



# COMPETITIVE POTENTIAL OF TOURISM IN DESTINATIONS

Arturo Melián-González

Juan Manuel García-Falcón

Universidad de Las Palmas de Gran Canaria, Spain

**Abstract:** The study of tourist demand for a destination often includes an analysis of elements of general nature. This complicates assessing whether a territory will succeed in a type of tourism. To perform this task, it is necessary to consider the resources of the destination. It has been thought that the resource-based approach can offer a suitable theoretical framework for investigation of the subject. This paper explains the main concepts needed to develop a procedure for evaluating the competitive potential of a tourism type in a destination. To illustrate, it further discusses the application of this concept to deep-sea sports fishing tourism in Gran Canaria, Spain. **Keywords:** resources, destination, competitive advantage. © 2003 Elsevier Science Ltd. All rights reserved.

**Résumé:** Le potentiel compétitif du tourisme aux destinations. L'étude de la demande touristique pour une destination comprend souvent une analyse d'éléments de nature générale. Cela complique l'évaluation des possibilités de réussite d'un certain genre de tourisme. Pour réaliser une évaluation, il faut considérer les ressources de la destination. On est parti de l'hypothèse qu'une approche basée sur les ressources peut offrir un cadre théorique convenable pour une étude du sujet. Le présent article explique les principaux concepts qui sont essentiels pour développer une procédure pour évaluer le potentiel compétitif d'un genre de tourisme à une destination. Pour illustrer la procédure, l'article discute de l'application de ce concept au tourisme basé sur le sport de la pêche hauturière à la Grande Canarie. **Mots-clés:** ressources, destination, avantage compétitif. © 2003 Elsevier Science Ltd. All rights reserved.

## INTRODUCTION

Various studies have dealt with the competitiveness of geographic areas using strategic management concepts (Kotler 1998; Porter 1990; Rugman 1991; Schwab, Porter, Sachs, Warner and Levinson 1999). According to Kotler, the administration of a country may be compared to that of a business, with both benefiting from the adoption of a strategic management approach. The traditional economic approach basically comprises the international trade theory which studies, among other topics, the pattern of international commerce. Within this per-

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Arturo Melián-González is Professor at the University of Las Palmas de Gran Canaria (Facultad de Empresariales, Saulo Torón, 4, 35017 Las Palmas de Gran Canaria, Spain. Email <arturo@empresariales.ulpgc.es> ). His research interest includes the application of strategic management to the study of competitiveness of territories. Juan Manuel García-Falcón is Professor of Strategic Management at the same university. He has authored numerous papers on strategic groups, management information systems, strategic planning, and tourism.

spective, the initial theoretical models relied on perfect competence assumptions (Heckscher 1919; Ohlin 1933; Ricardo 1821). Subsequently, and because of the dissatisfaction created by the static framework associated with the former models, a number of so-called “new theories of international trade” have emerged (Helpman and Krugman 1985; Jacquemin 1982; Krugman 1990; Posner 1961; Vernon 1966). However, it is pointed out that the different theories on international trade have tended to focus more on explaining the increase in trade among countries with similar factorial profiles than in determining the pattern of this trade. Porter’s diamond could mean “...a redefinition of the boundaries of strategic management, and a lowering of the barriers which separate strategic management from economics” (Grant 1991a:548). Nevertheless, the latter study concludes that the prescriptions which Porter establishes do not enable a prediction to be made of the effect on competitive advantage on the industry of each individual country.

The resource-based theory (Penrose 1951; Wernerfelt 1984) might help to determine the competitive potential of an industry in a given geographic area. By the term “geographic area” is meant a destination which possesses certain resources and/or capabilities which enable it to carry out a particular economic activity. This application of the prescriptions of the resource-based view to destinations, a different unit of analysis from the original, which is the firm, is feasible because of a number of similarities which exist between them: one, there may well exist a series of objectives for the destinations, as established by the political authorities in power; two, they possess a series of resources and capabilities used to undertake certain economic activities and which may well display the characteristics proposed in this theoretical approach; and three, they are limited by their specific environments, to which they must adapt if they are to survive (Melián González 2000). Having made this point, the aim of this paper is to apply the concepts of the resource and capability-based theory in order to be able to evaluate the competitive potential of a certain tourism type in a destination.

## ASSESSING COMPETITIVE POTENTIAL OF TOURISM

The resource-based model (Penrose 1951; Wernerfelt 1984) involves a return to an analysis of internal aspects to account for the profitability of firms which varies from one firm to the next. This return to internal aspects (the assets and capabilities possessed and/or controlled by a firm) is motivated by the dissatisfaction caused by industrial organization, which concentrates on the product market to explain differing profitability levels (Grant 1991b). This theoretical approach is founded on two basic premises. One, firms can be heterogeneous in terms of the resources which they control. Two, such resources are not necessarily perfectly mobile across firms, meaning that this heterogeneity can be long-lasting (Barney 1991).

Many different definitions of the concept of “resource” can be found in the literature covering this theory. Most of them fall into two groups: those which reserve this concept for those specific company assets

which are difficult to obtain and to imitate (Barney 1991; Teece, Pisano and Shuen 1997; Wernerfelt 1984), as opposed to definitions which embrace any type of company input (Amit and Schoemaker 1993; Grant 1991b). This concept is not new to tourism literature (Bull 1991; Gray 1982; Pigram 1980), although it has on occasion been limited to natural resources (Mathieson and Wall 1982). Tourism resources would include, for example, certain natural resources (such as beaches, mountains, and countryside) and cultural assets (such as museums, traditions, and festivals), plus skilled manpower. For the purposes of this study, the notion of resources will be given a broad interpretation, covering any input that is found in a destination and is available for organizations to use in a specific economic activity.

In contrast with the resource concept, a firm's "capabilities" are its skills in integrating asset bundles and/or other capabilities with a view to achieving a desired result (Amit and Schoemaker 1993; Grant 1991b; Makadok 2001). It logically follows that such capability levels form a hierarchy in that those of one level integrate and coordinate those of a lower one (Brumagim 1994; Collis 1994; Eisenhardt and Martin 2000; Grant 1992; Teece, Pisano and Shuen 1997). An example of a valuable capability might be the ability of a destination's public administration to coordinate the different economic and social agents which play a part in tourism, or the capacity for innovation and keeping one step ahead of other destinations.

The resource-based theory states that the competitive position of a firm depends on a unique set of resources and the relationship among them (Eisenhardt and Martin 2000; Fladmoe-Lindquist and Tallman 1994; Rumelt 1984). Some studies using the resource-based approach have concluded that asset and capability conditions can be a source of sustained competitive advantage (Amit and Schoemaker 1993; Barney 1991; Conner and Prahalad 1996; Dierickx and Cool 1989; Grant 1991b, 1992; Peteraf 1993; Reed and DeFillippi 1990). As Barney and Grant indicate, a resource must be "valuable" in the sense that it enables opportunities to be exploited or it neutralizes threats. Moreover, only when the relevant assets are "scarce" (in other words, when they are not homogeneous across the destinations) can their possession lead to competitive advantage. To maintain this condition of heterogeneity, the resource or capability must be "imperfectly imitable". Peteraf, among others, points out that when it is not possible to acquire the resources one option is to construct them. The asset must have no substitutes, since another option for developing a specific economic activity is to replace valuable resources with others which are strategically equivalent (Barney 1991; Dierickx and Cool 1989). Further, assets which generate sustained competitive advantage must be "imperfectly mobile" (Mahony and Pandian 1992; Peteraf 1993), since mobility of resources among destinations involves the risk of a zone's resources deserting it to be installed in another.

The application of this theoretical model to tourism is particularly appropriate for three reasons. One, as Bull argues (1991), this industry is based on a set of resources, many of which share the qualities of shortage and imperfect mobility. Two, if the classifications of tourism

types from the perspective of trip purpose are examined (Mill and Morrison 1985; Rafferty 1993; Smith 1977; Valls 1996; Wahab 1975), it can be deduced that the set of assets and capabilities required to develop a particular type varies in each case. Three, each of these sets of resources is composed of numerous assets as a consequence of the great variety of activities covered by the umbrella term of tourism (Inskeep 1991; Smith 1994).

#### *Assessment Procedure*

Schoemaker and Amit (1994) suggest a five-step heuristics procedure to help firms to select the best bundle of resources in which to invest. This procedure consists of identifying the firm's strategic assets; assessing the need for a change in their condition; estimating for the firm and its competitors the size of the investment and the pace needed for such changes; evaluating the strategic assets in the light of the different possibilities of the firm and its competitors for building these assets; and selecting the assets that should be developed. These heuristics were developed with a view to constructing a procedure which would enable the competitive potential of a specific type of tourism in an area to be evaluated. Throughout this paper, the term "resources" will be used in a broad sense, as by Barney (1991) and Peteraf (1993), and "capabilities" will be covered by this definition. The four steps of the procedure presented in this paper are now expounded.

*Step 1: Identification.* The first step is to determine the assets which enable the particular type of tourism studied to be successfully carried out. From the point of view of this study, these elements are the strategic assets which determine the level of activity that one area can achieve with respect to others. Consultations with a group of experts on the type of tourism are proposed with a view to identifying these resources. The consultation would be carried out using in-depth interviews. Because it is important to determine these assets correctly, it has been considered to be desirable to adopt a strategy of triangulation to verify the results (Mitchell 1985; Schwenk and Datton 1991) by using a convergence of methods (Patton 1980). Therefore, it is proposed that the information obtained above be complemented by further input extracted from a survey. This would take the form of a questionnaire carried out on a sample of tourists to the destination being studied, as well as to its rival destinations.

*Step 2: Assessment of the Shortfall.* In order to evaluate the shortfall of the resources considered to be valuable, their current situation in the destination in question, as well as that of its competitors must be analyzed. To do this, it is necessary to consult the experts on the type of tourism, who should also have in-depth knowledge of the area. Thus, they are able to assess the conditions of the valuable resources of an area. Other experts in resources must also be consulted in cases where the former experts do not have sufficient knowledge of the asset in question to express an opinion. In addition, a tourist sample in each of the destinations is asked about the current situation with respect

to that area's valuable resources. By using this information about the different areas, it is possible to ascertain the degree of heterogeneity of the destinations analyzed with respect to valuable assets.

*Step 3: Analysis of Imitability and Mobility.* In this stage, each destination's valuable resources are grouped into three categories: attractive, neutral, or unattractive. An asset will be more or less attractive depending on the relative difficulty for a destination to acquire or develop it. Therefore, those valuable resources which an area does not possess and cannot develop or acquire are classified as not attractive. This is also the case for those assets which a destination possesses but which require changes and cannot be carried out. These resources suppose a disadvantage that is proportional to the significance of the change needed. Such situations represent the opposite case to those resources which a destination possesses and do not require any change. On the other hand, those assets which require change and where such is possible must be analyzed from two perspectives: the extent of the investment required to carry out such a change, and the speed at which the change can be made (Schoemaker and Amit 1994).

As it can be highly complex or even impossible to make these evaluations, the experts consulted can be asked directly about these two aspects for each resource. Furthermore, the experts are asked to advise the size of investment in the light of both the amount of financial resources and other factors including the availability of capital in the area. The risk involved in the investment could represent another element to be considered. As far as the degree of mobility is concerned, this is analyzed on the basis of the characteristics of each asset, resulting in a basis for a destination's sustained competitive advantage, which is inversely proportional to the degree of mobility of the valuable resources.

*Step 4: Competitive Evaluation.* With the information obtained for the area and its competitors, the analysis suggested by Schoemaker and Amit (1994) is carried out in order to reach conclusions about the competitive potential of a type of tourism in each area. Thus, comparing the relative attractiveness of one area's valuable resources with those of its competitors, as well as their degrees of mobility, the relevant assets of each area fall into three categories of strategic assets: offensive, equal, and defensive. A territory's offensive resources are those considered attractive for that area, are mostly unattractive for its competitors, and are also imperfectly mobile. The more offensive strategic assets a destination owns, the stronger its basis to establish a competitive advantage, since these are resources which this area possesses and others do not, and which are difficult to acquire or imitate. On the other hand, a destination's defensive resources are those considered unattractive in the context of that particular area, yet which are mainly considered to be attractive for others. These assets must be considered by the area in order to establish actions to counter their use by competitors. It must be taken into account that substitutes can be found for those considered offensive for the destination, thus reducing their effectiveness. The resources with few differences among destinations in terms of ability to create or develop them, or with high

mobility, are classed as equal. These assets cannot be a source of sustained competitive advantage. But, on occasion, they must be developed, depending on the importance they have for the economic activity studied. If they are considered important, their development, albeit without competitive advantage, is essential to achieve parity with other areas.

### *Empirical Application to Deep-Sea Sports Fishing Tourism*

The tourism generated by deep-sea sports fishing is very high quality because of the spending power of these tourists which stems from the characteristics of the sport itself, making this activity an attractive target. Deep-sea sports fishing must be carried out from a suitable vessel, and this fact together with the cost of the tackle and travel to and from the destination means that it is an activity practiced by a minority. Nevertheless, as Fernández Román (1996) commented, the greater availability of vessels and the fall in the cost of long-distance travel have led to an increase in the sport in recent years.

Deep-sea sports fishing, also known as Big Game Fishing, is a battle between man and the greatest opponents that the sea can offer, the only weapons being simple tackle (rod, reel, line, and hook). One of the most widespread current practices is that of catching and releasing all those species in decline, such as the marlin. In fact, landing one of any of these species is only justified if there are well-founded grounds for believing it to be a new world record. Another practice on the increase is that of "tag and release", which means, as the name suggests, tagging the fish with a label or card and then releasing it. These labels feature information which enables the species to be researched (SWFSC 1996). Many species are the object of deep-sea sports fishing, but the most important are the marlins, which, along with the sailfish and spearfish (all of which belong to the *Istiophoridae* family) and the swordfish (which belongs to the *Xiphidae* family) make up the group of so-called "billfish" (these species receive this name from their elongated, lance-like upper jaw, flattened in the case of the swordfish and rounded in the case of the others).

*Study Methods.* In-depth interviews and surveys through a standardized mail questionnaire are used in this research procedure for the particular case of deep-sea sports fishing in Gran Canaria (Gran Canaria of Spain is one of the Canary Islands, an archipelago located off the North-west coast of Africa). The interview technique was applied to experts in the field of deep-sea sports fishing and to experts in certain resources valuable to the activity. The interviews were carried out following a previously set instrument with a fixed order of questions. The first group of experts included enthusiasts of the sport, prominent for their experience and commitment, the heads of associations related to this sport, and charter boat owners/skippers. The main aim was to discover which resources are valuable to this type of tourism and the conditions of these assets in Gran Canaria and in its competitors. The interviewees were also asked about the possibilities of the island and its competitors improving the status of their valuable

resources if necessary. A total of 14 people were interviewed with a view to identifying valuable assets. With respect to evaluating the condition of these resources in the destinations, only the opinions of those who had a certain degree of knowledge of the areas in question were taken into account: 12 for Gran Canaria, 8 for Madeira, and 4 in the case of the Azores and Cape Verde. The experts considered these three Atlantic archipelagos Gran Canaria's three main competitors. Cape Verde is an independent archipelago and Madeira is a Portuguese group of islands; both are situated off the northwest coast of Africa. Azores is another Portuguese archipelago and is located off the coast of Portugal.

The second group of experts interviewed consisted of six tourism professionals. The purpose of these interviews was to obtain a second opinion about the condition of some valuable resources (accommodation, airports, public safety, weather, peace and quiet, hospitality, and restaurants) in the different areas studied and the possibilities of improving them should this be necessary. All those interviewed were professionally familiar with Gran Canaria and Madeira, four of them with Azores, and two with Cape Verde. Two were in fact natives of Madeira and one was from the Azores. A lecturer at the University of Las Palmas de Gran Canaria, an expert on tuna, was consulted with respect to fishing resources. The information on Cape Verde was completed by interviewing two individuals who, although not directly associated with tourism, know that archipelago well, one being the Cape Verdean Consul in Las Palmas de Gran Canaria and the other a lecturer at the University of Las Palmas de Gran Canaria. With a view to completing the diagnosis of valuable assets in the different destinations, information about them was requested from the Canary Islands Institute of Statistics, the Regional Tourist Boards of the Autonomous Governments of Madeira, and the Azores and the Cape Verdean Consulate in Las Palmas de Gran Canaria.

Due to budgetary restrictions, the surveys were used only to obtain information about deep-sea sports fishing in Gran Canaria. As the members of the population had never been identified in any previous census, their numbers had to be estimated by indirect methods. To this end, the owners of charter boats based on the island were interviewed and it was estimated that 5,600 tourists annually visit the island and practice the sport. A sample of 310 individuals was surveyed (sampling error of 5.5% and a confidence level of 95.5%). The questionnaire was self-administered, mailed to the members of the sample. The instrument was drawn up after reviewing the literature on deep-sea sports fishing as well as other research works on this tourism segment (Ditton and Clark 1994; Ditton and Grimes 1995; Ditton, Grimes and Finkelstein 1996). This questionnaire was pre-tested on an initial sample of 98 participants, with a response rate of 34%. Taking that into account, it was then mailed to 1,004 tourists, yielding 310 useable replies, representing a final response rate of 30.9%. The questionnaire was written in English and German. The names and addresses were gathered in Gran Canaria and the survey took place throughout the entire 1998 season. The aim was to gather information in order to

identify the resources which are valuable in the context of deep-sea sports fishing tourism and to ascertain their current situation.

*Determination.* The assets considered valuable to the development of deep-sea sports fishing were determined on the basis of the opinions given by experts in this sport and the tourists surveyed. The averages shown in Table 1 are the result of the opinions given by those interviewed using a five-point Likert scale.

In the case of the survey, one of the items requested the respondent to designate a maximum of 10 resources as being valuable to making a destination attractive for the practice of this sport (Table 2). This information from the sample of tourists was broken down according to the importance they attached to deep-sea sports fishing as a motive for their visit. Thus, the members of the sample were divided into four groups. The first included those whose prime motive was to practice this sport, the second comprised those for whom it was their second reason, the third included those for whom the sport was their third

**Table 1. Experts Views on Resources Relevant to Deep-Sea Sports Fishing<sup>a</sup>**

Resource	<i>n</i>	Average	Standard Deviation
Abundant fishing resources	14	5	0
Well-equipped charter boats	14	5	0
Suitable accommodation	14	4.8	0.4
Knowledge of and compliance with the IGFA rules	14	4.7	0.5
Well trained charter boat crews	14	4.7	0.6
Non-polluted environment	14	4.4	0.6
Proximity of the fishing ground to the marina	6	4.4	0.9
Well served airport	14	4.3	0.8
Public safety	14	4.1	0.7
Weather	14	4.1	0.8
Sporting atmosphere	14	4.1	0.8
Marinas in good conditions	14	4	0.8
Peace and quiet	14	4	0.8
Hospitality	14	3.9	1
Tournaments	14	3.9	0.5
Health care system	14	3.7	0.9
Good restaurants	14	3.6	0.9
Telecommunications	14	3.6	1
Geographical location ( <i>i.e.</i> , proximity)	14	3.5	1.1
Leisure activities ( <i>i.e.</i> , golf, windsurfing,...)	14	3.3	1.4
Local gastronomy	14	2.7	0.7
Shops	14	2.6	1.1
Scenery	14	2.6	1.2
Beaches	14	2.5	1.2
Nightlife	14	2.4	1.2

<sup>a</sup> 1 = Not at all important; 2 = Slightly important; 3 = Moderately important; 4 = Important; 5 = Very important. Only six experts were consulted about proximity of the fishing ground to the marina. This was due to being suggested by one of the last experts interviewed.



motive, and the fourth contained those for whom the sport was not among their three main motives.

The assets identified as the ten most important by groups one, two, and three in no case include a well served airport, marinas in good condition, the peace and quiet of the location, the proximity of fishing grounds to the coast, or a sporting environment (Table 2). These resources were, however, considered important or very important by

**Table 2. Tourists Views on Resources Valuable to Deep-Sea Sports Fishing**

Resource	Importance of Deep-Sea Sports Fishing for Visiting Gran Canaria									
	1st Motive (n = 63)		2nd Motive (n = 38)		3rd Motive (n = 61)		Others (n = 138)		Total (n = 300)	
	% <sup>a</sup>	P	% <sup>a</sup>	P	% <sup>a</sup>	P	% <sup>a</sup>	P	% <sup>a</sup>	P
Well trained charter boat crews	82.5	1	73.7	3	63.9	6	59.9	5	67.2	
Abundant fishing resources	76.2	2	78.9	1	77	3	59.9	4	69.2	
Weather	74.6	3	78.9	2	80.3	2	84.7	1	80.9	
Suitable charter boats	71.4	4	71.1	4	67.2	5	48.2	8	59.9	
Suitable accommodation	63.5	5	57.9	5	80.3	1	67.2	2	67.9	
Hospitality	63.5	6	44.7	10	75.4	4	66.4	3	64.9	
Knowledge of and compliance with the IGFA <sup>b</sup> rules	55.6	7	34.2	12	50.8	9	32.8	13	41.5	
Good restaurants	54	8	55.3	7	45.9	10	53.3	7	52.2	
Public safety	49.2	10	55.3	6	39.3	11	54.7	6	50.5	
Well served airport	39.7	11	39.5	11	32.8	14	28.5	15	33.1	
Marinas in good conditions	31.7	12	26.3	15	14.8	21	20.4	20	22.4	
Non-polluted environment	30.2	13	50	9	50.8	8	46.7	9	44.5	
Peace and quiet	27	14	26.3	14	29.5	15	38	12	32.4	
Health service	23.8	15	23.7	16	19.7	18	21.9	18	22.1	
Beaches	22.2	16	13.2	23	32.8	13	43.8	10	33.1	
Proximity of the fishing ground	20.6	17	28.9	13	11.5	23	17.5	21	18.4	
Geographical location (proximity)	19	18	21.1	17	23	16	20.4	19	20.7	
Local gastronomy	15.9	19	15.8	19	11.5	22	10.2	23	12.4	
Scenery	14.3	20	18.4	18	36.1	12	31.4	14	27.1	
Tournaments	12.7	21	5.3	26	0	26	4.4	26	5.4	
Shops	11.1	22	13.2	22	9.8	24	16.1	22	13.4	
Sporting atmosphere	11.1	23	15.8	20	9.8	25	9.5	24	10.7	
Nightlife	7.9	24	13.2	21	19.7	17	25.5	16	19.1	
Leisure activities	7.9	25	7.9	25	16.4	19	25.5	17	17.7	
Telecommunications	4.8	26	13.2	24	14.8	20	5.8	25	8.4	

<sup>a</sup> % = Frequency in percentage of tourists marking the resource as one of the ten most important. P = Order of importance according to frequency.

<sup>b</sup> International Game Fish Association.

the experts. On the other hand, all the resources which were considered as the ten most important by these tourists were deemed important or very important by the experts, except hospitality and restaurants with scores of 3.9 and 3.6, respectively. Further, those resources deemed important or very important by the group of experts were taken into consideration. Hospitality and restaurants have been added to this group of assets. In this way, the most valuable resources to the practice of deep-sea sports fishing are abundant fishing resources, suitable for the practice of this class of sports fishing; well-equipped charter boats; adequate accommodation; knowledge of and compliance with the International Game Fish Association rules governing sports fishing on the part of the sport's professionals and participants, as well as their releasing the catches; charter boat crews with a good knowledge of the sport and who are trained to attend to customers; a non-polluted environment; proximity of the fishing grounds to the marina; a well served airport, giving easy access to the destination; public safety; climate.; sporting atmosphere; marinas in good condition; peace and quiet; and hospitality and good restaurants.

*Status Assessment.* According to the experts in deep-sea sports fishing, Gran Canaria's main three rivals are Madeira, Cape Verde, and the Azores. The conditions of the valuable resources in these regions were determined through the opinion of the experts in this sport (Table 3) and the experts in some of the relevant assets. This latter group was consulted about fishing resources, accommodation, restaurants, weather, hospitality, public safety, and airports. In the case of Gran Canaria's resources, the opinions of the tourists surveyed were also taken into account (Table 4).

In short, the comments made by the different experts centered on the greater abundance of fishing resources in Cape Verde because of its warmer waters, although the deep-sea sports fishing experts pointed out that the catches in that country were generally of a smaller size. The tourism experts unanimously considered that Madeira offered better accommodation than Gran Canaria, although the difference between the two was not great. There was, however, a great difference between the accommodation in the latter two areas and that of the Azores and Cape Verde. Similarly, the experts' opinion about the deep-sea sports fishing-derived sporting atmosphere was best in Madeira, closely followed by Gran Canaria, as opposed to the Azores and Cape Verde, which were found lacking in this respect. But these experts did not think that these regions had a sporting atmosphere comparable to such areas as Florida. They were unanimous in considering that the Azores and Madeira had the wettest and most unstable climate, while Cape Verde was the windiest region.

The experts stressed the existence in Gran Canaria of several marinas which were both larger and of a superior standard to those of its competitors. Similarly, this island's airport was considered the best due to its larger capacity and greater number of flights. On the other hand, the lower levels of public safety, hospitality, and peace and quiet in Gran Canaria were attributed to its larger population and the size of its tourism industry. While the charter boats and crews in Mad-

**Table 3. Experts Views on Status of Relevant Resources<sup>a</sup>**

Resource	Gran Canaria			Madeira			Azores			Cape Verde		
	<i>n</i> <sup>b</sup>	$\bar{x}$	SD	<i>n</i> <sup>b</sup>	$\bar{x}$	SD	<i>n</i> <sup>b</sup>	$\bar{x}$	SD	<i>n</i> <sup>b</sup>	$\bar{x}$	SD
Fishing resources	12	4.1	0.7	8	4.1	0.8	4	4	0	4	4.7	0.5
Charter boats	12	2.8	0.8	7	4	1	4	3.5	0.7	4	1.25	0.5
Accommodation	12	4.3	0.5	8	4.6	0.5	4	2	0	4	1.8	1
Respect IGFA <sup>c</sup> rules	12	2.2	0.8	8	4.7	0.6	4	5	0	2	1	0
Crew on charter boats	12	3.5	0.7	7	3.7	1	4	4	1.4	4	1.5	1
Non-polluted environment	11	4	0.6	8	4.1	0.4	4	4.5	0.7	4	4	0.8
Proximity fishing grounds	6	5	0	6	5	0	3	3	0	1	3	0
Well-served airport	8	4.6	0.5	8	2.6	0.9	4	2.5	0.7	4	1.8	0.5
Public safety	10	3.7	0.8	7	4.3	0.5	4	4	0	4	3.8	0.5
Weather	10	4.8	0.4	7	3.6	0.8	4	2	0.7	4	2.6	0.8
Sporting atmosphere	11	3.5	0.9	8	3.9	1	4	2.5	0.7	4	1.2	0.5
Marinas	11	4.3	0.6	7	1.9	0.4	4	2	0	1	0	4
Peace and quiet	10	4.1	0.6	8	4.6	0.5	4	4.5	0.7	4	4.2	1
Hospitality	10	3.5	0.9	6	4.1	0.7	4	4	1.4	4	3.8	1
Restaurants	12	4	0.6	7	3.6	0.5	4	3.5	0.7	3	2	0

<sup>a</sup> 1 = Very bad; 2 = Bad; 3 = Acceptable; 4 = Good; 5 = Very good.

<sup>b</sup> The number of experts interviewed about the conditions of each resource in a region varied due to the changing number who considered them as valuable. Similarly, the number of experts giving opinions about each region varies, since only the opinions of those with recent local knowledge were taken into account.

<sup>c</sup> International Game Fish Association.

eira and Azores were highly considered, those on the Spanish island did not enjoy such advantageous positions, with Cape Verde being the worst equipped. Gran Canaria trailed behind the other regions regarding compliance with the international rules of deep-sea sports fishing, despite improvements in recent years. The proximity of the fishing grounds to the coast was similar in all the regions except the Azores, where the distance was more than double. All the experts ranked the restaurants of Madeira and Gran Canaria as the best, there being very little difference between the two areas, although the latter boasts a greater variety of restaurants. Further, pollution presented no problems in any of the regions. Table 5 shows the comparative position of each of the assets in each of the regions.

Tourists surveyed on Gran Canaria basically argued the experts' opi-

**Table 4. Views on Conditions of Valuable Resources in Gran Canaria<sup>a</sup>**

Resource	Importance of Deep-Sea Sports Fishing for Visiting Gran Canaria									
	1st Motive (n = 62)		2nd Motive (n = 37)		3rd Motive (n = 61)		Others (n = 140)		Total (n = 300)	
	$\bar{x}$	SD	$\bar{x}$	SD	$\bar{x}$	SD	$\bar{x}$	SD	$\bar{x}$	SD
Fishing resources	3	0.8	3.3	1	3.2	0.9	3	1	3.1	0.9
Charter boats	4	0.6	4	0.8	3.9	0.8	3.7	0.7	3.8	0.8
Accommodation	3.9	0.7	3.9	0.7	4.1	0.7	3.9	0.8	3.9	0.8
Respect IGFA <sup>b</sup> rules	3.6	0.9	3.7	1	3.7	1	3.4	0.8	3.6	0.9
Crew on charter boats	4	0.9	3.8	1	3.7	1.1	3.6	1	3.7	1
Non-polluted environment	3.7	0.8	3.9	1	3.8	0.9	3.7	0.9	3.7	0.9
Proximity fishing grounds	4	0.8	4.1	0.6	3.8	0.8	3.6	0.8	3.8	0.8
Well-served airport	4.1	0.6	4.1	0.6	3.9	0.6	3.8	0.7	3.9	0.7
Public safety	3.6	0.9	3.4	0.8	3.8	0.9	3.4	0.9	3.5	0.9
Weather	4.7	0.5	4.8	0.5	4.8	0.4	4.7	0.5	4.8	0.5
Sporting atmosphere	3.6	0.8	3.6	0.9	3.5	0.8	3.4	0.7	3.5	0.8
Marinas	4	0.7	4.2	0.6	4.1	0.7	3.8	0.7	3.9	0.7
Peace and quiet	3.5	0.9	3.7	0.9	3.4	1	3.5	1	3.5	1
Hospitality	4.2	0.7	4.1	0.8	4	0.9	4	0.9	4	0.8
Restaurants	4	0.6	4.3	0.7	4.1	0.8	4.1	0.7	4.1	0.7

<sup>a</sup> 1 = Very bad; 2 = Bad; 3 = Acceptable; 4 = Good; 5 = Very good.

<sup>b</sup> International Game Fish Association.

nions described above with respect to the status of the valuable resources. However, their opinions about fishing resources were less positive. The low mark given to these resources (only 3 in the first group) may be due to the bad year of 1998 (the year when this research was carried out) when the meteorological phenomenon “El Niño” took place. On the other hand, their view on charter boats and their crews was more favorable than that expressed by the experts, particularly in the case of groups one and two. This may be due to the most experienced and motivated tourists booking in advance the services of the best boats on the island. In contrast with the opinion of the experts, hospitality was regarded as being good by these groups.

*Analysis of the Degree of Imitability and Mobility.* Within the package

**Table 5. Heterogeneity of Valuable Resources**

Status in Gran Canaria	Competitor Area						Valuable Resource
	Madeira		Cape Verde		Azores		
Better	Ai		Ai	Cr	Ai	Pf	Fishing resources (Fr)
	We		We	Ac	We	Sa	Charter boats (Chb)
	Ma		Ma	Sa	Ma	Re	Accommodation (Ac)
			Chb	Re	Ac		Respect of rules (Rr) Crew on charter boats
Similar	Fr	Re	Pf		Fr		(Cr)
	Pf	Po	Po		Po		Pollution (Po) Proximity of fishing
Worse	Rr	Ac	Rr	Fr	Rr	Chb	grounds (Pf)
	Ps	Chb	Ps		Ps	Cr	Airport (Ai)
	Pe	Cr	Ho		Ho		Public safety (Ps)
	Ho	Sa	Pe		Pe		Weather (We) Sporting atmosphere
							(Sa) Marine (Ma) Peace and quiet (Pe) Hospitality (Ho) Restaurants (Re)

of assets valuable to deep-sea sports fishing, there are some to which imitability and mobility do not apply. These include the climate, fishing resources, and the proximity of the fishing grounds to the coast. The imitability of the rest of the resources, in regions where improvement in some of the assets was necessary, was assessed by consulting both groups of experts. They were asked to do this by taking into account the scale of the investment needed to put these resources into adequate conditions and the length of time needed to effect such changes. The results of this analysis are shown in [Table 6](#). The mobility of any asset depends on its characteristics, so in this study it is only feasible in the case of charter boats and their crews.

It was considered by the experts that Gran Canaria could raise its present standards to the optimum in the cases of accommodation, charter boats and crews, and compliance with the rules of the sport. Although there is room for improvement in public safety, hospitality, and peace and quiet in this island, it would be more difficult to attain the levels of its competitors in these aspects. On the other hand, it is unlikely that Madeira's and Azores' marinas and airports could reach the same level as Gran Canaria's due to the greater size of the tourism industry in the latter and the orographic characteristics of these two competitors. Although the charter boats and crews on Cape Verde were considered attractive resources because of the low cost of the first and the nature of the measures needed to improve them, it was thought improbable that the airports and marinas could reach Gran

**Table 6. Imitability of Valuable Resources**

Degree of Imitability	Competitor Area											Valuable Resource
	Gran Canaria			Madeira		Cape Verde			Azores			
Attractive	Po	Ac	Sa	Chb	Po	Re	Ps	Cr	Rr	Rr	Sa	Fishing resources (Fr)
	Ai	Rr	We	Ac	Ps	Sa	Pe	Fr		Ps	Chb	Charter boats (Chb)
	Ma	Chb	Pf	Rr	Pe	Pf	Ho	Pf		Pe	Cr	Accommodation (Ac)
	Re	Cr		Cr	Ho		Chb	Po		Ho	Po	Respect of rules (Rr)
Neutral	Ps								Ac			Crew on charter boats (Cr)
	Pe								Re			Pollution (Po)
	Ho											Proximity of fishing grounds (Pf)
Unattractive	Fr			Ai			Ai			Ac	Fr	Airport (Ai)
				Ma			Ma			Ai	We	Public safety (Ps)
				Fr			Sa			Ma	Pf	Weather (We)
				We			We			Re		Sporting atmosphere (Sa)
												Marina (Ma)
												Peace and quiet (Pe)
												Hospitality (Ho)
												Restaurants (Re)

Canaria's standards due to the different characteristics of the two regions. However, an improvement in Cape Verde's restaurants and accommodation was considered likely due to the development which is forecast for its tourism industry. It was not thought possible that the accommodation, restaurants, airports, and marinas in the Azores could attain the same standard as the better provided regions. As shown, the sporting atmosphere in all areas needs to be improved, this asset being considered attractive in all the areas with the exception of Cape Verde, because of the inferior infrastructures of this country.

*Competitive Assessment.* Table 7 shows the classification of each resource as offensive, equal, or defensive for each region. An asset has been considered offensive for a territory when it is attractive in that region and in none or only one of the two others, as well as being imperfectly mobile. A resource is classified as equal where its degree of attractiveness is equal in all the regions studied or if more than two of the other regions were better placed to obtain this asset. Lastly, a resource is classified as defensive in a particular region if it was less

**Table 7. Competitive Analysis of Valuable Resources**

Category	Competitor Area									Valuable Resource
	Gran Canaria		Madeira		Cape Verde			Azores		
Offensive	Ac	Ma	Ac	Re		Fr				Fishing resources (Fr)
	Re	Ai								Charter boats (Chb)
	We									Accommodation (Ac)
Equal	Sa	Rr	Ps	Pf	Po	Ps	Chb	Ps	Chb	Respect of rules (Rr)
	Pf	Po	Pe	Chb	Ho	Pe	Cr	Pe	Cr	
	Chb	Cr	Cr	Sa	Rr	Ho	Rr	Ho	Rr	Crew on charter boats (Cr)
						Pf	Po	Sa	Po	Pollution (Po)
Defensive	Ps		Ai			Ai	Re	Ai	Ac	Proximity of fishing grounds (Pf)
	Pe		We			We	Sa	We	Re	Airport (Ai)
	Ho		Ma			Ma	Ac	Ma	Pf	Public safety (Ps)
	Fr		Fr					Fr		Weather (We)
										Sporting atmosphere (Sa)
										Marina (Ma)
										Peace and quiet (Pe)
										Hospitality (Ho)
										Restaurants (Re)

attractive than in the other regions, in which case this resource is labelled as equal or offensive in the other regions.

Gran Canaria is the region with the greatest number of assets classified as offensive, followed by Madeira (Table 7). Besides the offensive resources of the latter (accommodation and restaurants), those in the Spanish island include airport, climate, and marinas. Bearing in mind their current condition, Gran Canaria ought to start taking the necessary action to improve its accommodation facilities. Cape Verde and Azores have the fewest resources on which a competitive advantage in deep-sea sports fishing tourism could be based. While the Azores have no assets classified as offensive, Cape Verde has one (namely, fishing resources), considered the best of all the regions studied. The importance attached by deep-sea sports fishing experts to fishing resources means that Cape Verde, in spite of its lack of other valuable assets, must be taken into account when formulating the strategy for Gran Canaria.

Regarding the resources classified as equal, Gran Canaria will have to make improvements in its charter boats and crews, encourage compliance with International Game Fish Association rules, as well as encouraging catching and releasing and promoting a sporting atmosphere. There is nothing to prevent this island from equalling or surpassing its competitors in these assets. As far as hospitality, public safety, and peace and quiet are concerned, although this territory can

improve these resources, it will be difficult to attain the same standards as the other regions.

## CONCLUSION

The contributions made to tourism by economics have basically focused on demand and its forecast, supply-side economic aspects of tourism, issues related to public economics and finance, the economic impact caused by the development of this industry, its role in the economic development of countries and regions, its environmental repercussions, and its sustainability (Tisdell 2000). Among research topics on demand for international tourism, several studies have used international goods commerce models (Butler 1980; Gray 1970, 1976), although it should be pointed out that some authors do not consider appropriate the application of these models to tourism (Diamond 1969; Socher 1986).

A considerable amount of research has concentrated on predicting the international demand for tourism by means of causal relationships with other variables. Such studies normally select as independent variables those which are basically related to market volume, the price rates of destinations, the travel cost, income levels of the countries supplying the tourists, and, to a lesser extent, certain characteristics offered by the destinations (Bruges 1980; Buisán 1997; Crouch 1994a, 1995; Garin-Muñoz and Pérez Amaral 2000; Smeral, Witt and Witt 1992; Witt and Witt 1995). These papers predict and explain demand for a particular country or region as a whole or for its major market segments (such as pleasure tourism, business tourism), offering explanations of a general nature (Crouch 1994b). This means that it is difficult to determine the competitive potential of a specific form of tourism in a destination considering only those factors. As Crouch (1994a) points out, the factors determining demand are to a great extent connected with motives for traveling. On the other hand, several research works have recently been carried out from the discipline of strategic management, the object of which is to formulate strategies for boosting tourism in particular countries or regions (Aguiló 1994; Fletcher and Cooper 1996; Monitor Company 1992) rather than to evaluate their possibilities of gaining competitive advantage or of being successful in a type of tourism.

Nevertheless, the success of a particular form of tourism in a destination depends, to a great extent, on the resources which it possesses (Bull 1991; Gray 1982; Smith 1994). In his explanation of the asset theory, Gray states that success in tourism in a particular destination depends mainly on the existence of immobile and scarce resources. Further, he emphasizes that destinations which are in possession of these resources compete among themselves. These prescriptions link up directly with the resource and capability-based approach, which indicate that competitive advantage is based on the control of assets which are valuable, rare, difficult to imitate and substitute and imperfectly mobile. In this way, this theoretical model provides an appropriate framework for predicting whether or not it is likely that a particular



destination will succeed in developing a specific type of tourism, satisfying, as indicated by Eadington and Redman (1991), one of the main contributions which economics can make towards this industry.

Starting out from the abovementioned premises, this article proposes a resource-based approach whose aim is to evaluate the competitive potential of a particular form of tourism within a specific destination. This procedure is made up of four steps starting off with the identification of valuable assets for a particular type of tourism, taking a more in-depth look at the conditions of resources in the destination under study and its competitors. With a view to demonstrating the applicability of this procedure, an empirical application to deep-sea sports fishing in Gran Canaria has been undertaken. The results obtained indicate the island's possibilities of achieving a competitive advantage in this activity. The findings also identify the resources which should be fostered to achieve this, as well as those which place Gran Canaria in a weaker position and thus threaten this advantage.

These results indicate that this island is the destination which can obtain the best position in terms of valuable assets. It enjoys an enviable position difficult to equal with respect to weather, airport, and marinas. Furthermore, it shares top position with Madeira in restaurants, and according to the experts consulted, Gran Canaria could feasibly achieve the same level of accommodation as the former. Any actions taken with a view of boosting this type of tourism should aim, in addition to improving accommodation facilities, to fostering improvement of charter vessels and their crews, to ensuring the fulfilment of sports fishing regulations and providing sporting environment, and to promoting the practice of releasing catches. A top priority is to take action to promote conservation and sustainable exploitation of fish stock resources, given the importance of the latter to the sport and the weaker position of Gran Canaria in this respect in comparison with Cape Verde. It is also necessary to implement measures to improve public safety, peace and quiet, and hospitality.

In spite of the fact that the results obtained demonstrate that the designed procedure is applicable to the subject of this study, it does have some limitations, in that the measurement of some of the variables is based on human perceptions which may be affected by subjectivity. Therefore, and particularly in the case of the assessment of the imitability of valuable resources, new indicators related to the size of the investment and to the speed required to transform assets into the desired condition could be designed and used. Nevertheless, it would be necessary to evaluate the cost of calculating these indicators and the subsequent improvement obtained in the measurement of the two abovementioned dimensions. With respect to the limitations of the results obtained in the application to deep-sea sports fishing in Gran Canaria, it must be emphasized that the survey was carried out only in this island because of budgetary constraints. Furthermore, while the response ratio could be considered acceptable (30.9%), no form of check was carried out to discover whether the non-responding persons were in some way different from those who answered the questionnaire. **A**

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