

Enhancing Destination Competitiveness for a Sustainable Tourism Industry: The Case of Maldives

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Abstract

This research paper investigated the competitiveness of the Maldives tourism industry from the perspectives of destination competitiveness for a sustainable tourism industry. Largely exploratory this paper uses a combination of inductive and deductive approaches through a two stages exercise.

Maldives tourism industry now faces some major challenges. First is the sustainable development of the tourism sector. The sharp increases in mass tourism and degrading the country's scarce and fragile natural resources and policy measures are required to protect the fragile eco systems. Weak coastal zone management has created problems in waste disposal. The impact of climate change is eroding the sustainability of the tourism industry. New hotel construction, waste disposal and increased tourist activities are degrading the environment and threaten the fragile ecosystems. Another challenge is the intense competition from its regional rivals such as the Seychelles and Mauritius which share the same customer base which could result in the Maldives losing its market share to them.

The literature review was used to identify two research questions and two research propositions were developed for testing. Qualitative data were collected through a literature review and personal interviews. Quantitative data for the second phase was collected through a questionnaire survey and analyzed by way of descriptive statistics. Finally, the paper offers appropriate recommendations for consideration by both the Government and industry to enhance the destination competitiveness of Maldives for a sustainable tourism industry.

Keywords: Maldives Tourism Industry, Sustainable Tourism, Destination Competitiveness, Exploratory research, Descriptive Research

Introduction

Tourism, one of biggest and fastest-growing industries in the world (UNWTO, 2016), can be simply defined as travelling around the world for the purpose of holiday, business, and leisure activities (Leiper, 1979). Since tourists expect certain standards, countries have to achieve destination competitiveness to become preferred destinations for tourists (Benedetti, 2010).

The tourism sector in the Maldives is the principal contributor to the economy (MTAC, 2016). Widely acknowledged as having a destination image of a special island getaway with beautiful corals, beaches and sunny climate, the Maldives now faces challenges that affect the global tourism industry (Shakeela, Ruhanen, & Breakey, 2011). The advent of cheap airline travel has resulted in several long haul destinations becoming more affordable to tourists who have more options and are more knowledgeable about tourism destination choices. These together with a wider range of available tourism products, has transformed the global tourism market from one of sellers to one of buyers (Faulkner, Oppermann and Fredline, 1999).

The statistics suggest that the country's tourism industry is losing its competitiveness in some markets and consequently its market share is stagnating. Furthermore, the global market for sun- sand - sea tourism, which characterizes the country's tourist attractions, is saturating (TIES, 2006). This has generated intense competition in this market segment and the Maldives now has to contend with issues of destination competitiveness from destination such as the Mauritius and Seychelles.

These developments have significant economic implications since tourism is the main stay of the Maldivian economy in terms of foreign exchange earnings and employment opportunities. However, the tourism industry has to achieve long term sustainability and this requires policies that take "full account of its current and future economic, social and environmental impacts, as well as the needs of visitors, the industry and host communities" (UNWTO, 2005, P.12). The priority is for the Maldives to achieve and maintain sustainable competitive advantage

over its rivals (Porter, 1980) by increasing its investments and introduce proactive policies to enhance its destination competitiveness to stay abreast of rival competitive destinations. Its overall attractiveness and the experiences delivered to tourists must surpass that of the alternative destination experience available to potential tourists.

The Research Problem

Zikmund (2003) posited that the research process has to commence with the discovery of a research problem. Therefore, identifying the research problem is a necessary first step towards finding an appropriate solution to the problem. Based on the gaps in the literature, which would be discussed in details later, the research problem statement is: **“Enhancing the Destination Competitiveness of the Maldives for a Sustainable Tourism Industry”**

Research Questions

The conduct of research is a complicated process and this requires good research questions for the researcher to stay on track (Punch, 1998). Accordingly, based on the research problem two research questions were developed on the basis of the gaps in the literature and these are:

1. How competitive is the Maldives for being the preferred tourism destination in the global tourism market?
2. What are the appropriate strategies for developing a sustainable tourism industry in the Maldives?

Research Objectives

A research exercise must have objectives, which relate to the goals that the findings of the research aim to achieve (Sekaran, 2006). Accordingly, based on the research questions, this research had two objectives as follows:

1. To assess the competitiveness of the Maldives for being the preferred tourism destination in the global tourism market
2. To recommend appropriate strategies for developing a sustainable tourism industry in the Maldives.

The Research Propositions

This research will use a two phased approach with the first being exploratory. As the second stage will be descriptive and quantitative, research propositions will be used for this purpose. A research proposition “is a theoretical statement that specifies the relationships between two or more concepts and says something about the kind of relationship it is” (Neuman, 2006, P. 58). Guided by this, there are two research propositions, based on research questions, for testing in the second and deductive stage of the research. The research propositions are:

1. The Maldives has a competitive destination positioning in the global tourism market
2. The Maldives has appropriate strategies for developing a sustainable tourism industry

Justification for the Research

The Maldives tourism industry, which started in 1972, with the establishment of the first resort, has registered rapid growth and more than one million tourists visited the country in 2016. The sector has replaced fishing as the dominant economic sector and is now the largest contributor of foreign exchange earnings and employment. However the industry now faces some major challenges. First is the sustainable development of the tourism sector. This requires addressal of problems relating to employment, economic leakages, the natural resources, climate change and community engagement to provide for a beneficial interaction between local communities and tourists (UNTWO, 2012). The sharp increases in mass tourism and degrading the country’s scarce and fragile natural resources and policy measures are required to protect the fragile eco systems. Weak coastal zone management has created problems in waste disposal (WTTF, 2014). Infrastructure development is also urgently required for securing better access to the island’s resorts. The impact of climate change is eroding the sustainability of the tourism industry in SIDS (UNWTO, 2014). The Maldives has scarce land resources and a small economic base. Furthermore, the country is prone to financial leakages and suffers from a shortage of labor and skills. Although tourism is a major foreign earner, much of the earnings are repatriated by foreign investors or retained by the tour operators in the country of origin. Returns from the industry are low due to the high costs of the imported materials and equipment for construction (UNWTO, 2014).

Another challenge is the increased competition from other Small Developing Island Nations (SIDS), which also are heavily dependent on tourism and this include its regional rivals Mauritius and Seychelles (Lababedi & Haggemacher, 2014). The Maldives has to achieve destination competitiveness for selection as the preferred tourism destination as compared to global rivals offering comparable tourism products. These are the SIDS of Bahamas, Barbados, Bermuda, the Cayman Island, The Dominican Republic, Fiji, Guadeloupe, Jamaica,

Martinique, Mauritius, New Caledonia, Reunion, The Seychelles, St Lucia and Trinidad and Tobago (Essays UK, 2013). The escalating competition requires the Maldives to revisit its strategies for destination competitiveness and destination image to overcome the competitive challenges.

The Maldives tourism industry has to address the challenges posed by countries like the Seychelles and Mauritius, which also offer a common platform for sun, sea and sand tourism products. The country has to enhance its destination competitiveness as this influences the travel choices of tourists for a vacation or leisure travel. Despite its significance, literature review reveals that this issue has not benefitted from past research (Crouch, 2010; Kayar & Kozak, 2010). This is one of the justification for this study.

The available scholarship, largely from Government publications including the Maldives Economic Diversification Strategy (MEDS) and Tourism Master Plans, are relatively silent on these key issues. While there is much literature on the policies and measures for long-term tourism development, no prior research appears to have been conducted on the policy measures to improve its destination competitiveness.

However, in recent years, some models have been developed and these are useful for gaining an understanding of the structure of destination competitiveness as they incorporate a diversity of factors that influence competitiveness. Some authorities (Hudson, Ritchie & Timur, 2004) contend that they require further elaboration, empirical validation (Crouch and Ritchie 1999; Dwyer et al. 2004; Kayar & Kozak, 2010), and valid measurement (Crouch, 2008; Mazanec et al, 2007).

Competitiveness is a relative concept and can only be appropriately evaluated against competitors or a set of competing destinations (Dwyer et al. 2004; Kozak & Rimmington, 1999). While various studies have identified several factors that influence competitiveness, they are not specifically applicable to all destinations (Crouch, 2007). There remains a need for substantive research to develop valid measures of relative attributes and competitiveness (Crouch, 2007). The literature revealed limited scholarship on enhancing destination competency, resource allocation decisions, and the deployment of marginal resources (Crouch & Ritchie 1999; Dwyer & Kim 2003).

While destination competitiveness are invaluable tools for enhancing the competitiveness of the Maldives, this area has not benefitted from such research. Furthermore, small island tourist destinations such as the Maldives have been largely excluded from the competitiveness debate (Henderson 2001).

The cited research gaps justify the need for this research. The findings and recommendations would be of value to policy makers and the destination managers in the tourism industry, who are responsible for achieving the goal of a sustainable tourism industry. The research findings could also extend the academic scholarship on the Maldives tourism industry.

The Literature Review

The research topic relates to the competitiveness of the Maldives as a destination and this requires an assessment of the theory of competitive strategies which have several models and indices, which include destination competitiveness.

A destination “is where the most noticeable and dramatic consequences of the system occur” (Leiper (1990 p. 23). There are several definitions of the term destination:

- A destination is a cluster or “a group of tourist attractions, infrastructure, equipment services and organizations concentrated in a delimited geographic area”. When competition occurs between these clusters of tourism businesses, they require strategic planning and strategies such as low cost, differentiation and specialization to gain a competitive advantage (Bordas,1994 p. 3).
- A destination is “a geographical area containing a critical mass of development and a unique cluster of attractions that satisfy and attract sufficient numbers of non local visitors” (Gunn, 1994 p. 40).
- the boundaries of a physical space in which tourists temporally reside for at least one night and which “includes tourism products such as support services and attractions and tourists’ resources within one day’s return travel time” (UNWTO ,2002).
- Destinations are locations where tourists “choose to stay for a while in order to experience certain features or characteristics, or perceived attraction of some sort” (Leiper, 1995 p. 87).

Broadly defined, a destination can be viewed as a distinct geographic area, which can generate a sustainable flow of tourists by offering a combination of natural and created attractions as well as a multitude of other tangible and non-tangible elements that constitute a unique tourism experience. The focus on the destination allows for planning, developing, managing, organizing, marketing and monitoring conceptions to meet the sophisticated needs of tourist

and stakeholders' requirements that arise in contemporary tourism (Howe, 2003). The management of a destination is challenging because of the complexity of the inter-relationships of the stakeholders that create the final tourist experience (Kerr, Barron and Woods, 2001; Sautter and Leisen, 1999).

Tourism Destination Competitiveness

There are several definitions of tourism destination competitiveness (TDC) and each focuses on a particular aspect and therefore requires different measurement. These definitions however have the common aim of linking TDC to the superiority of a destination to deliver on different aspects of a visitor experience that are perceived as satisfying by tourists. This research is guided by a more comprehensive definition of Azzopardi (2008), which integrates the general conceptualizations of tourism competitiveness:

Tourism competitiveness can be defined as the ability of the destination to identify and exploit comparative advantages and create and enhance competitive advantages to attract visitors to a destination by offering them a unique overall experience for a fair price that satisfies the profit requirement of the industry and its constituent elements, as well as the economic prosperity objective of the residents, without jeopardizing the inalienable aspirations of future generations.

There are several studies on the factors to measure destination competitiveness (Enright & Newton, 2005). As these are relevant and pertinent to the research topic they merit discussion.

Models/Indices and Destination Competitiveness Factors

Several tourism-specific items affect destination competitiveness. This is reflected in the model proposed by Ritchie and Crouch (2003), which emphasizes destination comparative and competitive advantage, and that of Dwyer and Kim (2003), who incorporated demand condition factors into their model.

Destination Competitiveness and Sustainability Model

In their Model as shown in Figure 1, Crouch and Ritchie (1999) examined tourism competitiveness on the basis of several factors related to (i) the global environment which include the economic, geographical, social, cultural, political, technological and environmental aspects (ii) the micro environment which are the suppliers, the tourists and all the stakeholders in the tourism industry (iii) core resources and attractions which are the pull factors for tourists and these could include accommodation, transport facilities, food services and special events and festivals (iv) the supporting factors which are access human resources, hospitality and critical stability (v) destination management which relates to organization, marketing, promotion, visitor management and stewardship of the sources (vi) destination policy planning which includes all the policies and activities that relate to branding, destination positioning and competitive positioning.

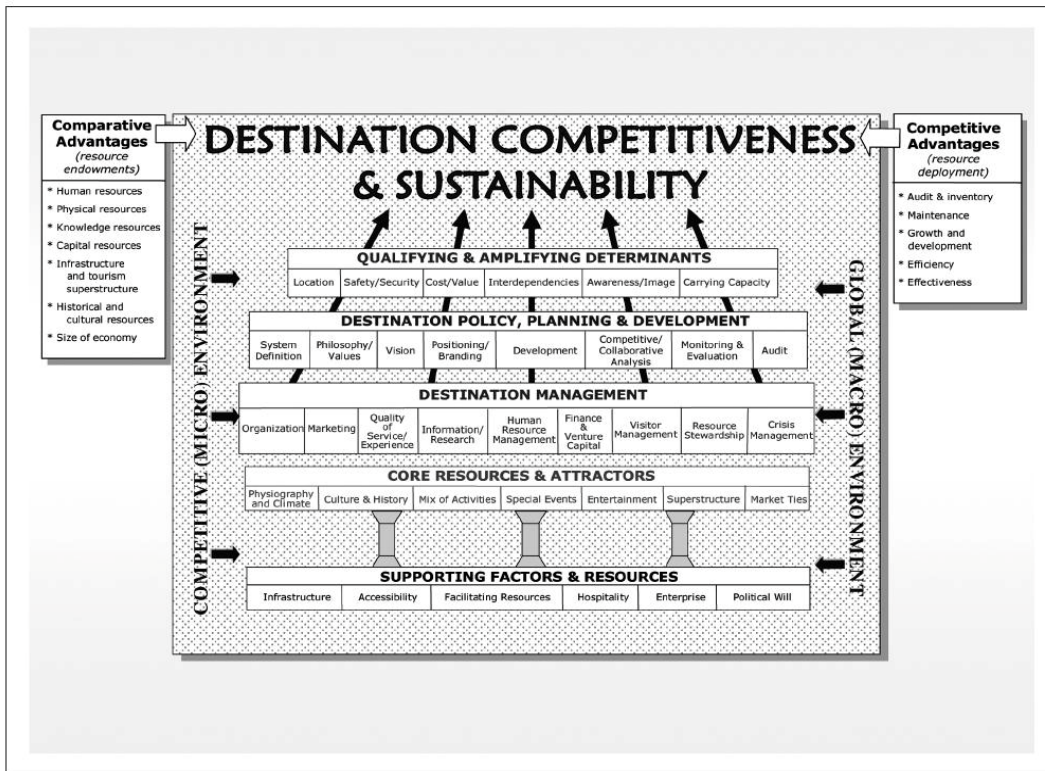
Based on these factors, they developed a destination competitiveness framework for the purposes of making a tourism destination more competitive or attractive than its competitors. However, this model may not be applicable to all tourist destinations as reflected by Singapore, which receives the highest number of international tourist on a per capita basis depends on very limited territory and natural attractions. Furthermore the model is from a supply perspective. It does not appear to take in to account the important demand consideration of destination attractiveness, which is indicative of the judgment and views of tourists on whether a particular destination can satisfy their needs.

Integrative Model of Destination Competitiveness

This model developed by Dwyer and Kim (2003) was aimed at gauging competitiveness, to enable comparisons between countries and tourism sector industries. As shown in Figure 2 the model which integrates objective and subjective measures has three sub groups of indicators. The first relates to resources, which include scenic attractions like lakes, beaches, rivers and mountains as well as heritage resources, which encompass culture, traditions, history and arts. The sporting resources are infrastructure like airports and roads as well as service quality, which are supportive of tourism. (Dwyer and Kim, 2003).

The second subset is destination management, which are the activities of the Government and private sector to manage all the activities at the destination, and these include social, cultural, environmental activities. The manner in which the destination management activities are carried out influences the destination competitiveness of the country.

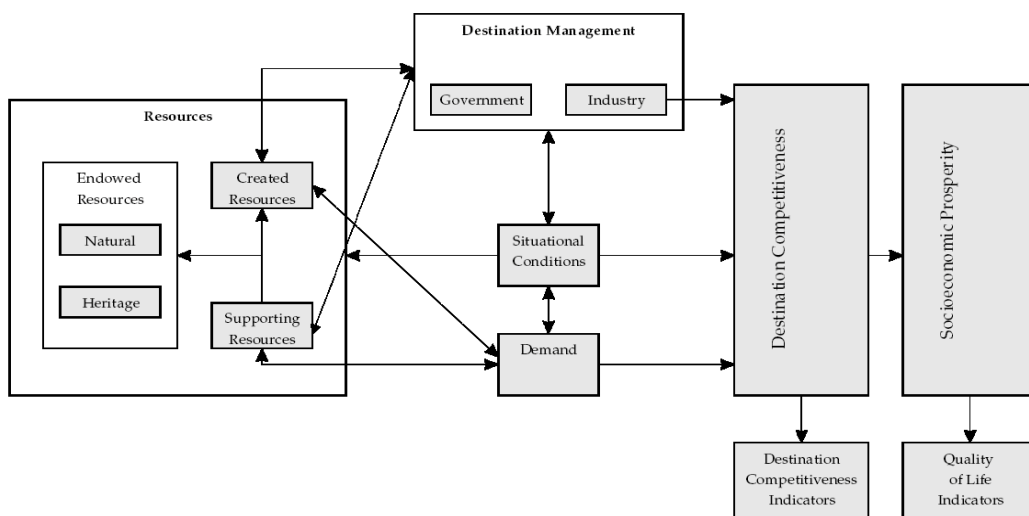
Figure 1: Model of Destination Competitiveness



Source: Ritchie and Crouch, 2003

When compared to Ritchie and Crouch’s model it become evident that Dwyer and Kim emphasize on demand conditions and demand factors. Since different types of tourists seek different tourism products and their awareness, perceptions and preferences of tourists influence destination competitiveness.

Figure 2: Integrative Model of Destination Competitiveness



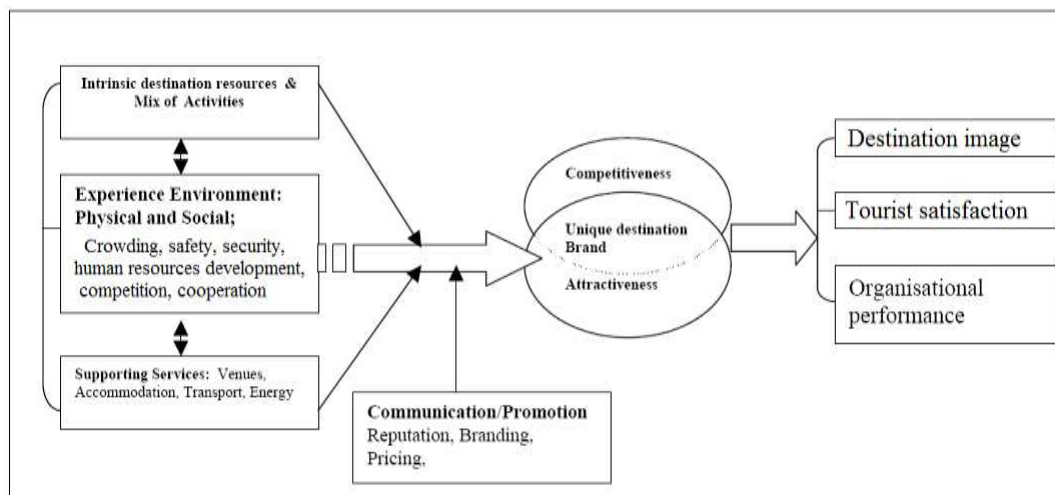
Source: Dwyer and Kim, 2003

Tourism Destination Competitiveness and Attractiveness (TDCA) Model

Vengesai (2003) took a different approach and developed the Tourism Destination Competitiveness and Attractiveness (TDCA) Model. This is a holistic Model as it is based on demand and supply considerations on the grounds that the competitive advantage of a destination hinges not only on what is offered by the destinations travel industry but also on the specific needs of the buyers who are the tourists. Simply stated this model permits an examination of “*what the destination invests in and what customers are looking for in a destination*” (Vengesai, 2003, p. 637).

The model posits a holistic perspective of a destination’s competitive advantage encompasses the perspectives of both the tourists and the tourism industry operators. The analyses of these are related to the concepts of attractiveness and competitiveness, respectively from the variables in the Tourism Destination Competitiveness and Attractiveness model. The TDCA also focuses on the ‘ability of a destination to provide social, physical, and economic benefits to the destination population as well as a satisfying experience to the tourist’ (Benedetti, 2010)

Figure 3: Vengesai’s TDCA model



Source: Vengesai, 2003

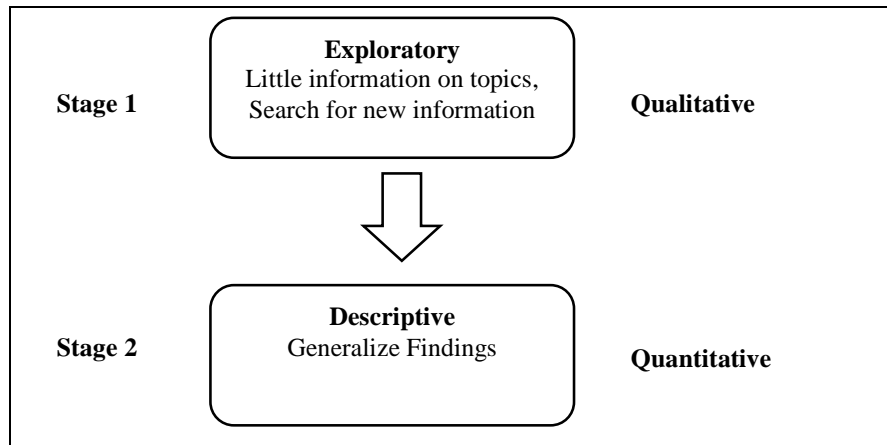
Unlike Dwyer and Kim (2003) and Crouch and Richie (1999) Vengesai emphasizes on the ‘destination experience environment’ in the TDCA model. He contended that the motivational factors for tourists to visit a particular destination are the type of attractions that are available. These have to be supported by activities, which add value and enhance the tourist’s ‘experiences’ and these include accommodation and transport facilities, infrastructure, services, etc. The model incorporates ‘destination experience environment’ which covers issues which influence the tourism experience such as crowding, safety and security, human resources development, competition and cooperation (Benedetti, 2010)

The factors from the supply side also includes branding, communication and promotion as these activities can increase the attractiveness of a destination and its competitiveness by inducing tourists to differentiate and choose to visit a certain destination instead of its competitors. The model also underlines pricing, as an important factor as the costs associated with a particular destination is also indicative of its competitiveness. The costs associated with a destination and its market performance can demonstrate its level of competitiveness. The inter play of the factors creates three important outcomes and these are related to tourism destination image, tourist satisfaction and organizational performance and these can be measured to determine competitiveness (Vengesai, 2003).

Methodology

This research combined inductive and deductive approaches through a two-stage exercise as shown in Figure 4

Figure 4: Combining Exploratory and Descriptive Research



Source: Developed for this Research

The first was qualitative and exploratory and the aims are to identify the research gaps, clarify the research problem, develop the research questions and generate the research propositions. The second stage, quantitative and descriptive in nature, is aimed at answering the “what” research questions (Yin, 1994) and to generalize the research findings.

Data Collection Instruments

For the first stage, the required qualitative data was collected through a literature review and personal interviews. A web survey was used to collect quantifiable data for the second stage.

Literature Review

Secondary data was collected through a detailed review of the existing literature and scholarship that are pertinent to the research. The reviewed literature included journal articles, newspaper reports, textbooks and prior research undertaken on the global tourism industry, destination competitiveness, and more specifically the Maldives tourism industry. Important sources of information were the publications from the Ministry of Economic Development, Ministry of Tourism, and the World Tourism Organization.

Personal Interviews

Interviews offer access to “a rich source of data” (Silverman 2013, p.114) and are well suited for collecting comprehensive and valuable data from the target population (Cavana, Delahaye & Sekaran 2001). Personal interviews were conducted with a representative sample of 16 internal and external stakeholders, of the Maldives tourism industry.

The Questionnaire Survey

A web administered questionnaire survey is an inexpensive way of collecting primary data, (Zikmund, 2003) and this was conducted to collect the quantifiable data of the descriptive stage of this research. The survey involved one hundred participants and they were divided equally among four groups comprising (i) Group A: Policy Makers/Regulators (ii) Group B: Industry Participants (iii) Group C: First time tourists and (iv) Group D: Repeat tourists. A structured questionnaire was used and the responses were measured with a *Likert Scale*.

Data Analysis

This research used the “exploratory” type of mixed method design proposed by Creswell & Clark (2007) with the data from the qualitative and quantitative being connected between the exploratory and descriptive two phases.

Qualitative data consists of words and therefore requires translation for meaningful information that can be interpreted. The process requires the interpretation of the words, comments, beliefs, thoughts and experiences of the person interviewed in for gaining a full understanding of the issues in question. This involved three key steps. The first was to record the key points made by each participant to each question in order to identify significant patterns. The second was to draw meanings from the data and the final step was to build a logical chain of evidence (Neuman, 2006).

Quantitative data analysis is the transformation of raw data in to a form that can describe a set of factors to make them easy to understand and to interpret. The quantitative data process, involved the editing of the completed questionnaires (Zikmund, 2003) the cleaning and screening of the data (Malhotra, 1993) and descriptive analysis to produce the following outputs:

- Case summaries of Counts, Means, and Standard Deviations for each Statement
- Group Cross-tabulations for each Statement showing details of Counts and Percentages within Statements and within Groups;
- Combined Responses to each Statement;
- Combined and Re-coded Responses to each Proposition.

Findings

One of the aims of this research was to clarify the Research Problem. The exercise for this purpose starts with drawing conclusion about each Research Proposition. This process involves the matching and examination of the findings of the literature review with the findings from the analysis of the primary data which was undertaken.

Research Proposition 1: The Maldives has a competitive destination positioning in the global tourism market

There was much literature and several models on tourism destination competitiveness (Richie and Crouch, 2003, Enright and Newton, 2005). Tourism competitiveness is influenced by (i) the global environment which include the economic, geographical, social, cultural, political, technological and environmental aspects (ii) the micro environment which are the suppliers the tourists and all the stakeholders in the tourism industry (iii) core resources and attractions which are the pull factors for tourists and these could include accommodation, transport facilities, food services and special events and festivals (iv) the supporting factors which are access human resources, hospitality and critical stability (v) destination management which relates to organization, marketing, promotion, visitor management and stewardship of the sources (vi) destination policy planning which includes all the policies and activities that relate to branding, destination positioning and competitive positioning (Ritchie and Crouch, 2003)

The Dwyer and Kim (2003) model integrates objective and subjective measures which include natural resources, scenic attractions, heritage resources, sporting resources, infrastructure as well as service quality.

The Tourism Destination Competitiveness and Attractiveness (TDCA) Model (Vengesai, 2003), is based on demand and supply considerations on the grounds that the competitive advantage of a destination hinges not only on what is offered by the destinations travel industry but also on the specific needs of the buyers who are the tourists. The TDCA focuses on the 'ability of a destination to provide social, physical, and economic benefits to the destination population as well as a satisfying experience to the tourist' (Benedetti, 2010). Pricing is another factor, since the costs of a destination and its market performance can demonstrate its level of competitiveness. The inter play of the factors creates three important outcomes and these are related to tourism destination image, tourist satisfaction and organizational performance and these can be measured to determine competitiveness (Vengesai, 2003).

Despite the importance of destination competitiveness there was limited information on the Maldives Government's policies on this key issue. Furthermore, it also has to virtually import all the goods and services including food items, beverages and petroleum. The high cost of employing expatriates and imports suggest that revenue margins from tourism receipts are low. Therefore the country is a high cost tourism destination and it can be inferred in the absence of research on this issue that it does not fare well in terms of destination competitiveness.

The responses in the personal interviews and questionnaire survey provided useful information for bridging the research gaps on destination competitiveness and these are shown in Table 5.2

Table 1: Response patterns to Research Proposition 1**The Maldives has a competitive destination positioning in the global tourism market**

Issues	Literature Review	Personal Interviews	Survey Questionnaire
The Maldives tourism industry has a global competitive advantage	Unknown	Mixed	Agreed
The Maldives has destination competitiveness	Unknown	Mixed	Agreed
The Maldives offers tourists a superior tourism experience	Unknown	Mixed	Agreed
The Maldives Government has appropriate destination management strategies.	Unknown	Mixed	Modest Agreement

Source: Developed for this Research

The Table shows that there were mixed responses to all the four issues from the participants in the personal interviews as compared to the findings from the survey questionnaire. It is also significant that there was only modest agreement by the survey participants that the Government has appropriate destination management strategies. Accordingly, it can be concluded that there were mixed views on the following:

- The destination competitiveness of the Maldives. Since some interview participants commented that costs and the pricing of the accommodation were high. However, the prices of the three star resorts have reduced substantially because of the introduction of guesthouses and this may have contributed to the destination competitiveness of the Maldives.
- On the superior tourism experience offered by Maldives. While some found Maldives to be a clean, safe destination with excellent accommodation, beautiful beaches and crystal clear waters for water sports. Some others offered contrary views. However, these were in the minority.

Research Proposition 2: The Maldives has appropriate strategies for developing a sustainable tourism industry

The literature review revealed that the Maldives Government emphasizes on sustainable development and a sustainable tourism industry. This has been reflected in the Third Tourism Master Plan and the Fourth Tourism Master Plan as well as in the Maldives Economic Diversification Strategy. However, the sustainability of the tourism industry has been challenged by the threats to the environment in particular the unique and fragile eco systems by construction activities, inefficient waste disposal systems and unregulated water sports activities which damaged the coral gardens and the wide variety of fish the rely on them.

The literature revealed policies by the Government to increase community engagement, encourage more efficient business practices and to create a knowledge based local workforce with professional and management skills for managing resorts and tourism related activities (MTDC Annual Report,2014). While these measures are encouraging it has to be noted that 90 resorts out of the total of 115 resorts continue to be owned or managed by foreign groups

(MTAC 2016). The imports of the construction materials for new resorts as well as fuel, food and beverages and costs for tourism activity continue to keep on rising. This worrisome situation could affect the sustainability of tourism industry.

The issue of whether the Maldives Government had appropriate strategies for developing a sustainable tourism industry was addressed in the personal interviews and the questionnaire survey. The responses provided useful information for bridging the research gaps on destination competitiveness and these are shown in Table 2.

Table 2: Response patterns to Research Proposition 2

The Maldives has appropriate strategies for developing a sustainable tourism industry

Issues	Literature Review	Personal Interviews	Survey Questionnaire
There are appropriate strategies to enhance the destination image of the Maldives	Unknown	Mixed	Modest Agreement
pro active policies are required for destination competitiveness to achieve global competitive advantage	Unknown	Mixed	Agreed
High prices of resort accommodation erode the destination competitiveness of the Maldives	Unknown	Mixed	Modest Agreement
Effective policies and measures are required to safeguard the environment for sustainable tourism	Unknown	Agreed	Strongly Agreed

Source: Developed for this Research

The responses revealed that the interview participants had mixed views on the importance of the strategies to enhance the destination image and destination competitiveness and the high prices of the resort accommodation. It can also be concluded that there were mixed views on the following:

- Strategies to enhance the destination image of the Maldives. While a small majority of the survey participants agreed that modest support that the Government did have strategies in place, some interview participants felt that much more should be done to promote the Maldives as a more attractive tourist destination.
- Although the Maldives is positioned as a premium tourism destination the current high prices of resort accommodation could affect long-term sustainability. Furthermore, there may be a need to revise the prices downwards as the resorts are experiencing difficulties in maintaining high occupancy levels.

However, the interview participants and the survey respondents agreed that measures are required to safeguard the environment. This will require a collaborative effort by the Government and the tourism industry to agree and implement policies and measures to safeguard the beaches, corals and the eco systems. It can also be concluded that

the current policies to safeguard the environment and waste management do not benefit from strict enforcement and this will effect the sustainability of the tourism industry in the longer term.

Recommendations

The research findings confirmed the importance of destination competitiveness for a sustainable Maldivian tourism industry. In line with the research objectives recommendations are provided for policy and practice which based on the findings of the literature review, the personal interviews and the questionnaire survey. Accordingly, below recommendations are offered for policy and practice to the Government and the tourism industry respectively.

Reviewing tourism policies

The Ministry of Tourism must encourage the tourism industry to emphasize on maintaining demand rather than increasing the supply of hotel rooms. Critically review the 2008 policy on guest houses and hotels in the habited islands and formulate all inclusive policies to cater to the guest houses and resorts in a complementary manner in order to permit more comprehensive planning and benefit from the resultant value added benefits.

Enhancing Environmental Management

The Maldives Government is committed to a sustainable tourism industry. This requires policy measures to protect of the country's key attractions, which are its sandy beaches, coral reefs and clear blue waters for water sports activities.

However sustainability has to be an issue of concern for all stakeholders in the tourism industry and the pressing need is for the concept of sustainability to be accepted by all the stakeholders and to address the key issues with greater vigor. This requires the incorporations of sustainable, consumption and production because it promotes economic growth without compromising the environmental jeopardizing the needs of future generations. The challenge is to achieve win-win outcomes to attain mutual benefits for the environment and the tourism industry.

While there are several measures, the key issue is their adequacy to safeguard the tourism environment, the findings of the personal interviews and the questionnaire survey suggest that the Government agencies has to do more such as

1. Develop and promote programs for the safeguarding for the environment. These could include awareness programs aimed at hotel staff as well as the tourists.
2. Formulate a comprehensive nation wide structured waste management system.
3. Introduce awareness programs and educate local islanders on the importance of environmental protection and introduce a subject in all educational institutes.
4. Regulate water sports activities with participation from the hotels and resorts to ensure that they do not damage the fragile eco systems.
5. Encourage the owners of resorts and hotels to embrace the concept of sustainability in the construction of resorts which are energy efficient and characterized by green technology.

Improving Destination Management

Efficient destination management, which covers marketing, service quality, visitor management, infrastructure, human resources, transport, core attractions travel support services and facilities are necessary to support the effective implementation of tourism plans and policies. The responsibility for destination management rest both with the Government agencies and all the players and the intermediaries in the tourism industry. Poor destination management could erode the destination competitiveness and sustainability of the Maldives (Richie and Crouch, 2003). The literature review revealed the Government recognizes that there are weaknesses in destination management as reflected by its intention to improve destination management in Strategic Action Plan of the Fourth Tourism Master Plan.

Government has to Formulate a comprehensive destination management plan in close consultation with the tourism industry with matching regulatory policies to ensure that the beaches and the corals are safeguarded, the resorts, guesthouses and tour operators provides service quality, properly maintained transport facilities, improve the banking system and standardize the services at guest houses.

Offering New Tourism Products

Tourism is an industry and in line with the product concept has to offer a range of products that appeal to different market segments (Kotler and Kelly, 2006) since market segments change with increases in living standards,

incomes and demographic factors. It follows that markets are dynamic with customers searching for new products that meet their specific needs. Currently the Maldives appeals to tourists who seek sun, sea and sand vacations. However these largely appeal to travelers from Europe and the United States. Prior research undertaken on tourist motivations indicates that travelers from the Middle East and China, also use their vacations as shopping opportunities. This is reflected by the Malaysian example which offers sun, sea and sand vacations in the islands of Langkawi, Panghor and Penang. The Government is encouraging the private sector to establish duty free malls selling premium products to encourage even more tourists who can combine a beach vacation with shopping. The Maldives is now tapping into the Middle East, India and China markets. As revealed by the literature, tourists from China, unlike their western counterparts stay for an average of only 3 or 4 days and consequently tourism receipts are reduced. This could be due to the lack of activities apart from water based rest and recreation activities. The tourism industry should undertake a comprehensive study on diversifying the tourism product range to include the positioning of the Maldives as a shopping location to enhance tourism receipts from new travel segments that seek a combination of a beach vacation with shopping.

Improving Destination Competitiveness

The Maldives tourism industry has to enhance its competitiveness and this requires the country to emphasize on its destination competitiveness which is based on both demand and supply considerations. The tourism industry has to continuously devise pro-active strategies to retain its leadership position in the global tourism market and emphasize on measures to enhance its destination competitiveness to withstand the competition from its tourism rivals. Several interview participants were of the view that the quality of service and price were the key factors for determining the choice of a tourist destination. The tour operators should critically review their pricing strategies or alternatively to offer special packages that are targeted at its large markets that are now affected by depreciated currencies and therefore no longer can afford the costs of travelling and staying in the Maldives.

Destination Loyalty

The nature of tourism activities makes them prone for mistakes and the subject of complaints because of the resulting service failure. This therefore requires effective service recovery programs to maintain destination and tourist loyalty. The tourist industry conduct training programs for the different service providers such as the hoteliers, waiters, front desk staffs and tour operators on the importance of providing high quality fail safe services to avoid service failure. The tourism industry in particular the hoteliers and the tour operators should have effective service recovery procedures to resolve customer problems for regaining destination loyalty.

Limitations

Taking account of the research constraints such as financial resources and time, this research was limited to the Maldives tourism industry and comparative studies with other tourism locations were not undertaken. Furthermore, due to time constraints only 16 personal interviews were conducted. Hence the findings may not be applicable to the tourism industry in other geographical locations.

A major limitation was the absence of the recent academic scholarship on the Maldives tourism industry. Much of the available literature was from the Government sources which did not provide a balanced view. Furthermore, the available literature on the Maldives was largely dated.

Finally this research adopted a combined two phased approach. The first and dominant phase was qualitative and the second was quantitative phase. However in view of the small interview sample and the relatively small survey sample the findings might not be generalizable and this is another limitation.

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