tourism can paint a better picture of the historical and current status of tourism in a region. In addition, it can also provide information on possible future trends which was provided given the concept of *ceteris paribus*. Das and Dirienzo (2010:489) postulate that understanding the features of a tourism destination assist in developing a competitive tourism destination.

The Pacific Asia Travel Association (2020) states that trends analyses are crucial to ensure an understanding of the tourism destination's environment. This enables tourism destinations to manage destinations and their changes effectively. First, a trends analysis was conducted. The regions were discussed in terms of demographic and overall growth figures. This cultivates an understanding regarding the status quo that citizens and circumstances the tourism destination is currently experiencing as well as give possible improvements. Secondly, variables regarding tourism in the Sedibeng and Fezile Dabi district municipality are analysed. In terms of local economic development, tourism influences economic and social growth and local competitiveness (Rizzi & Graziano, 2017:12). The variables used to elaborate on the operation of the tourism industry include beds per night, number of trips, tourism spending as a percentage of GDP and per capita as well as the employment figures in the formal industry in terms of accommodation, food and drink.

The rationale for the time–period used was to give a thorough timeline with sufficient information to establish trends. Four–year periods were used with an equal difference in time to simplify the explanation and information analysis. The years analysed were 2001, 2007, 2013, 2018. Data for global and African regions are only highlighted in the introduction to give an overview. However, more focus was on South Africa, Gauteng province, the Free State province, Sedibeng and Fezile Dabi district municipality. The selection of the areas is based on the focusing on a broad area and then moving to smaller areas, thus, from a global perspective to a district municipality perspective for an outline of the selected areas. Data for the international economy and South Africa have been gathered from the World Bank. Data for Gauteng, Sedibeng, Free State and Fezile Dabi were gathered from the Global Insight database. The differences in the data sources are not a significant limitation as the regions from different data sources are not compared. Only regions such as Gauteng, Sedibeng, the Free State and Fezile Dabi from the same database were compared.

Second, a time–series econometric analysis was done to investigate the short and long–run relation between tourism development and related variables. The most appropriate method of analysis was a panel analysis. Before a panel analysis can be performed, the correlation tests and unit root tests were executed, followed by diagnostics testing. The purpose of the panel analysis was to investigate the long and short–run relationship between tourism and related variables for and between 2001 and 2019.

Third, information for the SWOT (strengths, weaknesses, opportunities and threats) analysis was gathered from mostly interviews with selected individuals who are area–based experts. Together with the results from the questionnaire (measurement instrument) and the time–series analysis results, a SWOT analysis was developed for each region. This SWOT analysis could be used to develop strategic recommendations. The SWOT analyses are mostly regarding the Sedibeng and Fezile district municipalities regions as a whole; however, in some instances reference to the specific local municipalities in the regions is given a reference to specific local municipalities.

5.2 TRENDS ANALYSIS

This section followed a funnel approach in terms of the trends analysis, starting with global tourism trends. Moving towards the trends of South Africa and selected regions within South Africa are explained in depth. The regions selected for this study were Sedibeng district municipality and Fezile Dabi district municipality. To broaden the trends analysis, the areas of study were done for the province of Gauteng and its district municipality, Sedibeng and the Free State Province the Fezile Dabi district municipality. The rationale behind the selection of these

regions was due to the locality as tourism destinations. These destinations are in close proximity to one another, divided by the Vaal River. The regions selected for in–depth analysis are given in Figure 5–1

Figure 5–1: Map of the Sedibeng district municipality

Source: Municipalities South Africa (2020) / Municipal Demarcation Board (2020)

Gauteng Province consists of five district municipalities namely, City of Tshwane, West Rand, City of Johannesburg, Ekurhuleni and Sedibeng. The Sedibeng district municipality has the Vaal River, which is the divider between Gauteng and the Free State (Fezile Dabi district municipality). The Sedibeng district municipality, which is situated in the South of Gauteng, is also approximately 30 minutes from Johannesburg (Sedibeng District Municipality, 2020). This is an advantage as Gauteng had a significantly higher density compared to other provinces, more specifically to Johannesburg. The high population density provides tourism destinations that are interprovincial. According to Sedibeng district municipality (2020), Manufacturing is the largest industry contributing 30.8 percent to the economy of the Sedibeng district municipality, followed by government services the business industry at 17.8 percent respectively and 13.7 percent is due to trade.

According to Municipalities South Africa (2020), the Sedibeng district municipality consists of three local municipalities, namely, Emfuleni, Lesedi and Midvaal. Chaha (2020) postulates that Midvaal local municipality is the best performing local municipality with clean audit results 2013 to 2018, a low of 24 percent revenue spent on salaries, the good conditions of roads and timely

maintenance response. These advantages lead to Midvaal local municipality being the top–performing local municipality in Gauteng (Midvaal local municipality, 2020:74).

Statistics South Africa (2020) provided the following information on the three local municipalities of Sedibeng. The local municipality of Midvaal, the administrative region for Sedibeng district municipality, has a current economic growth rate of 3.94 percent which is also the lowest unemployment rate of 18.8 percent in Sedibeng district municipality (Midvaal local municipality, 2020;74). Lesedi local municipality has a growth rate of 3.26 percent with unemployment at 25.9 percent. Emfuleni local municipality has the lowest growth rate of 0.92 percent and the highest unemployment rate of 34.7 percent.

In terms of population density, Midvaal local municipality has 55 individuals per km^2, Emfuleni local municipalities 747 individuals per km^2 and Lesedi local municipalities, only 67 individuals per km^2. In Sedibeng district municipality it can be stated that the highest population density can have a negative impact on the economic growth rates as well as the employment figures. Depending on the resources and infrastructure available, a region should strive to have an ideal population density. A larger population density can benefit from economies of scale, improved infrastructure (Pettinger, 2017). Denis (2018:153) agrees that higher density areas allow for better development in terms of transportation facilities. However, this may not always be the case as in poor, overpopulated regions little is done to ensure an increase in efficiency and overall improvement. A possible adverse effect of high population density could be pollution. An increase in criminality is also a negative consequence with high population density areas (Kadar, Maculan & Feuerriegel, 2019:107). The Fezile district municipality is indicated in Figure 5–2.

Figure 5–2: Map of the Fezile Dabi district municipality

Source: Municipalities South Africa (2020) / Municipal Demarcation Board (2020)

The Free State Province is divided into five sections, viz. Mangaung metropolitan, Fezile Dabi district municipality, Lejweleputswa district municipality, Thabo Mofutsanyana district municipality and Xhariep district municipality (Municipalities South Africa, 2020). In the northern Free State, the district municipality Fezile Dabi is separated from Sedibeng district municipality by the Vaal River. According to the Free State government (2020), Fezile Dabi district municipality is predominantly known for agricultural activities.

The Fezile Dabi district municipality consists of four local municipalities, viz. Moqhaka, Ngwathe, Metsimaholo and Mafube. Statistics South Africa (2020) provided the following information on the four local municipalities of Fezile Dabi district municipality. Moqhaka local municipality is currently experiencing negative economic growth of–0.45 percent and a high unemployment figure of 35.2 percent. Ngwathe local municipality has a positive but insignificant economic growth rate of 0.4 percent and unemployment figures equal to that of Moqhaka local municipality (35.2 percent). The Ngwathe local municipality (2020:13) postulates that agriculture, mining and tourism are the three main economic industries. However, the tourism industry is still developing. Metsimaholo local municipality has the highest growth rate in Fezile Dabi at 2.51 percent and a lower unemployment rate of 32.1 percent. Metsimaholo local municipality (2019:42) states that manufacturing, retail, community services are the main economic industries. Mafube's local municipality economic growth rate of 0.22 percent and an

unemployment rate of 33.4 percent have a negative impact on the overall well–being of the local municipality.

Moqhaka municipality has 20 individuals per km^2, Ngwathe municipality 17 individuals per km^2, Metsimaholo municipality has 87 individuals per $km^{2,}$ and Mafube municipality has the lowest population density of 15 individuals per km^2. Metsimaholo municipality has the highest population density and outperforms the other district municipalities in terms of high economic growth and lower unemployment rates. According to Kadar, Maculan and Feuerriegel (2019:107), the low–density figures could have a positive impact on safety and security as there are better chances for resources to be spread equally amongst the citizens. It is apparent that Fezile Dabi district municipality has a significantly smaller population density value compared to that of Sedibeng district municipality. According to the Fezile Dabi district municipality (2018:9), this region is mostly utilised for agricultural purposes. This includes wheat, sorghum, maize, sunflower, sheep, cattle and game.

5.2.1.1 Beds per night occupied

Beds per night are used as an indicator to estimate the number of individuals that occupy a room per night. Beds per night are a better measurement than room per night as room per night does not allow for the number of individuals such as in the description of beds per night. On the other hand, the occupancy rate can also be used as a valid indicator of an accommodation facility's success (Abdullah & Haan, 2012:199). However, the occupancy rate represents the number of times a room is occupied (sold) within a specific time–period. Therefore, the higher the occupancy rate, the higher the profits (Abdullah & Haan, 2012:199). According to Nagy and Carr (2017:1), the comfort of an accommodation facility is a crucial selling point as it is a significant point of tourist satisfaction. However, limited research has been done on the influence of the idea of comfort for tourists. This is important as the satisfaction a tourist has for an experience lead to future staying possibilities and word of mouth. Abdullah and Haan (2012:199) state that the importance of tourists' satisfaction requires information on the factors that influence the occupancy rate of an accommodation facility. By doing so, the accommodation facility will be able to develop competitive advantages with regard to competitors.

Even though Abdullah and Haan (2012:99) state that the occupancy rate is dependent on seasonal changes, in this analysis it has little bearing as it includes all time periods for a year period (not just a specific period) limiting the effect of seasonality. Factors that influence occupancy include demographic, economic political and technological environment (Abdullah &

Haan, 2012:199, Kristiana, Pramono, Nathalia & Goeltom, 2020:745). Table 5–1 presents the bed per nights occupied by international and domestic tourists in the selected regions.

Table 5–1: Beds per night occupied

Beds per night				
	2001	**2007**	**2013**	**2018**
South Africa	127 199 100	185 636 703	184 049 380	195 724 767
Gauteng	29,299,336	38,687,118	48,523,099	63,164,752
Free State	7,723,987	10,096,550	11,119,287	14,955,992
Sedibeng DM	1 847 262	1 921 553	2 016 059	2 678 197
Fezile Dabi DM	978 969	1 474 476	1 572 004	2 136 943

Source: Own compilation

Table 5–1 illustrates an increase in beds per night for all the regions. **South Africa** has seen a continuous increase in beds per night from 2001 to 2018. This could indicate a potential future increase for 2025 of 204 million. In terms of provinces, Gauteng overall has more significant beds per night figure than the Free State. **Gauteng** can be expected to reach 76 million and the **Free State** 16 million beds per night in 2025, assuming the same rate of growth occurs. Even though the Free State has significantly fewer than Gauteng, it is also increasing. Between the years 2007 and 2013 it emerged that there is a lesser increase for all of the regions. The global financial crisis occurred in this period and could have a potential impact on these figures. **Sedibeng district municipality** has had an increase of eight hundred thousand from 2001 to 2018. This is a significant increase, but not as much as for **Fezile Dabi district municipality** who had an increase of approximately 1.2 million between 2001 and 2018. For these regions to further increase their occupancy, they will be required to pay attention to their surrounding areas, prices, amenities, cleanliness and overall comfort.

5.2.1.2 Number of trips taken by tourists

In the data below, the number of trips taken include for the purpose of business travel and well as leisure or holiday travel. The number of trips is not a comprehensive indicator of tourism development, but it could provide information on the element of tourism development. It is thus included in the analysis to provide a broad picture. This could be insufficient as the number of trips does not show the amounts spent per trip, which is a more significant indicator. Nonetheless, it still provides some information needed to give an overview. The number of trips taken to a region is illustrated in Table 5–2.

Table 5–2: Number of trips taken

Number of Trips				
	2001	**2007**	**2013**	**2018**
South Africa	14,754,099	23,951,321	28,953,043	26,672,530
Gauteng	3,311,162	4,681,104	6,856,911	6,810,227
Free State	1,095,557	1,603,928	1,578,358	1,573,021
Sedibeng DM	518,581	413,895	460,117	490,273
Fezile Dabi DM	534,316	564,818	563,234	570,453

Source: Own compilation

South Africa has seen a steady increase in the number of trips taken within the country. This growth is a positive indicator of success in tourism. However, this growth has slowed down in recent years. **Gauteng** surpasses the **Free State** with an average of four million. This is a significant difference when taking into account that as a province, Gauteng is much smaller than the Free State. Comparing the district municipalities, it is seen that **Sedibeng district municipality** has surprisingly fewer trips than **Fezile Dabi district municipality**. This is surprising as it would be expected that Sedibeng will perform better than Fezile Dabi. Sedibeng showed a decrease in the number of trips since 2001. The number of trips could possibly increase by creating and advertising more tourism routes, services and goods.

5.2.1.3 Tourism spending as a percentage of GDP and per capita

Tourism spending is mostly divided into two categories, namely leisure spending and business spending. There is a great difference between the spending percentages. Leisure tourism spending exceeded business tourism spending by 57 percent in 2018 on a global scale (WTTC, 2019:5). These spending figures include both tourism in the form of business and leisure activities. According to the WTTC (2019b:7), the increase of the global tourism industry in 2018 is due to an increase in international arrivals of 4.2 percent. The WTTC (2019b:11), states that for the year 2018, the African tourism industry's contribution to GDP increased by 5.6 percent above its total economic growth of 3.2 percent. These statistics place Africa as the second fastest growing region between Asia Pacific (fastest–growing), Europe and the Americas (WTTC, 2019b:11). In further investigation, the WTTC (2019b:11) found that Ethiopia is at the top with the greatest growth rate of 48.6 percent in 2018, outpacing countries in Africa as well as other countries globally. Ethiopia's success is due to the increase in international tourist spending as well as the relaxation of the visa regulations and improvement of transportation channels. Table 5–3 gives the tourism spending of selected regions.

Table 5–3: Tourism spending

Tourism spending								
	2001		2007		2013		2018	
	% GDP	Per capita	% GDP	Per capita	% GDP	Per capita	% GDP	Per capita
South Africa	7.4 %	R 1,720	6.6 %	R2,841	6.2 %	R 4,062	5.9 %	R 4,938
Gauteng	5.4 %	R 2,071	5.0 %	R 3,306	4.8 %	R 4,585	4.5 %	R 5,257
Free State	5.4 %	R 1,111	4.8 %	R2,024	5.0 %	R 3,161	5.6 %	R 4,758
Sedibeng DM	4.9 %	R 3,312	4.3 %	R 4,799	3.5 %	R 5,831	3.6%	R 13,328
Fezile Dabi DM	3.3 %	R 2,449	3.2 %	R 4,827	3.2 %	R 7,421	4.3 %	R 7,461

Source: Own compilation

As a country, **South Africa** saw a decline since 2001 in the tourism spending that represents a percentage of the total GDP. A positive increase is seen in the value spent on tourism per individual, indicating that per person the amount of spending on tourism activities increased. This, however, does not take into account inflation and the increase in overall prices. Table 4.2.4 indicates that overall, **Gauteng's** increase in tourism spending per capita is more than that of the **Free State.** However, in terms of percentage of GDP, the Free State has higher values. Thus in the Free State, tourism makes a more considerable contribution to GDP than in Gauteng. This is also the same for the district municipalities **Sedibeng district municipality** and **Fezile Dabi district municipality.** It is noted that in 2018 there was a significant increase in tourism spending per capita compared to the increase for Fezile Dabi. This increase could possibly be as a result of an increase in advertising. It is believed that the contribution in terms of GDP also increases but this is not the case. A potential explanation for this could be that all the industries in Sedibeng increased their contribution percentage to GDP and not just the tourism industry.

5.2.1.4 Tourism employment

In the formal industry, the accumulated number of individuals' employment is located in the food, beverage, and hotel and restaurant industries. Tourism is not an official industry, which makes it difficult to calculate and analyse the precise extent of the vast employment opportunities. According to research from the WTTC (2019b:2), the global tourism industry is responsible for 319 million employment opportunities which represent 10 percent of total global employment. Between 2019 and 2029, the WTTC (2019:5), estimated growth in the rate of employment opportunities within the tourism industry with approximately 100 million opportunities. The employment of individuals is given in Table 5–4 from 2001 to 2018.

Table 5–4: Tourism employment

Employment of individuals in tourism								
	2001		2007		2013		2018	
	Food Bev	Hotel	Food Bev	Hotel	Food Bev	Hotel	Food Bev	Hotel
South Africa	219,152	157,675	191,000	324,556	288,497	391,741	306,204	498,236
Gauteng	57,298	50,141	55,004	97,148	81,298	117,514	84,420	200,568
Free State	12,267	7,491	7,268	16,467	15,520	17,303	11,646	21,621
Sedibeng DM	3,648	2,216	3,161	3,759	5,367	5,036	4,592	5,320
Fezile Dabi DM	3,578	953	1,708	2,223	3,116	2,317	2,316	2,869

Source: Own compilation

South Africa has had an increase in both the employment of individuals in the sub–industries, food and beverage as well as in hotel accommodation from 2001 to 2018. Compared to South Africa, Gauteng employs an average of 30 percent of individuals out of the national tourism employment figures for the sub–industries, food and beverage and hotel accommodation facilities. The figures indicate that **Gauteng province** has a much larger employee network than the **Free State province** in the tourism industry. Focusing on the district municipalities, **Sedibeng district municipality** surpasses Fezile Dabi for all the time periods selected as well as the sub–industries. This could possibly be due to the availability of tourism facilities in Sedibeng district municipality being more likely to find than in Fezile Dabi district municipality. **Fezile Dabi district municipality** had a great increase from 2001 to 2007 in terms of employment in the hotel accommodation industry from 953 to 2223. This is significant when compared to the increase in Sedibeng and compared to the other time periods for Fezile Dabi.

5.3 SEDIBENG DISTRICT MUNICIPALITY'S RESULTS AND DISCUSSIONS

5.3.1 Time–series econometric analysis: Stage C: Sedibeng district municipality

The statistical programme Eviews 9 (Econometric views 9)™ was used to analyse the time–series data in order to generate results on the relation among tourism, economic and social variables that related to tourism development or tourism destination competitiveness. These variables added to the investigation of determinants of tourism destination competitiveness of the Sedibeng and Fezile district municipalities.

Initially, a model was developed to investigate the relationship between tourism, economic and social variables. The first model represents the district municipality of Sedibeng in equation (6.1).

$Ltourism_{SDM} = \propto 0 + \sum \beta j Ltourism_{SDM} - j\ k\ j{=}1 + \sum \lambda j Lcrime_{SDM} t - j\ k\ j{=}0 + \sum \lambda j Lpop_{SDM} t - j\ k\ j{=}0 + \sum \Delta\lambda j Lgva_{SDM} t - j\ k\ j{=}0 + \sum \lambda j Lhdi_{SDM} t - j\ k\ j{=}0 + \sum \lambda j Ltress_{SDM} t - j\ k\ j{=}0 + \sum \lambda j Lunemp_{SDM} t - j\ k\ j{=}0 + \sum \lambda j Lexch_{SDM} t - j\ k\ j{=}0 + \sum \lambda j Lhealthfac_{SDM} t - j\ k\ j{=}0\ \varphi 1 Ltourism_{SDM}\ \varphi 2 Lcrime_{SDM} t - 1 + \varphi 3 Lpop_{SDM} + \varphi 4 Lgva_{SDM} t - 1 + \varphi 5 Lhdi_{SDM} t - 1 + \varphi 6 Ltress_{SDM} t - 1 + \varphi 7 Lunempt_{SDM} - 1 + \varphi 8 Lexch_{SDM} t - 1 + \varphi 9 Lhealthfac_{SDM} t - 1 + et$ ....(6.1)

The following variables are used within Equation (6.1) for the Sedibeng district municipality. These variables used are transformed into their log format. The abbreviation SDM was given to all Sedibeng district municipality variables. $Ltourism_{SDM}$ is the variables presenting tourism arrivals and spending in the Sedibeng district municipality. $Lcrim_{SDM}$ is the log format for the variable that explains the sum of crimes committed for every 100 000 individuals in the population. The log format for the number of individuals present in the tourism destination– Sedibeng district municipality– is $Lpop_{SDM}$. The gross value added of the district municipalities' economy is given in log form as $Lgva_{SDM}$. $Lhdi_{SDM}$ is the log form of the human development index. The level of industry al diversification is presented by $Ltress_{SDM}$. The higher the tress index, the less diversified the tourism destination. The percentage of unemployment in the population is given in log form by the variable $Lunemp_{SDM}$. The Rand (ZAR) and Dollar ($) is given the exchange rate is represented by $Lexch_{SDM}$. The log variables for the number of health facilities present are $Lhealthfac_{SDM}$ Menegaki (2017:3) gives the important components of an ARDL panel analysis as the tests for co–integration, unit root and causality.

5.3.1.1 Correlation analysis

The linear relationship for Equation 6.1 is investigated though the correlation analysis between tourism and related variables. The probability, p–value or prop indicates whether the correlation is statistically significant. Table 5–5 indicates the results for the Sedibeng district municipality's correlation analysis.

Table 5–5: Correlation matrix: Sedibeng district municipality

Variables	**Ltourism**$_{SDM}$	**Lcrime**$_{SDM}$	**Lpop**$_{SDM}$	**Lgva**$_{SDM}$	**Lhdi**$_{SDM}$	**Ltress**$_{SDM}$	**Lunemp**$_{SDM}$	**Lexch**$_{SDM}$	**Lhealthfac**$_{SDM}$
Ltourism$_{SDM}$	–	–	–	–	–	–	–	–	–
Correlation	1.0000	–0.4594	0.2644	0.2735	0.3041	0.1026	–0.1406	0.3655	0.2910
t– stat	–	–3.8358	2.0335	2.1094	2.3674	0.7650	1.053 7	2.9129	2.2565
p–value	–	0.0003*	0.0468**	0.0395**	0.0215**	0.4475	0.2966	0.0052**	0.0280**

*Note: *, ** &*** signifies statistically significant at 1%, 5% & 10% respectively*.

Source: Compiled by author

According to the correlation analysis results, the following relationships exist between tourism and related variables;

A moderate negative relationship exists between **Lcrime**$_{SDM}$ and Ltourism$_{SDM}$. According to the probability, a statistically significant relationship exists between these variables. The second strongest link is between the variables Ltourism and **Lexch$_{SDM}$** which is positive and statistically significant. Low statistical relationships exist between Ltourism and **Lpop$_{SDM}$**, **Lgva$_{SDM}$**, **Lhdi$_{SDM}$** respectively. These are positive and statistically significant relationships. There exists a low correlation between Ltourism and **Ltress$_{SDM}$** and Ltourism and **Lunemp$_{SDM}$**. In the case of the Ltourism$_{SDM}$ and Lunemp$_{SDM}$ an inverse relationship exists. Therefore, an increase in Lunemp$_{SDM}$ leads to a decrease in Ltourism$_{SDM}$. The only variable that does not have a statistically significant relationship with Ltourism$_{SDM}$ is Ltress$_{SDM}$. The linear relationship between **Lheathfac$_{SDM}$** and Ltourism$_{SDM}$ is positive. This relationship, however, is low to moderate in strength. This relationship is also statistically significant at 5 percent.

5.3.1.2 Unit root tests

The results were explained by the use of the Null hypothesis (H0) of unit roots. The Null hypothesis (H0) states that the variables that unit roots present means that the variables are non–stationary. Table 5–6 gives the unit root test results for Equation 6–1.

Table 5–6: Unit root test results: Sedibeng district municipality

Variable		Levels				1st Difference				RESULT
		LLC	IPS	ADF	PP	LLC	IPS	ADF	PP	
$LTourism_{SDM}$	t–stat	–1.333	0.8874	3.2386	31453	0.1092	–1.655	13.421	49.047	i(1)
	prob	0.0912	0.8126	0.7784	0.7904	0.5435	0.04**	0.03**	0.000*	
$Lcrime_{SDM}$	t–stat	–1.751	0.3970	3.6024	2.4435	–1.991	–2.922	19.371	30.9191	i(1)
	prob	0.0441	0.6543	0.0730	0.8747	0.02**	0.001*	0.003*	0.000*	
$Lpop_{SDM}$	t–stat	–4.813	–0.898	16.936	6.8885	0.5636	0.8508	4.1427	3.1445	i(0)
	prob	0.000*	0.1844	0.009*	0.3313	0.7135	0.8026	0.6574	0.7905	
$Lgva_{SDM}$	t–stat	0.2601	1.8073	1.2670	5.6219	–5.165	–3.900	24.541	53.3470	i(1)
	prob	0.6026	0.9646	0.9734	0.4668	0.000*	0.000*	0.000*	0.000*	
$Lhdi_{SDM}$	t–stat	–3.307	17.774	0.9337	17.064	0.0352	1.2106	1.4450	13.489	i(0)
	prob	0.000*	0.006*	0.8248	0.009*	0.5140	0.8870	0.9631	0.035*	
$Ltress_{SDM}$	t–stat	–1.927	–0.635	7.9276	5.2960	–4.918	–3.126	20.121	30.441	i(1)
	prob	0.027*	0.2626	0.2435	0.5064	0.000*	0.000*	0.002*	0.000*	
$Lunemp_{SDM}$	t–stat	–1.266	–1.503	10.811	6.4365	–11.79	–8.805	51.691	34.462	i(1)
	prob	0.1027	0.06**	0.0944	0.3761	0.000*	0.000*	0.000*	0.000*	
$Lexch_{SDM}$	t–stat	0.7796	1.2006	1.4443	0.9894	–5.997	–4.996	31.121	2.5112	I(1)
	prob	0.7822	0.8851	0.9631	0.960	0.000*	0.000*	0.000*	0.8672	
$Lhealtfac_{SDM}$	t–stat	–1.012	0.3522	5.3688	28.821	0.0721	–3.594	23.800	56.437	i(1)
	prob	0.1577	0.3621	0.4975	0.000*	0.5288	0.000*	0.000*	0.000*	

*Note: *, ** &*** signifies statistically significant at 1%, 5% & 10% respectively.*

Source: Compiled by author

The unit root results are given to a variable depending on the four–test Levin, Lin and Chu (LLC), Im, Pesaran and Shin (IPS), Augmented Dickey–Fuller (ADF) and Phillips–Perron (PP). The Results ARE accepted if at least three out of the four–unit root test results are in agreement. The variable **$Lpop_{SDM}$** is statistically significant for the LLC and ADF unit root test. Note that for this variable, only two out of the four tests were significant. This is still accepted, and therefore $Lpop_{SDM}$ is stationary at i(0). In addition, **$Lhdi_{SDM}$** is stationary at levels for three out of the four–unit root test and is identified as i(0) variable.

For the other remaining variables, none were accepted as i(0), and as such, the unit roots at first difference were tested. The variable, **$LTourism_{SDM}$** is not stationary at any of the four tests

executed at i(0). Therefore the unit root was tested at first order i(1) and found that three out of the four is stationary at i(1) with a significance level below 5 percent. At i(0) only one test (LLC) indicated significance for **LcrimeSDM** in terms of unit roots. One out of four is not accepted and therefore the unit roots were tested at first difference. At first difference, indicated that four out of four unit root tests are significant at i(1) with a significance below 1 and 5 percent respectively. This is also the case with the variables, $Lgva_{SDM}$, $Lhealtfac_{SDM}$, $Ltress_{SDM}$ and $Lunemp_{SDM}$ as they are statistically significant at first difference. The unit roots test results indicated that $Lexch_{SDM}$ is stationary at i(1) for three out of the four tests, which is acceptable. Due to a mixture of stationarity, an ARDL panel analysis was executed. None of the variables were stationary at i(2), which satisfies the requirement for unit root test (Menegaki, 2017:2). Due to the mixture in stationarity, an ARDL panel analysis is selected (Bashir, Ahmad & Nasim, 2018:431). Table 5–7 shows the long–run relation between variables in Equation 6.1.

5.3.1.3 Long and short–run relationship

Table 5–7: Long–run relationship: Sedibeng district municipality

Variable	Coefficient	t–statistic	p–value
$Lcrime_{SDM}$	–0.9051	–38552.87	0.0000*
$Lpop_{SDM}$	0.2946	5419.14	0.0000*
$Lgva_{SDM}$	0.2517	14049.41	0.0000*
$Lhdi_{SDM}$	1.7940	14819.99	0.0000*
$Ltress_{SDM}$	–2.2428	–43524.02	0.0000*
$Lunemp_{SDM}$	–1.4904	–54215.21	0.0000*
$Lexch_{SDM}$	–0.3473	–62435.25	0.0000*
$Lhealtfac_{SDM}$	0.7660	5.1565.75	0.0000*

*Note: *, ** &*** signifies statistically significant at 1%, 5% & 10% respectively.*

Source: Compiled by author

Equation (6–2) presents the long–run relationship of tourism and socio–economic variables in the Sedibeng district municipality.

Eq 6–2: $Ltourism_{SDM} = – 0.9051(Lcrime_{SDM}) + 0.2946(Lpop_{SDM}) + 0.2517(Lgva_{SDM}) + 1.7940(Lhdi_{SDM}) – 2.2428(Ltress_{SDM}) – 1.4904 (Lunemp_{SDM}) – 0.3473 (Lexch_{SDM}) + 0.7660(Lhealtfac_{SDM})$……(6–2)

A negative long–run relationship exists between $Ltourism_{SDM}$ and **$Lcrime_{SDM}$**. A one percent increase in criminality will lead to a 0.95 percent decrease in tourism development or competitiveness in the Sedibeng district municipality. Safety and security have a very high priority in the decision–making the process of selecting a tourism destination. If a tourism destination is deemed unsafe, it will have a negative impact on the number of tourism arrivals. There also exists a negative relationship between $Ltourism_{SDM}$ and **$Lexch_{SDM.}$** If the Rand/Dollar exchange rate increases (depreciation of the rand) it will result in a 0.34 percent decrease in tourism development or competitiveness. In the sense of international arrivals, this does not make logical sense.

For tourism arrivals, the increase in the exchange rate should lead to an increase in international arrivals as it will be more affordable for international tourists to travel to the Sedibeng district municipality, but, it should be noted that the majority of tourists who visit the Sedibeng district municipality are nationals of South Africa visiting from neighbouring towns and cities. Therefore it could be explained that the increase in the exchange rate could increase prices of local goods and services due to an increase in import costs of those goods and services. Tourists do not have the financial means to spend on tourism goods and services (seen as a luxury) but would much rather consume necessities. It, therefore, leads to a decrease in tourism development or competitiveness. Note that the development of the tourism variables is a variable representing tourism spending and tourism arrivals. In the long–run there is a negative link between $Ltourism_{SDM}$ and **$Ltress_{SDM}$**. A one percent decrease in the $Ltress_{SDM}$ (industry diversity) the economy in the district municipality of Sedibeng will lead to a 2.24 percent increase in tourism development or competitiveness. Therefore the more diverse an economy, the better the tourism development or competitiveness. A plausible explanation could be that the tourism industry that is a collective of various other industries (interlinked with other industries) will perform well if there is equal opportunity to grow for these other interlink industries. There is a negative linkage between $Ltourism_{SDM}$ and **$Lunemp_{SDM}$** in the long–run. It is statistically significant that a one percent increase in unemployment will cause a 1.49 percent decrease in tourism development or competitiveness.

In the long–run, a positive statistically significant relationship is present between the dependent variable $Ltourism_{SDM}$ and the independent variables $Lpop_{SDM}$, $Lgva_{SDM}$, $Lhdi_{SDM\ and}$ $Ltourism_{SDM.}$ A one percent increase in the population density of the Sedibeng district municipality (**$Lpop_{SDM}$**) causes a 0.29 percent increase in tourism development or competitiveness. A one percent increase in **$Lgva_{SDM}$** will lead to a 0.255 percent increase in $Ltourism_{SDM}$ in the long run. There exists a positive relationship between $Ltourism_{SDM}$ and **$Lhdi_{SDM}$**. If the human development index (income, living standards and level of education) increases in the Sedibeng district municipality,

it will lead to a 1.9 percent increase in tourism development or competitiveness. For the **Lhealtfac$_{SDM}$** a positive statistically significant relationship exists with Ltourism$_{SDM}$ in the long run. If the number of health facilities increases in the Sedibeng district municipality it could lead to a 0.76 percent increase in tourism development of competitiveness. Medical tourism exists so that individuals from one region could receive medical care in another tourism destination that is outside their region. Therefore if a region does not have an equipped hospital and medical staff members, individuals will travel to another district municipality to receive medical care. The long–run relationship between the dependent variable Ltourism$_{SDM}$ and all the independent variables are all statistically significant at 1 percent. Table 5–8 presents the short–run relationship between the dependent and independent variable in the district municipality of Sedibeng.

Table 5–8: Short–run relationship: Sedibeng district municipality

Variable	Coefficient	t–statistic	p–value
Cointeq01	–1.6577	–1.809977	0.0861***
D(Lcrime)	–1.2616	–0.7384	0.4691
D(Lpop)	168.5728	1.0253	0.3181
D(Lgva)	–3.1141	–1.4047	0.1762
D(Lhdi)	–12.8693	–1.2723	0.2186
D(Ltress)	–26.5790	–0.7689	0.4515
D(Lunemp)	8.5364	1.0271	0.3173
D(Lexch)	0.3749	4.2988	0.0004
D(Lhealthfac)	–0.8420	–0.6723	0.5095

*Note: *, ** &*** signifies statistically significant at 1%, 5% & 10% respectively.*

Source: Compiled by author

For a short–run relationship to exist between the dependent and independent variables, the coefficient must be a negative, and the probability should be statistically significant. The coefficient is–1.65, which is accepted, and the probability is 0.08, which indicates statistical significance at 10 percent. The diagnostics test of the Sedibeng district municipality is given in Table 5–9.

5.3.1.4 Diagnostic tests

Table 5–9: Diagnostics testing: Sedibeng district municipality

Test	p–value	Finding
Normality test	0.0821	Normal distribution
Cross section dependence	0.0954	No cross dependence

Source: Own compilation

The Jarque–Bera test for normality had a probability of 0.0821. The H_0 that this is normally distributed was accepted as the probability is above 0.5 or 5%. The H_0 of no existence of cross–section dependence was accepted above a probability of 0.5 or above 5%.

5.3.2 SWOT analysis: Sedibeng district municipality: Stage C

The SWOT analysis included the most important strengths, weaknesses, opportunities and threats that the Sedibeng district municipality is faced with. The information gathered is from industry specialists within the district municipality. The SWOT analysis is predominantly for the Sedibeng region as a whole; however, references to specific local municipalities were given. Table 5–10 provides the SWOT analysis for the Sedibeng district municipalities.

Table 5–10: SWOT analysis: Sedibeng district municipality

Strengths	Weaknesses
Good strategic location	Pollution of Vaal River and Vaal Dam
Various tourism roots available	Poor promotion of tourism routes
Limited traffic	Tourism facilities not utilized
The historical and cultural richness	High unemployment rates
Annual events (wine route)	Lesedi has a high age dependency rate
Decline in crimes	Midvaal does not focus on tourism development
Strong business chamber	
Well priced goods and services	
Variety of tertiary institutions	
Good living standards	
Lesedi Town of the Year finalist	
Opportunities	**Threats**
There are various routes available	Global warming
Land available for development	COVID–19 disease

Connected to main highway	Criminality still exists
Rich historical and cultural resources potential	High unemployment in some local municipalities
Skilled workforce available	Change in street names
Availability of water resources	Magnetic mine
Tourism revitalisation possible	

Source: Own compilation adapted from Wiersma (2020), Gorati (2020) Anderson (2020)

Strengths in tourism of the Sedibeng district municipality:

- Favourable strategic location: The Vaal River and Vaal Dam are both water resources that are on the border of Sedibeng district municipality.

  The Sedibeng district municipality is approximately 30 minutes' drive from Johannesburg, which could be a significant market. The hub of the Gauteng province (Johannesburg and Pretoria/ Tshwane) has minimal traffic towards the Sedibeng district municipality. The Lesedi local municipality is connected to the Gauteng economic hub by the N3 freeway. The Midvaal and Emfuleni local municipalities are connected to the Gauteng economics hub via the R59 highway.
- Various tourism roots are available. The Lesedi and Emfuleni local municipalities have various tourism routes available.
- Limited traffic: Even though Sedibeng district municipality is close to major cities (Johannesburg and Pretoria/ Tshwane) it does not have the traffic congestion that is characterised in these cities. This makes for a peaceful retreat from the hustle and bustle of cities. The Midvaal local municipality also has some of the best roads (Chaha, 2020).
- Historical and cultural richness from townships such as Ratanda and Sharpeville. Township struggle routes are the most popular tourism routes. The Lesedi local municipality has the Suikerbosrand nature reserve, AG Visser house– built in 1890 (he was a well–known poet), a historic sandstone church, the Triumvirate monument, Bakoond historical monument and the Heidelberg heritage museum.
- Annual events: The Vaal River Meander Wine Route is one of Gauteng's most famous wine routes. There is also the Wheels on the Vaal.
- Lesedi has seen a decline of 2.14% in severe crimes and a 3.01% decline in murders in the past year.
- Strong business community: The Vaal Business Chamber is very active in pursuit of progress. One of South Arica larger meat–producing businesses, Karan Beef, is located in the Lesedi local municipality.

- Well–priced goods and services: In relation to the district municipalities in the north of the Gauteng province, the Sedibeng district municipality is relatively fair in terms of prices of goods and services. This relates to properties, food, hospitality and schooling, to name a few. When the properties are more affordable, it will place tourism–related businesses in a better financial position to make a profit which does not rip off the tourists. As such tourists from North Gauteng will deem the use of tourism facilities, goods and services more cost–efficient concerning what it would be in their home environment. Companies such as Habby and Lace, Melko kitchens, Sedgars and second–hand car dealerships already have a consumer market from the district municipalities outside of Sedibeng. Even though these businesses are not noted as tourism–related they could be the initial contact that could possibly lead to an increase in visits. For example, when an individual visits, they could potentially need to make use of food and drink facilities. If the marketing of for example a river festival is appropriately executed it could spark interest and the possibility of a visit to that tourism activity.
- Tertiary institutions– universities and colleges: The North–West University (Vanderbijlpark Campus), Vaal University of Technology and CTU (Computer Training Unlimited) training solutions to name a few could attract individuals for educational purposes. This cause an increase in individuals in a tourism destination that could possibly make use of tourism facilities.
- Acceptable living standards: The lower living cost as compared to Northern Gauteng helps develop a more considerable disposable income. This could be used to procure luxury tourism goods and services. The limit in traffic congestion also adds to the increase in living standards as families spend less time on the roads and could have more opportunities to spend with family. A positive living standard and well–being could lead to an increase in productivity.
- Lesedi Town of the Year finalist: An annual competition by Kwela announced that the town Heidelberg in the Lesedi district municipality was one of the finalists in the competition for Town of the Year. This is an excellent resource for marketing.

Weaknesses in tourism of the Sedibeng district municipality:

- Pollution of Vaal River and Vaal Dam: Seen as the Vaal Triangle, air pollution, negative connotation and destination image. The Department of Water and Sanitation (2019) stated that they are aware of the deterioration of the water quality in the Vaal River. This was done by unblocking pipes to improve the water flow. The Department of Water and Sanitation allocated R176 million to reduce pollution. This problem has been addressed, but the state of water quality should be routinely evaluated. Tshikalange (2020) said that the director of

water services, Simon Maphangula stated that the revitalisation of the Vaal River would be a process that would only be completed in 36 months. In the short–run the success of the Sedibeng district municipality as a tourism destination could be extremely negatively impacted. This negative impact will impact not only water sport (boat cruises) but also the restaurants and other establishments on the banks of the Vaal River.

- Poor promotion of tourism routes: The tourism routes have not been promoted and used as they should have been. The tourism routes that exist in the Lesedi and Emfuleni local municipalities are not marketed to tourists in and out of the tourism destination that is the Sedibeng district municipality. A tourist would have to do thorough research into the Sedibeng district municipality to find the tourist routes available. It is recommended that the Sedibeng district municipality should advertise the tourism routes available and they should make it so that it should be interesting and a learning experience for potential tourists. To do this the entire tourism–related establishment should have an awareness of these routes, and it should be marketed by them. A start could be by giving tourism and history students at a secondary and tertiary education level the opportunity to visit the tourism routes, as this will aid in the awareness of these routes as they will act as the word–of–mouth marketing of these routes to friends and family. Before this could be implemented the managers of these routes should make sure that as said above, this is an interesting learning experience so that the response will be positive and not seen as a loss of time. The training of tour guides links with this recommendation)
- Tourism facilities not utilised: Cultural and historical resources do exist, but they are under–capitalised.
- High unemployment rates within the local municipalities of Sedibeng, as described in Section 5.2, could have a negative impact on local tourism from residents within the Sedibeng district municipality. If the individuals in the tourism destination (Sedibeng district municipality) do not have the monetary means to participate in tourism activities actively, it will have a negative impact on tourism spending. Tourism spending, as well as tourism arrivals, are the measures of tourism destination competitiveness. If a tourism destination has decreased in spending, it will lead to a decrease in the level of competitiveness.
- Lesedi has a high dependency rate, more specifically, age dependency.
- The Midvaal local municipality does not focus on tourism development. Local economic development strategies are developed, but limited focuses were directed at the development of tourism–specific strategies.

Opportunity for tourism in the Sedibeng district municipality:

- There are various routes available: The R59 and N3 connect the Sedibeng district municipality to the economic hub of Gauteng. This is not only strength, but it could also be an opportunity to capitalise on– attracting tourists from North Gauteng. Access to logistics and transportation infrastructure could be beneficial to not only tourism relating activities and businesses but also manufacturing, mining industries and the overall economy of the district municipality. Connected to main highway Lesedi is connected to and easily accessible via the N3
- Land available for development: The Midvaal and Lesedi local municipalities have land and open space available for development (Midvaal Local Municipality, 2020;74).
- Skilled workforce in Lesedi is relatively high (22% of workforce) compared to other regions.
- The Vaal River and Vaal Dam could be used for water sports. The strategy developed should take into account the well–being of the environment when using the Vaal River and Vaal Dam as a tourist attraction.
- Tourism revitalisation: There is an opportunity to develop a tourism revitalisation strategy for the Sedibeng district municipality. The underutilisation of tourism routes can be used as a starting point for strategy development to provide the opportunities of full utilisation. The Ratanda and Sharpeville struggle routes could be highlighted.

Threats to tourism in the Sedibeng district municipality

- Global warming: Has a negative impact on natural resources in the Sedibeng district municipality. It results in the deterioration of the natural environment.
- COVID–19 pandemic: The worldwide spread of the COVID–19 disease has had a detrimental impact on the state of not only tourism but also local businesses and communities. In terms of tourism, local and international travel was banned. This had a negative income on tourism–related business such as tourist attractions activities and food and drink facilities, to name a few. This did not only have a negative impact on the general businesses in the steel, mining and manufacturing industry– it also had a ripple effect on community members and potential tourists. A decrease in disposable income was felt throughout, and still the repercussions of the lockdown period announced on the start 26th March 2020. This dampens the performance and success of entrepreneurs
- Criminality still exists: The decline in the crime rate is not enough to ensure 100 percent safety which is still a threat to tourism development. The existence of crimes should be dealt with, and it should be an important starting point for strategy development. This will not only benefit the potential tourist, but community members are businesses.

- High unemployment: This could also pose a threat to tourism development as it will result in limited tourism spending by local tourists.
- Changes in street names: The change of the main street in the Midvaal district municipality from Dr Verwoerd to Pierneef Boulevard. This had historical value. Dr Verwoerd Street had started at the Midvaal running through the Lesedi local municipality, which has a significant historical value.
- Magnetic mine: The possibility of opening a the Ngwenyamagnetic mine would pose a great threat to the environment.

5.4 FEZILE DABI DISTRICT MUNICIPALITY'S RESULTS AND DISCUSSIONS

5.4.1 Time–series econometric analysis: Stage C

In addition to a questionnaire and SPSS 26 analysis, a time–series analysis is used to analyse the impact certain variables have on tourism destination competitiveness or tourism destination development in the Fezile Dabi district municipality (FDM). As stated previously, tourism destination competitiveness or development is measured through tourism arrivals and tourism spending. The following equation presented the relationship between the dependent and independent variables investigated.

Initially, a model was developed to investigate the relation between tourism, economic and social variables. The second model represented the district municipality of Fezile Dabi in equation (6.3).

$$Ltourism_{FDM} = \propto 0 + \sum \beta jLtourism_{FDM}-j\ k\ j=1 + \sum \lambda j\text{Lcrime}_{FDM}t-j\ k\ j=0 + \sum \lambda jL\text{pop}_{FDM}t-j\ k\ j=0 + \sum \Delta\lambda jL\text{gva}_{FDM}t-j\ k\ j=0 + \sum \lambda jL\text{hdi}_{FDM}t-j\ k\ j=0 + \sum \lambda jL\text{tress}_{FDM}t-j\ k\ j=0 + \sum \lambda jL\text{unemp}_{FDM}t-j\ k\ j=0 + \sum \lambda jL\text{exch}_{FDM}t-j\ k\ j=0 + \sum \lambda jL\text{healthfac}_{FDM}t-j\ k\ j=0\ \varphi 1L\text{tourism}_{FDM}\ \varphi 2L\text{crime}_{FDM}t-1 + \varphi 3L\text{pop}_{FDM} + \varphi 4L\text{gva}_{FDM}t-1 + \varphi 5L\text{hdi}_{FDM}t-1 + \varphi 6L\text{tress}_{FDM}t-1 + \varphi 7L\text{unemp}t_{FDM}-1 + \varphi 8L\text{exch}_{FDM}t-1 + \varphi 9L\text{healthfac}_{FDM}t-1 + et \quad \text{.....(6.3)}$$

The following variables are used within Equation (6.3) for the Sedibeng district municipality. These variables used are transformed into their log format. The abbreviation $_{FDM}$ was given to all Fezile Dabi district municipality variables. *Ltourism*$_{FDM}$ is the variables presenting tourism arrivals and spending in the Sedibeng district municipality. *Lcrime*$_{FDM}$ is the log format for the variable that explains the sum of crimes committed for every 100 000 individuals in the population. The log format for the number of individuals present in the tourism destination (Sedibeng district municipality) is *Lpop*$_{FDM}$. The gross value added of the district municipalities' economy is given in log form as *Lgva*$_{FDM}$. *Lhdi*$_{FDM}$ is the log form of the human development index. The level of industry al diversification is presented by *Ltress*$_{FDM}$. The higher the tress (industry diversification) index, the less diversified the tourism destination. The percentage of unemployment in the population is given in log form by the variable *Lunemp*$_{FDM}$. The Rand (ZAR) and dollar ($) is the given exchange rate is represented by *Lexch*$_{FDM}$. The log variable for the number of health facilities present is *Lhealthfac*$_{FDM.}$

5.4.1.1 Correlation analysis

The linear relationship for Equation 6.3 is investigated through the correlation analysis between tourism and related variables. The probability, p–value or prop indicates whether the correlation is statistically significant. Table 5–11 indicates the results for the Fezile Dabi district municipality's correlation analysis.

Table 5–11: Correlation matrix: Fezile Dabi district municipality

Variable	$Ltourism_{FDM}$	$Lcrime_{FDM}$	$Lpop_{FDM}$	$Lgva_{FDM}$	$Lhdi_{FDM}$	$Ltress_{FDM}$	$Lunemp_{FDM}$	$Lexch_{FDM}$	$Lhfac_{FDM}$
Ltourism	–	–	–	–	–	–	–		
Correlation	1.000	–0.328	0.076	0.160	0.431	0.051	–0.049	0.381	0.261
t– stat	–	–2.9884	0.6590	1.4026	4.1162	0.4457	–0.4235	3.5530	2.3300
prop	–	0.0038*	0.5119	0.1649	0.0001*	0.6571	0.6735	0.0007*	0.0225**

*Note: *, ** &*** signifies statistically significant at 1%, 5% & 10% respectively.*

Source: Compiled by author

A negative correlation between $Ltourism_{FDM}$ and **$Lcrime_{FDM}$** is noted with a low to moderate correlation coefficient of 0.32, statistically significant at one percent. $Ltourism_{FDM}$ and **$Lhdi_{FDM}$** have a moderate positive correlation that is statistically significant. In the Fezile Dabi district municipality, there is a positive statistically significant correlation between tourism development or competitiveness ($Ltourism_{FDM}$) and the Rand/Dollar exchange rate (**$Lexch_{FDM}$**). This is a low to medium correlation at one percent significance. $Ltourism_{FDM}$ has a positive correlation of 0.26 with $Lhfac_{FDM.}$ The correlation between $Ltourism_{FDM}$ and **$Lpop_{FDM,}$** $Ltourism_{FDM}$ and **$Lgva_{FDM,}$** $Ltourism_{FDM}$ and **$Ltress_{FDM}$** as well as $Ltourism_{FDM}$ and **$Lunemp_{FDM}$** is not statistically significant.

5.4.1.2 Unit root tests

The results were explained by the use of the Null hypothesis (H0) of unit roots. The Null hypothesis (H0) states that the variables that unit roots present, which means that the variables is non–stationary. Table 5–12 puts forth the unit root test results for Equation 6.3.

Table 5–12: Unit root test: Fezile Dabi district municipality

Variable		Levels				1st Difference				RESULT
		LLC	IPS	ADF	PP	LLC	IPS	ADF	PP	
LTouris FDM	t–stat	–2.407	–2.455	21.731	24.660	–6.914	–5.368	57.627	258.39	i(0)
	prob	0.008*	0.0070*	0.0054*	0.001*	0.000*	0.000*	0.000*	0.000*	
Lcrime FDM	t–stat	0.9738	2.4345	1.2792	1.2911	–5.442	–4.338	32.987	36.613	i(1)
	prob	0.8349	0.9925	0.9958	0.9957	0.000*	0.0000*	0.0001*	0.0000*	
Lpop FDM	t–stat	–5.5982	–1.4389	17.428	7.6127	–1.225	–0.266	8.5807	4.6110	i(0)
	prob	0.0000*	0.07***	0.02***	0.4722	0.1103	0.4894	0.3789	0.7982	
Lgva FDM	t–stat	1.5219	0.0262	6.2427	7.7809	–1.691	–1.930	16.232	44.157	i(1)
	prob	0.06***	0.5105	0.6201	0.4552	0.045**	0.026**	0.039**	0.0000*	
Lhdi FDM	t–stat	0.9738	2.4345	1.2792	1.2911	–5.442	–4.338	32.987	36.613	i(1)
	prob	0.8349	0.9925	0.9958	0.9957	0.0000*	0.0000*	0.0001*	0.0000*	
Ltress FDM	t–stat	0.4020	2.2159	–1.115	3.8539	–4.754	14.330	30.373	54.449	i(1)
	prob	0.6562	0.9737	0.1322	0.8700	0.0000*	0.073**	0.0020*	0.0000*	
Lunemp FDM	t–stat	0.4281	–1.384	13.057	13.141	–9.767	–9.173	63.563	19.536	i(1)
	prob	0.6657	0.08***	0.109	0.1071	0.0000*	0.0000*	0.0000*	0.0122	
Lexch FDM	t–stat	0.9002	1.3864	1.9257	1.3192	–4.543	–4.234	32.156	32.995	i(1)
	prob	0.8160	0.0172	0.9832	0.9953	0.0000*	0.0000*	0.0001*	0.0001*	
Lhfac FDM	t–stat	–2.397	–0.656	8.6992	9.1190	–6.404	–5.233	39.612	64.768	i(1)
	prob	0.0083*	0.2557	0.3683	0.3324	0.0000*	0.0000*	0.0000*	0.0000*	

*Note: *, ** &*** signifies statistically significant at 1%, 5% & 10% respectively.*

Source: Compiled by author

The unit root results are given to a variable depending on the four tests Levin, Lin and Chu (LLC), Im, Pesaran and Shin (IPS), Augmented Dickey–Fuller (ADF) and Phillips–Perron (PP). The Results ARE accepted if at least three out of the four unit root test results are in agreement. For **Ltourism$_{FDM}$** the null hypothesis (H_0) is rejected at levels as four out of four unit root tests are stationary at levels. **Lpop$_{FDM}$** is also stationary at levels for three out of the four unit roots test at significance below 10 percent. These are the only variables that are stationary at levels. Therefore, the existence of unit roots was tested at the first difference level. The variable representing criminality in the district municipality of Fezile Dabi (**Lcrime$_{FDM}$**) has no unit roots for four out of the four tests, indicating stationarity at i(1). This is also the case for **Lgva$_{FDM}$**, the level of significance from all the tests are below 5 percent. **Lhdi$_{FDM}$** have significance levels below one percent at first difference. **Ltress$_{FDM}$**, **Lunemp$_{FDM}$**, **Lexch$_{FDM}$** and **Lhfac$_{FDM}$** all rejected the H_0 indicating stationarity at first difference. Al these variables are rejected the Null hypothesis (H_0) of unit roots. These variables are stationary at the first difference for four out of the four tests which are accepted.

5.4.1.3 Long and short–run relationship

The long–run relationship for the Fezile Dabi district municipality is given in Figure 5–13.

Table 5–13: Long–run relationship: Fezile Dabi district municipality

Variable	Coefficient	t–statistic	prob
$Lcrime_{FDM}$	–0.8746	–3.8300	0.0007*
$Lpop_{FDM}$	–5.3696	–5.5722	0.0000*
$Lgva_{FDM}$	1.2586	3.690	0.0010*
$Lhdi_{FDM}$	0.9759	2.0410	0.0508**
$Ltress_{FDM}$	11.8689	2.9820	0.0059**
$Lunemp_{FDM}$	–2.4569	–3.0832	0.0046**
$Lexch_{FDM}$	0.2179	1.2995	0.2043
$Lhealthfac_{FDM}$	1.9313	4.3524	0.0002*

*Note: *, ** &*** signifies statistically significant at 1%, 5% & 10% respectively.*

Source: Compiled by author

Equation (6–4) presents the long–run relationship of tourism and socio–economic variable in the Fezile Dabi district municipality.

Eq 6.4: $Ltourism_{FDM}$ =– 0.8746($Lcrime_{FDM}$)– 5.3696($Lpop_{FDM}$) + 1.2586($Lgva_{FDM}$) +0.9759($Lhdi_{FDM}$) + 11.8689($Ltress_{FDM}$)– 2.4569($Lunemp_{FDM}$) +0.2179($Lexch_{FDM}$) +1.9313($Lhealthfac_{FDM}$)……..(6–4)

In the long–run an inverse relationship exists between $Ltourism_{FDM}$ and **$Lcrime_{FDM}$** at a statistical significance of one percent. The data indicated that the relationship between crime and tourism was negative as a one percent increase in criminality, there was a corresponding 0.87 percent decrease in tourism development competitiveness. There is also a negative relationship between $Ltourism_{FDM}$ and **$Lunemp_{FDM}$**. This long–run relationship is statistically significant at five percent. In the data, a one percent increase in the percentages of unemployed individuals, there would be a 2.45 percent decrease in tourism development or competitiveness in Fezile Dabi district municipality. When the population density (**$Lpop_{FDM}$**) increases with one percent, it could lead to a major decrease of 5.36 percent in tourism development or competitiveness in relation to other changes in the long–term relationships. The larger the population, the more pressure it puts on the resources of the tourism destinations. Therefore, if there is an increase in the population a tourism destination could suffer in terms of progress and development, which inhibits the increase in competitiveness.

Positive relationships exist between the dependent variable $Ltourism_{FDM}$ and the following independent variables. The increase in Fezile Dabi's **$Lgva_{FDM}$** resulted in a 1.25 percent

increase in tourism development and competitiveness. A .0.97 increase in $Ltourism_{FDM}$ will be the consequence if there is a one percent increase in **$Lhdi_{FDM}$**. The most significantly positive relationship exists between $Ltourism_{FDM}$ and **$Ltress_{FDM}$**. A one percent increase in the concentration of economic activity will lead to an 11.86 percent increase in tourism development or competitiveness. It could be that the tourism industry and the interlinked industry in the Fezile Dabi district municipality takes a sizable proportion of economic activity. Thus the more tourism and interlinked industries grow, the more they progress, and development would take place. The long–run relationship between $Ltourism_{FDM}$ and $Lhealthfac_{FDM}$ indicates that a one percent increase in the number of health facilities could lead to a 1.93 percent increase in tourism development or competitiveness at a significance of one percent. As in the case of the Sedibeng district municipality, this could be due to medical tourism. The only long–run relationship that is not statistically significant, with a probability of 0.20 is between $Ltourism_{FDM}$ and **$Lexch_{FDM}$**. The short–run relation for Equation 6.4 is indicated in Table 5–14.

Table 5–14: Short–run relationship: Fezile Dabi district municipality

Variable	Coefficient	t–statistic	prob
Cointeq01	–0.3733	–0.9797	0.3356
D(Lcrime)	0.5167	1.1175	0.2733
D(Lpop)	–2.3685	–0.1885	0.8518
D(Lgva)	–0.4508	–1.0387	0.3078
D(Lhdi)	1.4695	1.3707	0.1817
D(Ltress)	–7.4242	–1.1738	0.2503
D(Lunemp)	0.1591	2.5962	0.0148
D(Lexch)	–0.0447	–0.2159	0.8306
D(Lhealthfac)	1.4333	0.4006	0.6917

*Note: *, ** &*** signifies statistically significant at 1%, 5% & 10% respectively*.

Source: Compiled by author

For a short–run relationship to exist between the dependent and independent variables, the coefficient must be a negative and the probability should be statistically significant. The equation coefficient is negative, but the probability is not statistically significant, therefore indicating that no short–run relationship exists for Equation 6.4.

5.4.1.4 Diagnostic tests

The diagnostic tests were given in Table 5–15.

Table 5–15: Diagnostic test: Fezile Dabi district municipality

Test	p–value	Finding
Normality test	0.1072	Normal distribution
Cross–section dependence	0.1292	No cross dependence

Source: Own compilation

The Jarque–Bera test for normality had a probability of 0.1072. The H_0 that this is normally distributed was accepted as the probability is above 0.5 or 5%. The Breusch–Pagan test for cross–section dependence had a probability value of 0.1292. Therefore the H_0 that these is cross–section dependence is accepted above a 0.5 probability of 5%.

5.4.2 SWOT analysis: Stage D

The SWOT analysis included the most important strengths weaknesses, opportunities and threats that the Sedibeng district municipality is faced with. The information gathered is from industry specialists within the district municipality. The SWOT analysis is predominantly for the Fezile Dabi region as a whole; however, references to specific local municipalities were given. Table 5–16 provides the SWOT analysis for the Fezile Dabi district municipalities.

Table 5–16: SWOT analysis: Fezile Dabi district municipality

Strengths	Weaknesses
Scenic routes, good access to Vaal Dam	Infrastructure in poor condition
Water sports opportunities available	Poor macro–economic conditions
Tourism events	Criminality
Natural resources	Some towns are far from medical care
UNESCO World Heritage site	Remoteness
Access to water and electricity improvements	Ngwathe: High business property rent
Mafube: Nampo	River pollution
Accommodation facilities sufficient	
Remoteness	
Upgrade in communication systems	
Food and drink facilities	

Opportunities	Threats
Utilise tourism potential	COVID–19 disease
Identify more scenic routes	Problematic compliance to legislation
Tourism revitalisation	Inactive government participation / failure
Agro–processing	Ngwathe: an increase in municipal fees
Skills development	Municipal services poorly provided
Marketing	
The railway could be updated and utilised	

Source: Own compilation adapted from Mkhefa (2020), Kenny (2020), Du Plessis (2020).

Strengths in tourism of the Fezile Dabi district municipality:

- Scenic routes: The R716 (Vaal Dam north) and the R159 (Vaal Dam south) are scenic routes that connect to the Vaal Dam and provide tourists with picturesque views of the Metsimaholo local municipality.

- Water sports opportunities available: The Vaal Dam and Vaal River are sites for the opportunity for further development. The Ngwathe local municipality also has powerboat racing competitions that attract tourists.

- Tourism events: The Annual Free State Madeira Flower Festival hoisted in Ngwathe local municipality, according to Scheepers (2019). Evening markets in Parys

- Natural resources: in Ngwathe local municipality water resources, the Renoster River, Weltevrede, Rooipoort and Koppies dam exist. Among them are game farms that provide game drives and hunting opportunities for tourists.

- UNESCO World Heritage site: The Vredefort Dome is a World Heritage Site that has a radius of 190 km that came into existence due to a massive meteorite that is believed to have impacted the earth about 2 million years ago (UNESCO United Nations Educational Scientific and Cultural Organisation, 2020). There is also a historic post office in Parys.

- Access to water and electricity improvements: The Fezile Dabi district municipality (2018:4) states that access to water and electricity services has been improved. However, there were improvements in the access to water and electricity services in Fezile Dabi. The Local municipality of Ngwathe struggles to keep up with the demand for water and electricity. Many of the respondents from the Ngwathe local municipality complained about the (i) provision of water and the state of the water provided in the event that it is provided at all

and (ii) the availability of a constant supply of electricity due to poor maintenance of electricity plants.

- NAMPO: A great tourist attraction, NAMPO is an agricultural trade show which is annually held in the month of May usually attracting approximately 82 thousand visitors in 2019.

- Accommodation facilities sufficient: Respondents in all four of the local municipalities believe that the quality and quantity of accommodation facilities are sufficient.

- Remoteness: can be beneficial as some tourists like to have peace, the tranquillity that the remoteness of some tourism destination offers.

- Upgrade in communication systems: Fibre connections are in the process of being implemented in the Ngwathe local municipality (this is a smart tourism destination).

- Food and drink facilities: The Ngwathe main street is full of food and drink facilities (variety of cafés, restaurants, bars, beer and wine tasting) offered.

Weaknesses in tourism of the Fezile Dabi district municipality:

- Infrastructure in poor condition: The maintenance of infrastructure is a strong requirement in the Ngwathe local municipality. For municipal infrastructure Parys, Heilbron and Vredefort town hall, the Parys headquarter municipal offices, Edenville and Koppies Municipal Offices are in need of maintenance.

- Poor macro–economic conditions: The high unemployment, high inequality, and poverty are, according to the Fezile Dabi district municipality (2018:44), a weakness of the district municipality.

- Criminality: Is an occurrence globally; respondents mentioned that crimes in the town of Kroonstad are mostly petty theft (theft of pipes and gardening tools). In Viljoenskroon, Koppies and the majority of town in the Fezile Dabi municipality district, community members have created a local neighbourhood watch, but proper training for these organisations could still be an opportunity. Own patrol initiative and group (Viljoenskroon).

- Some towns are far from medical care: Viljoenskroon and Parys are far from hospitals, the nearest being in Potchefstroom or Kroonstad.

- Remoteness: Not only can remoteness be a strength but in terms of providing the full enjoyable experience (depending on the type of tourist), some tourists require a variety of tourism activities and facilities that tourism destinations in remote regions cannot offer.

- Ngwathe: High business property rent: The property rents for businesses are relatively high in Parys in relation to other tourism in Ngwathe local municipality.

Opportunity for tourism in the Fezile Dabi district municipality:

- Utilise tourism potential: The local municipality of Metsimaholo does have an opportunity to capitalise on the potential of tourism alongside the Vaal River and Vaal Dam. Without disturbing the peace of surrounding areas and ecological environment, the river and dam do have the potential to attract tourists.

- Identify more scenic routes: To improve the image of Fezile Dabi district municipality, more routes, roads should be identified which could also attract more visitors. These roads are according to the Metsimaholo local municipality (2019:57), "*tourism development corridors"*.

- Tourism revitalisation: There is an opportunity to develop a tourism revitalisation strategy for the Fezile Dabi district municipality. The possibility of a golf course should be investigated in the Metsimaholo local municipality.

- Agro–processing: As the Fezile Dabi district municipality depends largely on the agricultural activities, it presents the opportunity for agro–processing. Creating new and innovative ideas of transforming agricultural goods into consumable (food) products give the Fezile Dabi and advantage over other regions that do not provide this service.

- Skills development: The development of skills and strategies.

- Marketing: When searching for things to do in Villiers (local municipality) results were found– this creates an opportunity for improved marketing.

- The railway, which once was an attraction for photo shoots and dining are no longer operational. This creates the opportunity for the revamping of the railway to its former glory. This will, if managed correctly, attract potential tourists.

Threats to tourism in the Fezile Dabi district municipality:

- COVID–19 pandemic: See section 6
- Problematic compliance with legislation: Specific to the Ngwathe local municipality previous audit results indicate that there is a non–fulfilment of legislation in terms of reporting matters.
- Community participation
- Inactive government participation/failure: The respondents who are community members of tourism–related business feel that the government fails to deliver basic services. Sewerage in the streets (Viljoenskroon), they also stated that the local municipalities are unhelpful at times (Viljoenskroon).
- Ngwathe: increase in municipal fees: The increases in municipal fees do not only pose a threat to the local community members but also to the local businesses respondents (community members/ tourists, tourism–related business) feel extorted.

5.5 SYNOPSIS

Following the literature review, trends analyses of the tourism industry of Sedibeng and Fezile Dabi district municipalities were done in Chapter 5. This supported the problem statement mentioned in Chapter 1 (low tourism competitiveness in regions). Most organizations focus on tourism arrivals and/or tourism spending as an indicator of tourism development. Most agreed upon this element to explain the development of the tourism industry, namely tourism receipts which include tourism arrivals and tourism spending into one variable. Employment possibilities and spending are crucial to ensure the success of a region as stated in, for example, the Keynesian theory and Okun's law.

The trends analysis showed that the Sedibeng and Fezile Dabi district municipalities have been experiencing a positive growth trend in tourism variables. It could be believed that if nothing changes for the worse, future tourism statistics would also show positive growth values. These regions have by just looking at the trends have an opportunity to improve the level of tourism destination competitiveness. However, in 2019, the global COVID-19 pandemic will have a negative influence on the growth of the global tourism industry, which will also impact the Sedibeng and Fezile Dabi district municipality. The Sedibeng district municipality and Fezile Dabi district municipality tourism trends show positive future growth in terms of beds per night. However, due to the COVID–19 pandemic and the national lockdown that lasted much longer

than other countries, the tourism industry of South Africa and regions would have a poor prospect of progress.

The combination of the questionnaire (measurement instrument), time–series analysis and the SWOT analysis gave a comprehensive picture of tourism in Sedibeng and Fezile Dabi. A region should consider regional competitiveness as it contributes to welfare (Farhikhteh, Kazemi, Shahin and Shafiee (2020:317). The combination of the questionnaires (measurement instrument), time–series analysis and the SWOT analysis gives a comprehensive picture of tourism in Sedibeng and Fezile Dabi district municipality. The following chapter, Chapter 6 provided a summary of the study, the realisation of the study objectives and the strategic recommendations for tourism destination development

CHAPTER 6: SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

6.1 INTRODUCTION

With the increase in the significance of tourist and tourism destinations, the concept of tourism destination competitiveness has become popular and important for regional economic development (Vojinović & Živković, 2018:674). This study set out to achieve various research objectives. The main purpose of this study was to investigate the determinants that have a plausible influence on the level of competitiveness (performance) of some tourism destinations. This was used to create a measurement instrument of tourism destination competitiveness on a regional level. This measurement instrument was then tested on regional tourism destinations, specifically the Sedibeng district municipality and Fezile Dabi district municipality. The time–series econometric analysis was executed to investigate the performance of tourism–related variables in the district municipalities investigating the long and short–run relationships. Thereafter a SWOT (strengths, weaknesses, opportunities and threats) was developed for the Sedibeng and Fezile Dabi district municipalities to give further illumination of the results from the measurement instrument.

Chapter 6 provides a conclusion to the study by discussing results and implications. These components were the assessment of achievement of the objectives set out in Chapter 1, the summary of the preceding chapters is outlined, and the contribution the study makes and the limitation of the study was presented. As a result of this study, future research possibilities were given. The use of the regional tourism destination competitiveness measurement instrument is explained in a number of steps. The recommendation for the Sedibeng district municipality and Fezile Dabi district municipality was given to ensure an improvement of destination competitiveness.

6.2 SUMMARY OF PRECEDING CHAPTERS

Chapter 1: The purpose of the first chapter was to provide an overall outline of the study. This chapter sets out to summarise the proceedings of the study. Chapter 1 detailed the gaps in tourism research frameworks and highlighted the value of a consistent, reliable tool for measuring the tourism competitiveness of a region. The low tourism destination competitiveness of South Africa as a tourism destination is worrisome. The WEF (World Economic Forum's) TTCI (Travel and Tourism Competitiveness Index) indicated that South Africa placed 61st out of 140 countries in 2019 in terms of competitiveness in the global tourism market (World Economic Forum, 2019b:65), a considerable drop in the level of tourism destination competitiveness as indicated by the WEF. In 2015, the position of 48 out of 140 in 2017 a position of 53rd out of 140

countries indicated deterioration in South African competitiveness in the global tourism market. It was stated that such a problem could not be deduced on a national scale, but it would be wise to tackle the problem of low tourism competitiveness on a regional level which would overflow into national competitiveness. As such, a measurement instrument of tourism destination competitiveness on a regional level should be developed. The need to empirically identify the areas and the facilities that require improvement was recognised. The research objectives (primary, theoretical and empirical) were stated. The research methodology approaches and research design were briefly explained to give an overview of the research process in three sections. The three sections of the study, namely questionnaire, time–series econometric analysis analysing the long and short–run relationships between variables and SWOT (strengths, weaknesses, opportunities and threats) analysis were briefly explained. Lastly, the classification of the seven chapters in this study was outlined.

Chapter 2: Theoretical background on the concepts of tourism development and competitiveness were discussed. The definitions, types, advantages and disadvantages of these concepts were given to develop a better understanding with regard to these concepts. The most agreed–upon definition of the notion of tourism is given by the United Nations World Tourism Organisation in 2008. This definition incorporated the activity, time–period and the purpose of tourism. Authors have failed to identify or agree upon a singular universally accepted definition of the term competitiveness. It is important to identify the context when using the term "*competitiveness*" as it has different meanings within different contexts.

Following Section 2.3, Sections 2.4 and 2.5 aimed to understand the concept of tourism destination competitiveness provided the basis for the investigation of the measurement of this concept. The determinants that have an impact on the level of competitiveness of the development of a tourism destination were first described. These determinants were individually discussed in the related dimensions from evidence derived from different studies undertaken. The existing models that serve as an explanation and measurement of a tourism destination's competitiveness. These models (except for the WEF's TTCI) take on a theoretical slant, which also creates the need for a regional empirical measurement instrument. The following questions were stated in Chapter 2, Sections 2.4 and 2.5. The purpose of Section 2.4 and 2.5 was given in three questions. Table 6–1 provide the purpose of the literature review in terms of tourism destination competitiveness.

Table 6–1: Questions and purpose of the literature review

Questions/purpose of the literature review	
Which of the existing models of tourism destination competitiveness is most relevant?	The most current models of TDC were given. Even though the works of Crouch and Ritchie are the most accepted, they lack in the ability to account for the variable of technology adding to the needs for an improved measurement of TDC.
What effect do various social, economic and political factors have on tourism destination competitiveness?	The time–series statistical analysis provided information on the long and short–run relationship between social, economic and environmental factors and tourism destination competitiveness.
To what extent does each of the determinants influence tourism destination competitiveness?	The effect that resources, infrastructure, economic environment and authorities and government have on tourism destination was given through empirical results from previous studies in Chapter 3, Section 3.2.

Source: Own compilation

Chapter 3: An epistemological research approach was followed as the study sets out to produce new knowledge regarding the determinants of tourism destination competitiveness through the development of a measurement instrument. In the epistemological approach, thus a functionalist paradigm on which the study is based was outlined. This paradigm is adequate as the study aims to develop a measurement instrument for tourism destination competitiveness in an attempt to improve on a regional tourism destination's tourism competitiveness or development.

The research design followed to conduct this study consists of three sections: Firstly, the measurement instrument development, validation and testing; secondly, a time–series econometric analysis for the period 2001 to 2019, thirdly, a SWOT analysis. These three sections relate to the Sedibeng district municipality and the Fezile Dabi district municipality.

Chapter 4: The development of the measurement instrument was explained as five phases starting with determinants selection, pre–testing and calculation of the index value results in the final tourism destination measurement instrument which can be applied to any regional tourism destination. This was followed by a statistical analysis of the measurement instrument on SPSS

26. The results indicate that this measurement instrument has been validated and could be applied to a tourism destination on a regional level. The respondents were subject (economic development and tourism) and industry (tourism) experts. Respondents were therefore selected based on their knowledge of tourism as an economic industry which is explained as purposive sampling.

Testing of the measurement instrument through application to tourism destinations

Respondents of the pilot testing included (i) community member or tourist, (ii) tourism–related business (adventure activities, accommodation facilities, conference and wedding venues, food and beverage facilities, souvenir shops, tour agencies and guides, transportation services) and (iii) government organisation (local municipalities). The respondents were selected based on their locality (must be within the district municipality) results in a purposive sampling approach followed.

Chapter 5: The chapter is a discussion of the trends in the tourism industry. A funnel approach was followed, starting with brief overviews of international, national (South African), provincial (Gauteng and Free State) entities. The focus of the trends analysis was on the district municipalities of Sedibeng and Fezile Dabi. The (i) beds per night occupied, (ii) the number of trips (iii) tourism spending per capita and tourism spending as a percentage of GDP and (iv) the number of employed individuals in the sub–industries, food and beverages and accommodation were given within the tourism destination and were explained. In addition, time–series statistical analysis for the long and short–run relationships and SWOT analysis were discussed separately with regard to each district municipality.

6.3 REALISATION OF THE STUDY OBJECTIVES

The study objectives that were set out to be accomplished include the primary objectives, six theoretical objectives and eight empirical objectives. The realisation of the primary objective is presented in Table 6–2.

Table 6–2: Primary objectives

Objective	Realisation of objective
Primary objective: The primary objective of this study is to develop and test a measurement instrument for tourism destination competitiveness in order to facilitate economic development and	The measurement instrument for competitiveness in tourism destination was successfully developed– Chapter 4, Section 4.2. For the Sedibeng district municipality, the measurement instrument was applied in Section

growth. The investigation is based on the development of empirical measurement instrument for tourism destination competitiveness on a regional level, but also evaluate and compare the performance of the two tourism destinations.	4.3, and for the Fezile Dabi district municipality in Section 4.4 The facilitation of economic growth and development is presented in the long and short–run analysis (Chapter 5, Sections 5.2.2.3 and 5.3.1.3).

Source: Own compilation

The six theoretical objectives presented in the first chapter were achieved in the literature chapter, and the discussion relating to determinants of tourism destination competitiveness in Chapter 2 and trends analysis in Chapter 5 is shown in Table 6–3.

Table 6–3: Theoretical objectives

Objectives	Realisation of objectives
Theoretical objective 1: In–depth discussion on concepts, theories and approaches regarding the tourism development and its linkages to economic growth and development.	This objective was met with the literature review in Chapter 2. Tourism as a concept was discussed in Chapter 2, Section 2.2 identifying and assessing the definitions, types, concepts and theories that relate to tourism. The linkages are also provided in Section 2.4.
Theoretical objective 2: In–depth discussion on concepts, theories and approaches regarding competitiveness and its linkages to economic growth and development.	The concept of competitiveness Chapter 2, Section 2.3 realising the second theoretical objective, identifying and discussing the definitions, types, concepts and theories that relates to competitiveness.
Theoretical objective 3: Identify and define the determinants to tourism destination competitiveness.	Chapter 2 was also dedicated to the identification of determinants of tourism designation competitiveness specifically in Section 2.4, which focus on the specific determinants. In addition to the determinants.
Theoretical objective 4: Analyses of measurements– existing models of tourism destination competitiveness.	The most popular existing models of tourism destination competitiveness were identified and the working of the models was discussed in

	Chapter 2 Section 2.5. Section 2.5, therefore, discussed the existing models of tourism to assist the investigation of destination competitiveness
Theoretical objective 5: Investigation of approaches and methodologies for instrument development.	The developmental approaches of a scale were investigated throughout Chapter 3 in Section 3.3 and 3.4 This section identified the ideal approaches for the development of the tourism destination competitiveness instrument.

Source: Own compilation

Table 6–4 produces the empirical objectives of the study.

Table 6–4: Empirical objectives

Objective	Realisation of objective
Empirical objective 1: Instrument development and validation of regional tourism destination competitiveness.	The measurement instrument for regional tourism destination competitiveness was developed in Chapter 4 Section 4.2. The validation of the measurement instrument can be found in Chapter 4, Section 4.2.
Empirical objective 2: Identification of the tourism performance rating for the Sedibeng and Fezile Dabi district municipalities derived from the measurement instrument.	The final performance value of each district municipality was successfully calculated. The performance ranking of the Sedibeng district municipality as a tourism destination was discussed in Section 4.3.2 of Chapter 4. The performance ranking of the Fezile Dabi district municipality as a tourism destination was discussed in Section 4.4.2 of Chapter 4.
Empirical objective 3: Trends analysis of tourism.	The trends analysis for the tourism industry can be found in Chapter 5 in Section 5.2 The tourism industry trends analysis was broadly discussed internationally, nationally (South Africa) provincially (Gauteng and Free State) and locally (Sedibeng and Fezile Dabi district municipalities).
Empirical objective 4: Investigation of the correlation coefficients between	For each of the district municipalities' time–series model, the correlation between the variables was

tourism, economic growth and development variables.	tested. The results for the Sedibeng district municipality are in Section 5.3.1.1 Section 5.4.1.1 showed the correlation results for the Fezile Dabi district municipality.
Empirical objective 5: Analyse the short and long–run relationship between tourism, economic growth and development variables.	The time–series analysis was executed for each of the district municipalities to generate the results that indicate the long and short–run relationship the variables in the models constructed have can be seen in Chapter 5. The long and short–run relationship results for the Sedibeng district municipality are discussed in this Section 5.3.1.3 The long and short–run relationship results for the Fezile Dabi district municipality are discussed in Section 5.4.1.3.
Empirical objective 6: Comparison between Sedibeng and Fezile Dabi tourism economic industry and relationship between economic growth and development.	The trends analysis in Chapter 5, Section 5.2 and the time–series analysis in Chapter 5, Section 5.3 and 5.4 assist in comparing the tourism industry and economic growth and development in the Sedibeng and Fezile Dabi district municipalities.
Empirical objective 7: Formulation of a SWOT analysis for the Sedibeng and Fezile Dabi district municipalities.	The SWOT analysis pertaining to the strengths, weaknesses, opportunities and threats of the regional tourism destinations is discussed in Chapter 5 Section 5.3.2 for the Sedibeng district municipality and Section 5.4.2 for the Fezile Dabi district municipality.
Empirical objective 8: Strategic recommendation development for the Sedibeng and Fezile Dabi district municipalities.	The strategy development to improve on the position a regional tourism destination has on the measurement instrument is discussed in Chapter 6 with Section 6.6.2 relating to the Sedibeng district municipality and Section 6.6.3 relating to the Fezile Dabi district municipality.

Source: Own compilation

6.4 KEY FINDINGS OF THE STUDY

6.4.1 Summary and key findings for the Sedibeng district municipality

The measurement instrument indicated that the Sedibeng district municipality has a total competitiveness figure of 37.42 percent. The five best performing determinants are (i) accommodation facilities (55.70 percent), (ii) food and drink facilities (53.707 percent), (iii) transportation facilities (43.72 percent), (iv) safety and security (42.57 percent) and (v) essential services (42.51 percent). Although these are the highest in the district municipality, they are at an average performing level between 41 and 60 percent.

The time–series econometric analysis was commenced with the correlation analysis between variables in the models. The strongest positive correlation is between tourism development and the Rand Dollar exchange rate. The unit root indicated a mixture of stationarity and first difference results in the use of an ADRL panel analysis. In the long–run the increase in the population, gross value added, human development index and the number of health facilities leads to an increase in tourism development. The increase in the crime rate, tress index, unemployment and the exchange rate has a negative impact on tourism development.

The SWOT analysis indicates that the strength of the Sedibeng district municipality lies in its environment (natural resources) and historical past. The most threatening weaknesses are the lack of conservation on the environment leading to pollution of crucial tourist water attractions. An opportunity to capitalise on is the land available for development and possible tourism attractions. The greatest threat to the Sedibeng district municipality as a tourism destination is the COVID–19 global pandemic.

6.4.2 Summary and key findings for the Fezile Dabi district municipality:

The measurement instrument applied to the Fezile Dabi district municipality indicated an overall performance of 36.86 percent in terms of tourism destination competitiveness. The top 5 performing determinants are (i) accommodation facilities (52.57 percent), (ii) food and drink facilities (51.49 percent), (iii) safety and security (45 percent), (iv) transportation facilities (43.31 percent) and technology, innovation and communication (38.99 percent).

The time–series econometric analysis commenced with the correlation analysis between variables in the models. The unit root indicated a mixture of stationarity at levels and first difference results in the use of an ADRL panel analysis. In the long run, an increase in the gross value added, human development index, tress index, exchange rate, and the number of health facilities have a positive impact on tourism development. An increase in the crime rate, the

population and the unemployment rate has an adverse impact on tourism development or competitiveness.

The SWOT analysis showed that amongst the strengths of the Fezile Dabi district municipality are the natural resources and the historical richness and availability of tourism services. The weaknesses that have a negative impact on tourism development are poor infrastructure, which impedes opportunities for skills development.

6.5 CONTRIBUTION OF THE STUDY

This study made a theoretical contribution to the field of tourism research and a practical contribution to the tourism industry. First, in a theoretical sense, it was noted that an industry–specific measurement industry is required to investigate tourism destination competitiveness at a regional level. Which led to the development of the measurement instrument that added to the field of tourism research's existing models of tourism destination competitiveness through the identification of relevant determinants.

Second, the need for an empirically measurable instrument on a regional level was clearly evident throughout the review of the literature. During the research, it was found that the existing empirical model, TTCI (Travel and Tourism Competitiveness Index), is developed on the same weighting scale which states that the determinants have equal importance in the determination of tourism destination competitiveness. According to Martín, Mendoza and Román (2017:940), the importance of weighting values of determinants should truly represent its importance through theoretical and numerical properties. The current measurement instrument contributed to research by investigating the different priority and importance weights for the dimensions and determinants. Also, the TTCI is only applicable for countries, published every two years, creating the need to have a regional, empirical instrument which is results could be calculated regularly. The current measurement instrument can be applied to regions at any time.

Third, in a practical sense, the testing of the measurement instrument did assist the Sedibeng and Fezile Dabi district municipalities in identifying the performance level of the tourism destinations in regard to tourism destination competitiveness and/or development. In the future, the measurement instrument could assist other regional tourism destinations to analyse their level of competitiveness or tourism development. After, the status quo is established, community members, policy-makers and other authority bodies should discuss the implications of the current status. Areas for improvement should be identified, and action strategies developed. Regions should apply the concept of SMART goals to increase their level of

competitiveness in the field of business. According to Morgan (2020:2), the objectives should be specific, measurable, attainable, relevant and time–bound. The measurement instrument assists regional tourism destinations to identify the *specific* factors or facilities that need improvement or that are the main drivers of tourism (best performing determinants). An important application of the of the measurement instrument is to *measure* the performance of regional tourism destinations. The measurement instrument and the knowledge and insight of the strategy developer identify *attainable* objectives which could drive the increase in tourism destination competitiveness. The *relevant* determinants of tourism destination competitiveness were identified though the subject and industry experts.

In addition, community members, tourists, tourism–related businesses and government organisation were consulted with their knowledge regarding the tourism *relevant* status quo of a tourism destination provided. Fourth, from this, strategic recommendations are given for each district municipality on the improvement and addition of facilities, activities and regulations. This guides tourism destinations to create strategic recommendations that are *relevant* to the tourism destination. The strategic recommendations given should be time–bound to ensure that it is met in an adequate time frame.

6.6 STRATEGIC RECOMMENDATIONS

Tomić, Leković and Tadić (2019:756) stated that changes in the socio–economic environment have an impact on tourists' decision–making processes on tourism destination selection. Literature and empirical findings were the benchmark for the recommendations given for (i) the general determinants of success and (ii) the selected destinations (Sedibeng district municipality and Fezile Dabi district municipality). The first section of recommendations given could be applied on a broad scale to any tourism destination. This gives the critical determinants required to ensure some success in a tourism destination. The second section focussed on strategic recommendations for the Sedibeng district municipality's tourism development, and the third section gives strategic recommendations on the improvement of Fezile Dabi district municipality in terms of tourism development. The recommendations were given for the above–mentioned sections all aim to directly or indirectly increase tourism destination competitiveness.

The recommendations made are first based on a general region, thus what are the key determinants (factors) to success. The general recommendations that any tourism destination should focus on or aim to improve on are discussed. The order in which recommendations were given start at the most important determinants in terms of their ranking and weighting values. The top ten factors of success are determined through the combination of ranking and weighting values awarded by the subject and industry experts and the prevalence of the determinants in

literature. The order of the top ten determinants does not warrant the levels of significance to determine tourism destination competitiveness. Therefore the top 10 most crucial determinants of tourism destination competitiveness were highlighted with recommendations on general improvement and management of the specific determinant. Note that the number of determinants and the ranking do not constitute the importance value. However, the importance ranking from the pre–testing (Phase 3) in Chapter 4 did guide the development of these ten determinants. Table 6–5 presents the top ten determinants in terms of importance and priority ranking listed starting at the most significance with a decreasing order to the least.

6.6.1 General determinants of success for tourism destination competitiveness

Table 6–5: General determinants of success for tourism destination competitiveness

Top ten determinants prioritised		Top 10 most important determinants	
Natural resources and strategic location	**1.81**	Safety and security	**3.81**
Safety and security	**2**	Accommodation facilities	**3.77**
Accommodation facilities	**3.16**	Transportation facilities	**3.74**
Historical and cultural facilities	**3.42**	Food and drink facilities	**3.71**
Transportation facilities	**3.58**	Essential services	**3.42**
Red tape limitations	**3.70**	Natural resources and strategic location	**3.34**
Local leadership and political stability	**3.77**	Historical and cultural resources	**3.16**
Technology, innovation and communication	**3.81**	Red tape imitation	**3.16**
Essential services	**3.97**	Local leadership and political stability	**3.14**
Government spending and efforts	**3.99**	Entrepreneurship, the business community and workforce	**2.94**

Source: Own compilation

The top 10 determinants are selected based on the incidence in both the priority and importance columns. For ease of discussion the top 10 determinants to ensure tourism development in a region– in no particular order are:

Accommodation facilities could either be the purpose of a visit to a tourism destination or the added activity when visiting a tourism destination. Thus it could be the deciding factor or an added factor in influencing the visit or stay of a tourist to a tourist destination. According to Yeh (2020:2) the information available with regards to a tourism destination's accommodation facilities plays an important role in the selection process. Online platforms have proven valuable for accommodation facilities to utilise. Dolnicar (2018:2) recommends peer–to–peer

accommodation networks which consist of a variety of accommodation facilities as well as a number of potential consumers. An example of this is Airbnb which enables individuals to rent accommodation that they own to tourists. A tourism destination should acquire a suitable number of accommodation facilities that are of high quality to ensure good competition between each other.

Essential services: The necessary services required to ensure the progress of a tourism destination which includes proper water and electricity services, waste removal and transportation facilities are required to ensure not only the satisfaction of the community members but also tourists (Tien, Thai, Hau, Vinh & Long, 2019:106). The regions should ensure that they have the capacity to not only provide services to the community members but also potential tourists. When a region's capacity is exceeded, it could lead to the exhaustion of services leading to unsatisfied community members and tourists. The supply of these basic services is of great importance to businesses, for them to effectively run operations, the essential services are required. Basic services that local government should provide include the removal of waste, the supply of constant electricity and water and maintenance of infrastructures.

Historical and cultural resources: The availability of historical and cultural resources can be used to fulfil the needs of tourists (Tien *et al.*, 2019:102). If a tourism destination has not yet utilised cultural or historical resources as an attraction, it should consider identifying potential attraction activities. However, it should be recognised that not every tourism destination has historical and cultural resources available. In the tourism destination where historical and cultural resources are available, it is important to cultivate knowledge regarding these resources. Facilities such as monuments, museums, churches and houses of historical figures should be protected for its historical or cultural value.

Food and drink facilities: The quantity of high–quality food and drink facilities is of great importance to the success of a tourism destination. Having a variety of food and drink facilities such as having bars, cafés, restaurants, takeaways, to name a few would be beneficial as it would attract different tourists.

Natural resources and strategic location: The strategic location of a tourism destination cannot be changed necessarily. The location of a tourism destination to present tourism activities, markets and resource, viz. logically, a tourism destination could not move. However, improvements in the tourism destination could improve its potential (Nur, Akib, Niswaty, Aslinda & Zaenal, 2019:272). Tien *et al.* (2019:102) state that tourism destinations could add value to

natural resources. The prevalence of natural resources is not something that could be created but should be maintained and protected.

Local leadership and political stability. Heslinga, Groote and Vanclay (2020:1) believe that the stakeholders establish the direction in which a tourism destination is headed. The leadership in a region's community should have clear objectives to work towards. Their goals should not only aim to create an overall peacefully operated socio–economic environment but should also focus on the development of tourism.

Safety and security: The safety and security of a tourism destination are, according to Tien, Thai, Hau, Vinh and Long (2019:106), required to have an ordered and stable destination. Law enforcement bodies should be considered reliable and responsive in the case of crimes committed. In the case of crime occurrences, law enforcement and local communities should be working as a union in developing and implementing strategies to deal with this. According to Ushakov, Ermilova and Andreeva (2018:9), the safety and security within a tourism destination are a "*cornerstone"* of creating a tourism destination's image. If a tourism destination is perceived to be unsafe is would lead to a decline in tourism arrivals which directly decrease tourism spending that could be utilised to invest in tourism development initiatives.

Transportation facilities: The transportation facilities play a crucial role in the success of a tourism destination as it is the connecter between tourists and tourism destinations. Transportation facilities, be they roads, railways, air or seaports should be designed to ensure the comfort of travellers. A wide range of transportation possibilities should also be made available to tourists.

Technology, innovation and communication: Being on the brink of the fourth industrial revolution, technology plays an important role in the workings of society. Smart tourism destinations include technology in their development. It could be a useful tool to market to potential tourists. Mobile marketing, according to Chang (2017:12), is one of the most crucial resources in this day and age as lots of tourists make use of mobile devices in search of potential tourism destinations. Tourism destinations should generate new, innovative ideas to attract tourists.

Entrepreneurship, the business community and workforce. Yeh (2020:2) states that tourism–related business should share information regarding their services. It is also important for these businesses to distribute information about the activities within the tourism destination. There should be co–operation between businesses and related stakeholders to work in collaboration to improve the development of the tourism destination, such as the development of new tourism activities through the cultivation of entrepreneurs who should identify the needs

of potential tourist (Dimitrov, Petrevska & Terzić, 2019:313). The development of a sound business community aids in the increase of investment possibilities (Tien, Thai, Hau, Vinh & Long, 2019:106). To encourage business development incentives through tax exemptions or tax holidays, Kryukova and Khetagurova (2020:282) would aid businesses financially. The funds generated by tax exemptions could be invested back into the development of a business.

6.6.2 Recommendations for the Sedibeng district municipality as a tourism destination

Subsequently, tourism destinations (Sedibeng and Fezile Dabi district municipality) specific recommendations were given to each district municipality. The strategic recommendations also give starting at the most important determinants as identified in Section 6.6.1. The recommendation for the district municipality was given based on (i) the tourism destination competitiveness measurement instrument results (Chapter 4, Sections X and X), (ii) time–series analysis (Chapter 5, Sections X and X) and (iii) the SWOT analysis (Chapter 5, Sections X and X) for the district municipalities of Sedibeng and Fezile Dabi. The strategic recommendations were not only relating to the most important determinants but also specific to each district municipality requirements.

7.5.3.1 Recommendations specific for the Sedibeng district municipality as a tourism destination

The measurement instrument indicated that the best performing determinants of tourism destination competitiveness in the Sedibeng district municipality are accommodation facilities (55.7%), food and drink facilities (53.77%) and transportation facilities (43.72%). The lowest–performing determinants of tourism destination competitiveness are private and public partnerships (20%), government efforts (26.52%) and the macro–economic environment (26.69%).

The trends analysis indicated that the administrative municipality of Sedibeng district municipality, Midvaal local municipality, has received clean audit results. Unemployment in the Sedibeng district municipality ranges between 18 percent and 34 percent. The economic growth rate ranges between 0.92 percent and 3.94 percent. The number of beds per night occupied increased from 44.98 percent between the year 2001 and the year 2019. The Sedibeng district municipality also has an increase in the number of trips taken with 5.46 percent. In terms of tourism spending as a percentage of GDP decreased by 1.3 percent. The number of employed individuals in the tourism industry of Sedibeng district municipality increased by of 69.03 percent.

The time–series analysis indicated that in the long–run the increase in the population density, GVA, HDI and number of health facilities lead to an increase in tourism development. The short–ruin cointegration coefficient confirmed the long–run relationships.

The SWOT analysis indicated that strengths include rich historical and cultural potential, annual events, various tertiary institutions that are to the benefit of the Sedibeng district municipality. The weaknesses include pollution of water resources, poor promotion, high unemployment levels and limited focus on tourism have negative consequences on tourism development. Opportunity availability is the land available for development, available tourism routes and water resources. Threats to tourism development in the Sedibeng district municipality are global warming, COVID–19, criminality and the magnetic mines.

Based on these results, the following strategic recommendations are given to assist the Sedibeng district municipality to achieve higher levels of tourism destination competitiveness:

- *Marketing*: The Sedibeng district municipality should advertise the tourism routes available. The tourism destination should ensure that it is an interesting learning experience for potential tourists. To do this, the entire tourism–related establishment network should have an awareness of these routes, and it should be marketed by them. A start could be by giving tourism and history students at a secondary and tertiary education level the opportunity to visit the tourism routes. This aids in the awareness of these routes as they act as the word–of–mouth marketing of these routes to friends and family. Before this could be implemented the managers of these routes should make sure that as said above, this is noteworthy and informative so that the response was positive and not seen as a waste of time.

- *Skilled development*: The training of tour guides links with this identification and utilisation of tourism routes. Having designated individuals capable of conveying interesting facts and stories to capture the attention of tourist is important, as is engaging education facilities in the skills development initiatives. Training provided that aligns with the needs of the potential work forms (Kryukova & Khetagurova, 2020:283) is crucial. Co–operation between universities, colleges and stakeholders is helpful. Business training and skills development training workshops should be offered, and ongoing consultation was undertaken.

- *Conservation of the natural environment:* This should be a joint project between government, business and the local community. Recycling should be a priority. Especially in the Midvaal local municipality, informal recycling takes place once a week by local

community members. However, this takes place by these individuals digging through household waste bags. It is recommended to have better recycling systems to aid these individuals, as well as having different coloured municipal waste bins to identify recycling materials for households. Also, to arrange community clean–up days, where the community members, business and government are active in picking up litter and putting pressure on manufacturing businesses to not pollute water systems. Threats such as global warming cannot be eliminated, but the ecological footprint and impact that a tourism destination has on the environment could be reduced by "*going green*" initiatives. The cost–benefit analysis should be vigorously done for the magnetic mine that is to be opened in the Lesedi local municipality.

- *Historical and cultural resources*: The historical and cultural richness of the Sedibeng district municipality is a great advantage. Most popular are the struggle routes in Sharpeville and Ratanda as well as other historical resources. Cultural events, such as annual wine routes should be marketed and extended. More potential events should be made available for the enjoyment of tourists.

- *The incorporation of technology*: Technology should be used in the marketing, operation and improvement of a tourism destination. Tourism–related businesses can make use of social media and networks to advertise not only the goods and services provided but also advertise the region as a tourism destination.

- *Involvement of the business community:* The strong business chambers should be involved in the objective of improving the overall tourism destination. According to Tien, Thai, Hau, Vinh and Long (2019:102), the stakeholders and policy facilitators should co–operate to successfully manage a tourism destination. In addition, private–public partnerships need to be cultivated.

- *The constant supply of essential services*: Supplying proper water and sanitation systems to not add to the water pollution problem. There should be transparency with regard to the performance of community services facilities between the local government and community. When maintenance occurs, the time periods should be clearly relayed to the members of the community and business owners for them to take precautions necessary for the day–to–day operations.

- *Safety and security*: The decrease in crime rates should be made public. Although there has been a decrease in crimes rates, criminality still occurs. It should be one of the most important objectives to limit criminality as far as possible, among others through local community watch initiatives.

- Government spending and efforts (Performance Improvement Plan) The capability and awareness of tourism destination management of the Sedibeng district municipality are necessary.

6.6.3 Recommendations for the Fezile Dabi district municipality as a tourism destination

The measurement instrument indicated that in the Fezile Dabi district municipality, the best performing determinants are accommodation facilities (52.57%), food and drink facilities (51.49%) and safety and security (45%). Also, the worst–performing determinants of tourism destination competitiveness are similar to those in the Sedibeng district municipality namely private–public partnership (20.98%), macro–economic environment (24.94%) and government efforts (25.31%).

The trends analysis indicated that economic growth lies between negative 0.45 percent and 2.51 percent with unemployment figures reaching a high of between 32.1 percent and 35.2 percent. A significant increase of 118.35 percent in the number of beds occupied between 2001 and 2019 has been noted in the Fezile Dabi district municipality. For the number of trips taken within the Fezile Dabi district municipality's tourism industry, and increase of a mere 6.76 percent has been noted. The number of individuals employed increased by only 14.43 percent that does not relate to the significant increase of 69.03 percent of the Sedibeng district municipality.

The time–series analysis indicated that the increase in GVA, HDI, the tress index, exchange rate and the number of health facilities would have a positive influence on tourism development of the Fezile Dabi district municipality in the long–run. In addition, the increase in criminality, population density and the unemployment rate would negatively influence tourism destination competitiveness.

The SWOT analysis indicated that the strengths include scenic routes, world heritage sites, remoteness and water sports, to name a few. In terms of weaknesses, poor infrastructure, criminality and high business property rent limits the development of Fezile Dabi district

municipality's tourism industry. The opportunities that Fezile Dabi district municipality should capitalise on are skills development requirements, potential agro–processing and marketing. The threats to the development of the tourism industry in the Fezile Dabi district municipality are inactive government participation, with high municipal fees and the COVID–19 pandemic.

Based on these results, the following strategic recommendations are given to assist the Fezile Dabi district municipality to achieve high levels of tourism destination competitiveness:

- *Natural resources*: The game farms, remoteness, scenic routes, image of tranquillity, as well as strategic location. In the Vaal Dam– specifically the Oranjeville and Deneysville towns should be developed for leisure water activity such as boating, fishing and other water sports. There exist establishments that offer these services, but an increase in capital and marketing investments lead to an improvement in the tourist attraction. According to Metsimaholo local municipality (2019:57), Deneysville should be used and marketed as the "*tourism hub"* of the Metsimaholo local municipality.

- *Development of tourism activities*: Vaal Dam– specifically the Oranjeville and Deneysville towns should be developed for leisure water activity such as boating, fishing and other water sports. There exist establishments that offer these services, but an increase in capital and marketing investments leads to an improvement and tourist attraction. According to Metsimaholo local municipality (2019:57), Deneysville should be used and marketed as the "*tourism hub"* of the Metsimaholo local municipality.

- *Signage***:** Utama (2020:18309) states that clear signage of tourism sports, activities such as historical sites, viz. can be beneficial to not only direct tourists to these spots but also promote the existence of these sites.

- *Historical and cultural resources*: Identify the uniqueness of the tourism destination (Ushakov, Ermilova & Andreeva, 2018:9). Csapó, Habil, Pintér and Aubert (2016) advocate for the development of **new tourism zones** or activities which can stem from, for example, former military war sites (historical tourism). Ushakov, Ermilova and Andreeva (2018:9) agree that alternative tourism activities enhance tourism in general.

- *Incorporate technology*: The various farms could improve the performance and output by investing in agro–processing methods. Gathering new knowledge and innovative ideas present the opportunity to educate other farmers which would attract a form of agriculture

tourism. According to the Department of Trade, Industry and competition (2020:2), the existing commercial agriculture industry is competitive with international markets and developed. Adding agro–agriculture goods to this market will enhance South Africa's Competitive advantage in the international agricultural market.

- *Upgrade communication infrastructure*: The improvement of Wi–Fi networks to fibre to indicate participation in the market as a smart tourism destination. Keeping up with the digital age is crucial due to the changes in behaviours of consumers or tourists have (Linton & Öberg, 2020:16). The digitalisation of a tourism destination should be considered, as should other forms of modernisation (Kryukova & Khetagurova, 2020:2823).

- *Infrastructure improvement*: The improvement of infrastructure facilities to improve and maintain it provides municipal workers with more resources to perform their duties

- *Establish a strong business community*: Entrepreneurship, the business community and workforce The Ngwathe local municipality should establish a Chambers of Business. Also, businesses and community member's needs to be self–reliant as they cannot depend on government for everything. The roles of local government and community members should be clearly set out to avoid disparity between the responsibilities.

- *Accommodation facilities*: Wahyuningsih, Sudiro, Troena and Irawanto (2019:144) state that accommodation facilities should adapt to the changes in tourists' needs. Tourism destinations should ensure that accommodation facilities are functioning at a high standard.

- *The promotion of available water sports*: The river creates a perfect opportunity for water sport which is utilised by the Fezile Dabi district municipality. Water sports such as canoeing, boat races and boat trips should be promoted vigorously as this is a key tourism activity in the regional tourism destination. This is also good for tourism events such as the Annual Free State Madeira Flower Festival which should be marketed to regions outside Fezile Dabi district municipality.

- *Developing agritourism*: The Fezile Dabi district municipality is known as the breadbasket of grain, maize production. The various agriculture farms could improve the performance and output by investing in agro–processing methods. Gathering new knowledge and innovative ideas will present the opportunity to educate other farmers which would attract a form of agriculture tourism. According to the Department of Trade, Industries and Competitiveness

(2020:2), the existing commercial agriculture industry is competitive with international markets and developed. Adding agro–agriculture goods to this market will enhance South Africa's Competitive advantage in the international agricultural market.

- *Essential services*: Predominately the poor performance of essential services provided by the district and local municipalities is a great frustration of community members and local businesses. The maintenance of these facilities should be regularly undertaken.

- Public–private partnerships: The local governments have seemed to not be successful in the participation with local businesses and community members to improve on public services. It is therefore recommended that businesses and community members need to be self–reliant as they cannot depend on government. Government participation should improve. The improvement of the tourism industry in a region should be a priority for government (Kryukova & Khetagurova, 2020:281). This must be made clear in reachable objectives set out to improve the performance of a tourism destination.

- *Performance Improvement Plan:* Revamping and opening the Parys Museum and promoting Vredefort Dome Heritage site would be a positive start. The region, Koppies is not known for it, but has historical significance– Anglo–Boer War developing market– nothing is being done.

- *Marketing*: The development and implementation of various tourism development strategies are all hopeful but would be worthless without proper marketing to local tourists and tourists from outside the tourism destination. Utama (2020:18306) affirms that vigorous marketing is crucial and that a tourism destination should have a clear plan. Marketing to international markets is said by Ushakov, Ermilova and Andreeva (2018:9) to be an essential tool. It should be taken into account that regional tourism destination would much rather benefit from marketing to local markets within and outside the tourism destination.

- *Management*: Destination management should be divided into small areas. This helps tackle these objectives. The information centre should also be appropriately managed. Of the information centre (Utama, 2020:183010), Rodríguez–Díaz and Pulido–Fernández (2020:1) said that the success of a tourism destination is highly dependent on the management of resources and facilities, thus a clearly delimited mission and vision (Ushakov, Ermilova & Andreeva 2018:9). Protect the natural environment in listing managers and regulations (An, Markowski, Bartos, Rzenca & Namiecinski, 2019:53).

- *Information office*: Begin on a small scale, adds to the employment of individuals, tasked with marketing done in a people–friendly, way, with skills development where needed. It could be beneficial in the information centre is located near "traffic" to attract interest (Nur, Akib, Niswaty, Aslinda & Zaenal, 2019:271). This could be at shops, retail shops and stations. Utama (2020:18309) mentions that an information centre assists in broadcasting the news regarding all the tourism–related activities that are present within the tourism destination. Tourism destinations should ensure relevant information with continuous revised (Kryukova & Khetagurova, 2020:284).

6.7 LIMITATIONS OF THE STUDY

Throughout the research process, various challenges were faced. The challenges in executing the pre–testing and pilot–testing questionnaire are:

- Individuals were either sceptical or busy– especially when shopping.
- No field workers were used due to the strict COVID–19 regulations resulting in a longer time–period of accumulation of the questionnaires.
- During the distribution and collection of the questionnaires, various hygiene regulations were followed, including social distancing and masks, sanitized pens, etc.
- Relative small sample size for pilot test (160 useable questionnaires). The number of useable questionnaires could be increased in future research to investigate if it will have an alternative impact on the study outcomes.

Moreover, some determinants could be missed, but vigorous efforts were made to ensure that a holistic measurement instrument was developed. A possible limitation could be the all–encompassing nature of determinants. The determinants could include a variety of factors. For example, the determinant *macro–economic environment* includes various variables such as unemployment percentages, inequalities, exchange rates and the overall economic well–being of the tourism destination.

6.8 FUTURE RESEARCH

Possible future research could investigate the level of tourism destination competitiveness of other regional tourism destinations. The measurement instrument could either be used to investigate the tourism destination competitiveness of a singular tourism destination or in the case such as this study, used to compare two of more tourism destinations.

The inputs from the three segments of the population (community members/ tourists, tourism–related business and government organisation) could be analysed and discussed separately in terms of each segments viewpoint. One could investigate whether different respondent segments have different responses to the performance of a regional tourism destination. This could allow for more in–depth analysis breaking into the opinions of different segments of the population in the selected areas in future research.

6.8.1 Instructions for the future use of the measurement instrument

A strategy should be developed for a tourism destination to improve tourism development or tourism destination competitiveness. Before this strategy could be developed, it is important first to get clarity regarding the state of tourism in the specific tourism destination. According to Boroomand, Kazemi and Ranjbarian (2019:491), indices provide stakeholders with a valuable tool to analyse a tourism destination which leads to the development of strategies from a well–informed position. The tourism destination competitiveness measurement instrument is a tool that provides a uniform metric from which regions can self-assess and compare themselves to others and an ideal standard. While the achievement of high scores in all areas (determinants) will undoubtedly contribute to the quality of life in the tourism destination region, the result of tourism development and increased competitiveness is not a given. Variances in tourism preferences and trends and extenuating circumstances (like pandemics, global or regional unrest, air travel issues, economic downturns, etc.) will continue to have an influence on tourism. Table 6–6 gives the measurement instrument developed in the current study.

Table 6–6: Measurement instrument of tourism destination competitiveness

Dimension or Determinant	Performance value (0– 4)	Index value	Performance rating
1. Resources		0.9317	
1.1. Natural resources and strategic location		0.8766	
1.2. Historical and cultural resources		0.8294	
1.3. Technology, innovation and communication		0.7742	
1.4. Entrepreneurship, the business community and workforce		0.7533	
2. Infrastructure		0.9055	
2.1. Health and education facilities		0.7192	
2.2. Accommodation facilities		0.9895	
2.3. Transportation facilities		0.9816	
2.4. Sport and recreation facilities		0.7375	
2.5. Food and drink facilities		0.9738	
2.7. Essential services		0.8976	
3. Enabling environment and authorities		0.8556	
3.1. Public–private partnerships		0.5328	
3.2. Safety and security		1	
3.3. Government spending and efforts		0.7612	
3.4. Local leadership and political stability		0.8241	
3.5. Red tape limitation		0.8294	
3.6. Macro–economic environment		0.6929	

Source: Own compilation

This measurement instrument is not only useful for the purpose of research but was developed for use in the practical sense of the tourism industry. Therefore policymakers and tourism industry role players will need an easy to understand and use measurement instrument. The tourism destination competitiveness measurement instrument is simplified for use as it involves simple mathematics. The following steps should be followed to apply the measurements instrument to a specific tourism destination.

Step 1: Selection of tourism destination

Research the geography and statistics of the selected tourism destination. The research problem should be clearly given and linked to the use of the measurement instrument.

Step 2: Selection of sample frame and study

For the purposes of this study, the inputs from community members/ tourists, tourism–related businesses and government organization were required. It is an advantage to collect the opinions of all three types of the segment of the population as it could possibly give understanding if there is a difference in opinion between these three segments or not. It would be recommended to collect the opinions of all three segments.

Step 3: Send–out the questionnaire

The question should be distributed to the relevant respondents. The distribution could be in–person visiting the tourism destination and various attractions and stakeholders personally, or via the use of various technological and social media resources. This method is more time–consuming but it would ensure more thoroughly completed questionnaires. Online questionnaires circulation by use of technology and social media could be a more efficient process. However, this method does not always ensure the full completion of the questionnaire as it is time and cost–efficient.

Step 4: Data analysis

The average results of each dimension and determinant should be calculated. The average value should thereafter be used in the calculation of the index value through the use of the following formula:

$$Index\ value = \frac{determinant\ or\ group\ value}{3.81(largest\ weight\ value)}$$

The following formula was used to calculate the final index value for the measurement instrument:

$$Tourism\ performance = \frac{index\ value\ x\ average\ weight\ value}{5}\ X\ 100$$

This formula was used to calculate the performance of each dimension and determinant in percentage form. A percentage is a better way to simplify interpretation. This resulted in a percentage value to indicate the performance of the dimensions and determinants. In addition, by adding all the index values of the determinants within the measurement instrument and dividing it by the total of determinants gave a final index value of the performance of the tourism destination in terms of competitiveness or development. With the use of the performance ranking table, Table 6–7, the development of the tourism destination could be given.

Table 6–7: Tourism destination performance ranking

Tourism destination performance ranking	
0	No facilities available
1	Facilities are available, but there is a lack of performance
2	Average availability of facilities.
3	Facilities available are performing adequately but could be improved upon
4	Facilities are performing efficiently and are in perfect condition

Source: Own compilation

Step 5: The last possible testing of the measurement instrument step could be to duplicate this process for another tourism destination in order to compare the differences between the destinations.

Step 6: Subsequent to the testing of the measurement instrument, a well–informed strategy could be developed to assist the tourism destination in the improvement in the poorly performing areas (determinants) as indicated by the index values. Tomić, Leković and Tadić (2019:756) postulate that tourists are influenced by factors in the *"economic, demographic, psychological, sociological, political*" environments. For this reason, it is important that a diverse, well thought out and comprehensive strategy be developed to ensure the attraction of tourist arrivals to a tourism destination.

6.9 FINAL CONCLUSIONS

Each tourism destination must be treated as an individual case. Lists of strategies or plans that were developed for one tourism destination would not always be sufficiently adequate for another tourism destination. This highlights the importance of the development of the tourism destination competitiveness measurement instrument as it sets out to identify the performance of each dimension and related determinants in a specific tourism destination. Tourism policies should not generically develop but be tourism destination specific. The measurement instrument was validated, and the reliability was indicated through exploratory factor analysis and confirmatory analyses. The Sedibeng district municipality's performance rating was 37.42%, and the Fezile Dabi district municipality's performance rating was 36.86%. Thus the tourism industry in the Sedibeng district municipality is slightly more competitive or developed in comparison to the Fezile Dabi district municipality.

The government should invest in and nurture the tourism industry. Government intervention should be an ongoing matter, and towns should cultivate a local market. By applying the strategic recommendations for tourism development, a tourism destination was able to improve its macro–economic environment. It is essential that the stakeholders of a destination's tourism industry should receive benefits from tourism activities (Heslinga, Groote & Vanclay, 2020:7). Everyone should be included in the strategic development process. Limitation of red tape is good practice for not only tourism-related businesses but all business owners, such as the lessening of administrative barriers (Kryukova & Khetagurova, 2020:282). Tourism facilities should be utilised under their capacity, and the capacity should be expanded on an ongoing basis.

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ANNEXURE A: PRE–TESTING MEASUREMENT INSTRUMENT

Dear respondent,

My name is Tanya Van der Schyff, a PhD student in Economics at the North–West University (Vanderbijlpark Campus), under supervision of Prof. Danie Meyer and Associate Prof. Elsabé Keyser. My study focuses on the development of a tourism destination competitiveness measurement instrument. This instrument aims to assist in the tourism competitiveness analysis of regions, and as a result, be used to make comparisons between regions and potentially contribute to the development of regional development strategies. In order to construct this instrument, the most important and applicable determinants of tourism destination competitiveness need to be identified and analysed.

You have been identified as a specialist respondent in both the economics and the tourism industry research field. You are kindly requested to complete the questions below, which will take approximately 10 to 15 minutes to complete. The questionnaire contains three main dimensions of determinants namely, (1) Resources, (2) Infrastructure, (3) Enabling Environment & Authorities, and include a total of 21 determinants (also known as factors).

The following step–by–step instructions are provided to complete Table 1:

Step 1: Kindly rank from highest to lowest priority the dimensions (1) Resources, (2) Infrastructure, (3) Enabling Environment & Authorities from 1 to 3 (1 being the highest and most crucial ranking, 2 being an average important ranking and 3 the lowest less significant ranking).

Please note: *You may only use each ranking value once. For example, Resources =* ***"2"****, Infrastructure =* ***"1"*** *and Enabling Environment & Authorities =* ***"3"***

Step 2: Rank each determinant within Dimensions 1, 2 and 3 by use of the following:

Ranking scale	
Determinants in dimension (1) Resources	Rank from 1 to 6 (1– highest priority and 6– lowest priority).
Determinants in dimension (2) Infrastructure	Rank 1 to 8 (1– highest priority and 8– lowest priority).
Determinants in dimension (3) Enabling environment and authorities	Rank 1 to 7 (1– highest priority and 7– lowest priority).

Please note: *You may only use each value once for ranking the determinants and dimensions. For example, the ranking value* ***"2"*** *may only be used once* ***for*** *and* ***within*** *a specific dimension.*

Step 3: Please weigh the dimensions (1) Resources, (2) Infrastructure, (3) Enabling Environment & Authorities from 0 to 4 (0) being no importance and 4 being very high importance) by use of the following table. ***Please note****: Each weight may be used more than once.*

Step 4: Weigh each determinant within Dimensions 1, 2 and 3 by use of the following weighting scale:

Weighing scale
0– Determinant has no importance
1– Determinant has limited importance
2– Determinant has average importance
3– Determinant has significant importance
4– Determinant has very high importance

Please note*: Please note you may use the numbers as often as necessary. For example: Both natural resources and strategic locality can weigh crucial with a value of 4.*

The weighting values should be allocated to indicate the importance of the dimension and determinants in achieving destination competitiveness for successful tourism and regional development. Tourism destination competitiveness (TDC) can be explained as the *ability of the place to optimise its attractiveness for residents and non–residents, to deliver quality, innovative, and attractive tourism services to consumers and to gain market shares on the domestic and global market places, while ensuring that the available resources supporting tourism are used efficiently and in a sustainable way.*

If there is any uncertainty regarding what each determinant involves, please find the description of each determinant in **Table 2**.

After completion of the table, please email it back to me at vds.tanya@gmail.com. I would like to thank you for allocating your valuable inputs and time to this study. Please feel free to contact us– Tanya at 0827271708 and/or Danie at daniel.meyer@nwu.ac.za– if you have any enquiries or inputs.

Thank you, Tanya Van der Schyff

Table 1: Ranking and weighting													
Dimension or determinant	**Ranking**								**Weighting**				
1. Resources	1		2		3				0	1	2	3	4
1. Natural resources	1	2	3	4	5	6			0	1	2	3	4
2. Historical and cultural resources	1	2	3	4	5	6			0	1	2	3	4
3. Technology and innovation	1	2	3	4	5	6			0	1	2	3	4
4. Labour force	1	2	3	4	5	6			0	1	2	3	4
5. Entrepreneurship and business community	1	2	3	4	5	6			0	1	2	3	4
6. Strategic location	1	2	3	4	5	6			0	1	2	3	4
Dimension or determinant	**Ranking**								**Weighting**				
2. Infrastructure	1		2		3				0	1	2	3	4
1. Health facilities	1	2	3	4	5	6	7	8	0	1	2	3	4
2. Education facilities	1	2	3	4	5	6	7	8	0	1	2	3	4
3. Communication facilities	1	2	3	4	5	6	7	8	0	1	2	3	4
4. Accommodation facilities	1	2	3	4	5	6	7	8	0	1	2	3	4
5. Transportation facilities	1	2	3	4	5	6	7	8	0	1	2	3	4
6. Sport and recreation facilities	1	2	3	4	5	6	7	8	0	1	2	3	4
7. Food and drink facilities	1	2	3	4	5	6	7	8	0	1	2	3	4
8. Essential services	1	2	3	4	5	6	7	8	0	1	2	3	4
Dimension or determinant	**Ranking**								**Weighting**				
3. Enabling environment and authorities	1		2		3				0	1	2	3	4
1. Public–private partnership	1	2	3	4	5	6	7		0	1	2	3	4
2. Safety and security	1	2	3	4	5	6	7		0	1	2	3	4
3. Government spending	1	2	3	4	5	6	7		0	1	2	3	4
4. Sustainable tourism policy and destination management	1	2	3	4	5	6	7		0	1	2	3	4
5. Local leadership and political stability	1	2	3	4	5	6	7		0	1	2	3	4
6. Red tape limitation	1	2	3	4	5	6	7		0	1	2	3	4
7. Macro–economic environment	1	2	3	4	5	6	7		0	1	2	3	4

TABLE 2	
Determinants	**Description**
	1.Resources
1.1. Natural resources	Quality of scenery, climate, water resources, fauna and flora. The attractiveness of natural assets and environmental management (conservation).
1.2. Historical and Cultural resources	Diversity of local cultures and indigenous knowledge. Historical richness. (Monuments, museums, churches…)
1.3. Technology and innovation	Level of innovation and technology and incentives for investments in R&D.
1.4. Work force	Supply (size of the labour force), cost of labour and skill levels. (Skills development centrum)
1.5. Entrepreneurship and Business community	The quality and number of entrepreneurs and the development of entrepreneurship. Strength and activities of local business chambers.
	2.Infrastructure
2.1. Health facilities	Quality and quantity of health facilities, such as hospitals, clinics. Prevalence of malaria and HIV.
2.2. Education facilities	Quality and quantity of education facilities, including higher education facilities.
2.3. Communication facilities	Quality of ITC. Quantity of internet users and internet speed.
2.4. Accommodation facilities	Quality and quantity of hotels, bed and breakfast facilities, resorts, etc.
2.5. Transportation facilities	Quality of transport, air and sea ports, roads, railways.
2.6. Sport and Recreation facilities	Quality and quantity of recreational facilities, sports stadiums, courts, parks and open spaces.
2.7. Food and Drink facilities	Quality and quantity of restaurants, bars and cafes, etc.
2.8. Essential services	Capacity, quality, access and maintenance of services such as roads, rail, sewer, water and electricity.
	3.Enabling environment and Authorities
3.1. Public–private partnerships	Quantity and efficiency of PPPs.
3.2. Safety and security	Level of safety and security in the region. Crime rates, homicide, burglary rate. Reliability and responsiveness of the police.
3.3. Government spending on tourism and marketing efforts	Percentage of the budget allocated to travel and tourism. Efforts and effectiveness of marketing to international and national tourists.
3.4. Sustainable tourism policy/ Destination management	Quantity and success rate of policies and strategies formulated and implemented.
3.5. Local leadership and Political stability	Leadership in the community of tourism organisation and entrepreneurs. The political situation in a destination.
3.6. Red tape limitation	Visa requirements and other regulations. Time to open a business, permits and licence approval.
3.7. Macro–economic environment	Exchange rate, interest rate, employment rates and economic growth etc.

ANNEXURE B: PILOT TESTING OF MEASUREMENT INSTRUMENT

Dear respondent,

My name is Tanya Van der Schyff, a PhD student in Economics at the North–West University (Vanderbijlpark Campus), under supervision of Prof. Danie Meyer and co–promoter Prof. Elsabé Keyser. My study focuses on the development of a composite tourism destination competitiveness measurement instrument. This instrument aims to assist in the tourism competitiveness analysis of regions, and as a result, be used to make comparisons between regions and potentially contribute to the development of regional development strategies. In order to develop this instrument, the most important and applicable determinants of tourism destination competitiveness need to be identified and analysed.

You have been identified as a participant in the tourism industry. You are kindly requested to complete the questions below which will take approximately 5 to 10 minutes to complete. The questionnaire contains three dimensions of determinants namely, (A) Resources, (B) Infrastructure, (C) Enabling Environment & Authorities, and include a total of 16 determinants (also known as factors)..

The following instructions are provided:

You are kindly requested to rank all 16 determinants as well as the 3 dimensions of determinants. **The ranking should be allocated to indicate the performance of each dimension and determinant in your region**.

Please make use of the following performance ranking:

Table 1: Tourism destination competitiveness (TDC) performance ranking	
0	No facilities available
1	Facilities are available but lack of performance
2	Averaged performance of facilities.
3	Facilities available are performing adequately but could improve
4	Facilities are performing efficiently and in perfect condition

Please note: If there is any uncertainty regarding what each determinant involves, please find the description of each determinant at the end of the questionnaire in Table 2.

After completion of the table, please email it back to me at vds.tanya@gmail.com. I would like to thank you for allocating your valuable inputs and time to this study. Please feel free to contact us (Tanya at 0827271708 and/or Danie at 0828505656 or daniel.meyer@nwu.ac.za) if you have any enquiries or inputs.

Thank you, Tanya Van der Schyff

SECTION A: DEMOGRAPHICS			
Age:			
Gender:	Female	Male	
District municipality:	Sedibeng	Fezile Dabi	
Town or area of tourism activity:			
Participation area in tourism:	Tourism–related business	Government organisation	Tourist / Community member
If you are a business owner please complete the following:			
Percentage of income generated from tourism activities or industry :			

PLEASE EVALUATE THE FOLLOWING ACCORDINGLY					
SECTION B: NATURAL RESOURCES					
Statement regarding the performance of determinants in TDC	**Performance ranking**				
	No facilities available	Facilities available– lack of performanc	Averaged performanc e	Performing adequate– could improve	Performing efficiently– Perfect condition
1. How are the total ***Resources*** performing to ensure TDC	0	1	2	3	4
1.1. How is *Natural resources and Strategic location* performing to ensure TDC?	0	1	2	3	4
1.2. How are *Historical and Cultural resources* performing to ensure TDC?	0	1	2	3	4
1.3. On what level are *Technology, innovation and Communication* performing to ensure TDC?	0	1	2	3	4
1.4. How are *Entrepreneurship, Business community and Labour force* performing to ensure TDC?	0	1	2	3	4

PLEASE EVALUATE THE FOLLOWING ACCORDINGLY					
SECTION C: INFRASTRUCTURE					
Statement regarding the performance of determinants in TDC	**Performance ranking**				
	No facilities available	Facilities available– lack of performance	Averaged performance	Performing adequate– could improve	Performing efficiently– Perfect condition
2. How is the total ***Infrastructure*** performing to ensure TDC	0	1	2	3	4
2.1. How are the *Health and Education facilities* performing to ensure TDC?	0	1	2	3	4
2.2. How are the *Accommodation facilities* performing to ensure TDC?	0	1	2	3	4
2.3. On what level are *Transportation facilities* performing to ensure TDC?	0	1	2	3	4
2.4. How are *Sport and Recreation facilities* performing for TDC?	0	1	2	3	4
2.5. How are *Food and Drink facilities* performing to ensure TDC?	0	1	2	3	4
2.6. How are the *Essential services* performing to ensure TDC?	0	1	2	3	4

PLEASE EVALUATE THE FOLLOWING ACCORDINGLY					
SECTION D: ENABLING ENVIRONMENT AND AUTHORITIES					
Statement regarding the performance of determinants in TDC	**Performance ranking**				
	No facilities available	Facilities available– lack of performance	Averaged performance	Performing adequate– could improve	Performing efficiently– Perfect condition
3. How is the category ***Enabling environment and Authorities*** performing to ensure TDC	0	1	2	3	4
3.1. How are *Private–Public partnerships* performing to ensure TDC?	0	1	2	3	4
3.2. How are the *Safety and Security* performing to ensure TDC?	0	1	2	3	4
3.3. The level of *Government spending on tourism and marketing efforts* performing to ensure TDC. Are there sustainable tourism policies?	0	1	2	3	4
3.4. How are the *Local leadership and Political stability* performing to	0	1	2	3	4

ensure TDC?					
3.5. Is there limited *Red tape* encouraging business?	0	1	2	3	4
3.6. How is the *Macro–economic environment* performing to ensure TDC?	0	1	2	3	4

Determinants	Description
1. Resources	
1.1. Natural resources and strategic location	Quality of scenery, climate, water resources, fauna and flora. The attractiveness of natural assets and environmental management (conservation). Locality of tourism destination to facilities.
1.2. Historical and Cultural resources	Diversity of local cultures and indigenous knowledge. Historical richness. (Monuments, museums, churches…) .
1.3. Technology, innovation Communication facilities	Level of innovation and technology and incentives for investments in R&D. Quality of ITC. Quantity of internet users and internet speed.
1.4. Entrepreneurship, Business community and Work force	The quality and number of entrepreneurs and the development of entrepreneurship. Strength and activities of local business chambers. Supply (size of the labour force), cost of labour and skill levels (Skills development centrum).
2. Infrastructure	
2.1. Health and Education facilities	Quality and quantity of health facilities, such as hospitals, clinics. Prevalence of malaria and HIV. Quality and quantity of education facilities, including higher education facilities.
2.2. Accommodation facilities	Quality and quantity of hotels, bed and breakfast facilities, resorts, etc.
2.3. Transportation facilities	Quality of transport, air and sea ports, roads, railways.
2.4. Sport and Recreation facilities	Quality and quantity of recreational facilities, sports stadiums, courts, parks and open spaces.
2.5. Food and Drink facilities	Quality and quantity of restaurants, bars and cafes, etc.
2.6. Essential services	Capacity, quality, access and maintenance of services such as roads, rail, sewer, water and electricity.
3. Enabling environment and Authorities	
3.1. Public–private partnerships	Quantity and efficiency of PPPs.
3.2. Safety and security	Level of safety and security in the region. Crime rates, homicide, burglary rate. Reliability and responsiveness of the police.
3.3. Government spending and efforts	Percentage of the budget allocated to travel and tourism. Efforts and effectiveness of marketing to international and national tourists. Quantity and success rate of policies and strategies formulated and implemented.
3.4. Local leadership and Political stability	Leadership in the community of tourism organisation and entrepreneurs. The political situation in a destination.
3.5. Red tape limitation	Visa requirements and other regulations. Time to open a business, permits and licence approval.
3.6. Macro–economic environment	Exchange rate, interest rate, employment rates and economic growth etc.

ANNEXURE C: SWOT ANALYSIS INTERVIEWS

Good day,

My name is Tanya Van der Schyff, a PhD student in Economics at the North–West University, under the supervision of Prof. Danie Meyer and Prof. Elsabé Keyser. My study investigates factors that lead to the success of a tourism destination. To do so I require the strengths, weaknesses, opportunities and threats to tourism in your region. Thank you for participating in my study as an expert in your region. Please complete this **before Friday the 9th of October 2020 or at your earliest convenience.**

You are kindly requested to provide minimum four at each of the following relating to your tourism destination:

Strengths: What is internally good about your destination, what are your assets, what makes you different, what will attract tourists? *Example: Have access to the river or a great geographic location.*

Weaknesses: What is internally bad about your destination, what prohibits tourist visiting? *Example: Poor roads, high cost to travel to the destination.*

Opportunities: What can the destination used to attract tourists and develop tourism that it has not yet capitalised. Example: *Improvement of infrastructure, skilled labour, positive tourism trends.*

Threats: What are the external threats to the community, business owners and tourism development? *Example: COVID reduces tourists' arrivals due to limited funds or lack of government co–operation.*

Please feel free to contact me if you have any questions on 082 727 1708 or vds.tanya@gmail.com.

Regards,

Tanya Van der Schyff

Demographic information	
Title, name and surname	
Position in community	
Region or town	

PLEASE COMPLETE ACCORDINGLY:	
Strengths	**Weaknesses**
Opportunities	**Threats**

ANNEXURE D: ETHICS CERTIFICATE

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31 January 2020

Prof D F Meyer and Dr E Keyser
Per e–mail

Dear Prof Meyer and Dr Keyser

STUDENT: Van der Schyff, T (24943916)(NWU–0107–19–A4)
APPLICANT: Prof D F Meyer and Dr E Keyser– PhD in Economics

Your ethics application, ***The development and testing of a measurement instrument for regional tourism competitiveness facilitating economic development,*** that served on the EMS–REC meeting of 31 January 2020, refers.

Outcome:

Approved as a minimal risk study. A number NWU–0107–19–A4 is given for three years of ethics clearance.

Kind regards

Prof Mark Rathbone
Deputy–Chairperson: Economic and Management Sciences Research Ethics Committee (EMS– REC)
Potchefstroom Campus

ANNEXURE E: LANGUAGE EDITING CERTIFICATE

Declaration

This is to declare that I, Annette L Combrink, accredited language editor and translator of the South African Translators' Institute, have language–edited the thesis by

T Van der Schyff

with the title

The development and testing of a measurement instrument for regional tourism competitiveness facilitating economic development.

Prof Annette L Combrink

Accredited translator and language editor

South African Translators' Institute

Membership No. 1000356

Date: 14 December 2020