

Segment-Centric Geo-Competitive Environment of a Tourism Destination (A Case of Georgia)

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This work aims to introduce a conceptual approach to determining the competitive environment for a particular tourist destination by considering popular outbound destinations of its leading segments. This approach we name as a concept of a segment-centered geo-competitive environment of a tourism destination (SGE-TD). The applied methodology includes consideration of the popularity of tourist destinations for each selected segment and the indicators of leading segments of the studied destination. The practical application of the proposed concept is examined in the case of Georgia as a tourist destination by selecting its leading segments and identifying their popular travel destinations. The integrated consideration and application of the mentioned indicators define the competitive position of a destination (in this case Georgia) among the specified tourism destinations, considered as the geo-competitive environment. This research suggests an innovative version of the universal conceptual approach to identify the leading competing destinations for a specific studied one. It fills the gap in similar studies where competing destinations for the analysis are selected based on specific research objectives, missing the universal conceptual approach in this regard.

Keywords: tourism destination, segment, competitive environment, Georgia, segment-centric geo-competitive environment (SGE-TD)

Introduction

Countries that generate international tourism vary in the geography of their population's outbound trips and the popularity of tourist destinations in these countries. Considering this phenomenon from the perspective of the hosting destination shows among which countries potential tourists from a particular country choose it. Such a choice carries a competitive component. The main purpose of this article is to develop an approach to determining the competitive position of a tourist destination by specifying the range of competing destinations along with their popularity among the leading segments of the studied territory. The proposed conceptual approach was examined in the example of Georgia as a tourist destination.

The study design includes the following steps:

- Reviewing the relevant literature and studies related to the competition of tourist destinations;
- Developing a model for identifying the SGE-TD and determining the competitive position of a specific tourist destination in the identified competitive environment;
- Testing the SGE-TD conceptual approach with the example of Georgia by applying relevant analytical methods;

- Outlining further research perspectives based on the proposed concept framework.

Literature Review

Concepts, models, and methods for assessing the competitiveness of tourism destinations differ based on a wide variety of study objectives (see, e.g., Berger, 2008; Bhawsar et al., 2015; Cronjé et al., 2020; Shariffuddin et al., 2022). The studies in this field are often based on Porter's five-force model, the Diamond Model (Porter, 1990; 2008), as well as on the concepts of the Double Diamond Model (Moon & Peery, 1995), the Integrated Strategic Framework (ISF) (Anton, 2015), Porter's Diamond Approaches, and the Competitiveness Web (Vlados, 2019), etc.

These general theories have received further profile development toward the competitiveness of tourist destinations. Among the widely applied concepts are Destination Competitiveness (Crouch & Ritchie, 1995; 1999); Destination Competitiveness Analysis (Pearce, 1997). They were further specified using a quantitative approach with cause-effect relationships of the considered variables (Enright & Newton, 2004); Tourism Destination Model considers differences in prices, exchange rates, productivity of various components of the tourism industry, and the quality of these factors, as well as their impact on the attractiveness of the destination (Dwyer, Forsyth, & Rao, 2000; Dwyer & Kim, 2003), a multilevel approach to the study of tourism destinations at the national, industry, and corporate levels (Moon & Peary, 1995; Berger, 2008).

The above tourism destination concepts promote the methodology of standardized assessments of the competitiveness of countries as tourist destinations worldwide. The World Economic Forum introduced this innovation. It periodically published reports on the tourism competitiveness of about 140 countries, using 14 pillars and 90 indicators labeled as the "Travel and Tourism Competitive Index"—TTCI (Note: From 2021, the TTCI report was replaced by a modified—"Travel and Tourism Development Index"—TTDI, <https://www.weforum.org/reports/travel-and-tourism-development-index-2021/>; León Víctor Ernesto Pérez, Caballero Flor M^aGuerrero, Rafael, July 2022).

The reviewed concepts, study methods, and indicators of tourism destination competitiveness focus on the integrated consideration of tourism attractions with the relevant tourism-related factors and conditions. Such standardized competitive indicators provide opportunities for conducting comparative analyses between tourist destinations, however, without considering the differences between the interests and demands of tourists.

Another important aspect of determining the competitiveness of tourist destinations is to envisage the differences between tourist segments. The attractiveness of a destination for different segments usually is not the same due to specifics of local natural, cultural, economic, transport accessibility, payment capabilities, etc. "Businesses and destinations benefit from a segmentation strategy because it allows them to focus on a clearly defined subset of customers they serve and thereby gain a long-term competitive advantage." (Dolnicar, 2022, p. 1). It means that the attractiveness of competing destinations depends on the interests and requirements of different segments. The standard criteria for the segmentations are age, profession, social status, interests, etc., and country of residence (see, e.g., Mazanec & Dolnicar, 2022; Diaz-Perez & Bethencourt-Cejas, 2016).

In general, the review of the sources in the context of this study reveals that, on the one hand, the destination-related concepts focus on local attractions and priorities for tourism as a whole. On the other hand, the market segmentation approach implies the selection of classification criteria and characteristics of segments' demands concerning specific values. The suggested concept will contribute to the interrelated consideration of these two approaches, in part, the evaluation of the competitiveness of tourist destinations in the environment of popular

destinations of each of the leading segments in its market.

Data and Methods

Research Setting

In this study, countries are considered the geographical units of outbound tourist destinations, and the tourism-generating countries of the study destination are its segments. The combination of popular outbound travel countries of each segment creates the destination's geo-competitive environment. We call such an approach a segment-centric geo-competitive environment of a tourist destination (SGE-TD). For example, the competitive environment of Georgia as a tourist destination for its Turkish segment represents the combinations of popular destinations for Turkish tourists (see the example of a graphical representation, Figure 1).

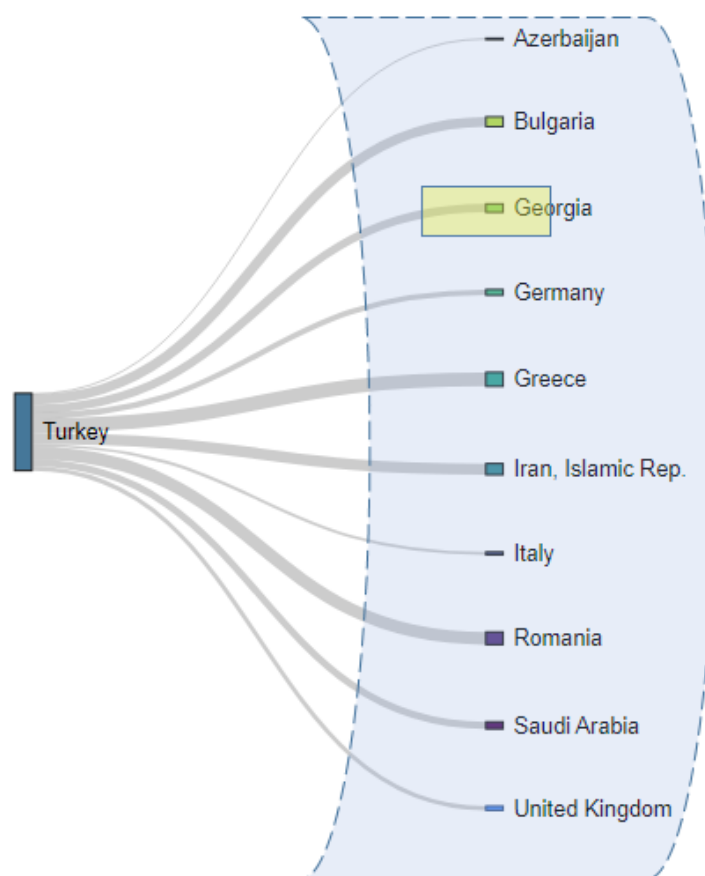


Figure 1. Segment-centered geo-competitive environment of Georgia's tourism destination (a case of Turkey's segment). Network Graph by Temur Gugushvili (2023).

Each tourism-generating country, considered here as a segment, reveals a more or less specific list of preferred outbound travel destinations. This means that the geo-competitive environment of a particular study destination (in this case, Georgia) consists of a sum of all popular destinations of all its leading segments. It expands the competitive environment and complicates the competitive relations between them. For a visual expression of this challenge, we present its graphical model with the relevant connections, which are discussed within the scope of this research. It also indicates the complexity of in-debt consideration of these relations empirically and in business activities (see Figure 2).

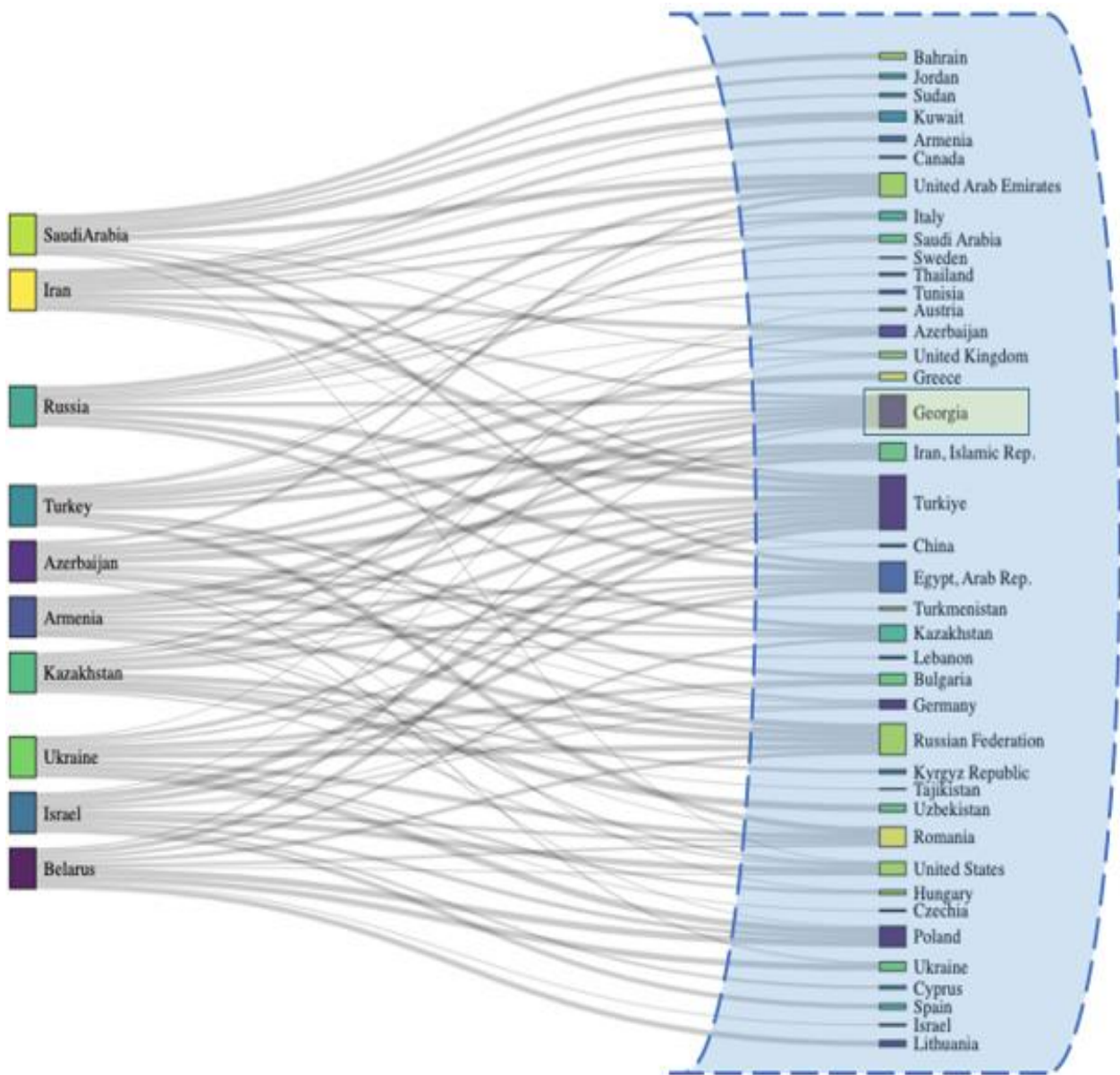


Figure 2. Segment-centered geo-competitive environment of Georgia's tourism destination (a case of the top 10 segments).

Network Graph by Temur Gugushvili (2023).

Research Design

Based on the presented conceptual approach, a research model was composed. Generally, it consists of three consecutive stages of research: (1) determining the leading market segments; (2) determining the popular travel destinations of these segments; and (3) determining the competitive position of the researched tourist destination in the environment of travel destinations of leading segments (see Figure 3).

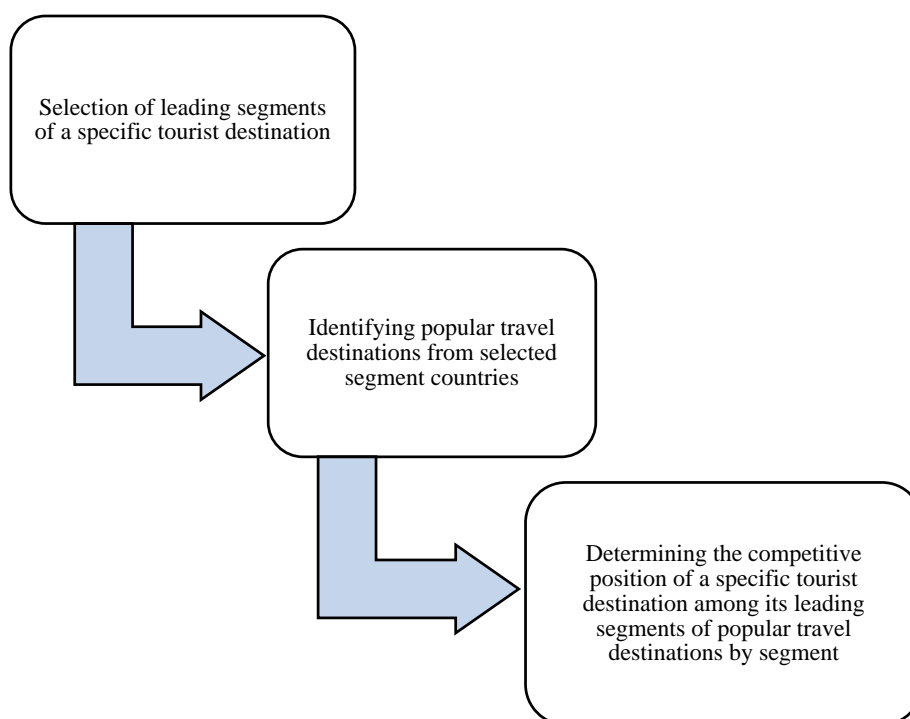


Figure 3. The research stages.

Note: The presented approach to the competitiveness of tourist destinations we consider applicable in the case of any other mode of market segmentation, as well as in the case of other levels of destinations, such as region, city, etc.

Data Analysis

To test the presented concept in the research, we selected Georgia as a tourist destination using the related data for 2022.

The segments are presented by the top 10 most numerous tourism-generating countries in the studied destination. The importance of each segment is measured by its share in the total number of tourists from the top 10 countries (segments).

To identify Georgia's Geo-competitive environment (means-competing countries), we collected information about the top 10 most popular outbound visiting countries from each considered segment's country. In addition, each such visiting country was assigned a point according to their rank in the selection.

The retrieved information is presented in a table (see Table 1), where:

- DS_n —rank score of a given tourist destination in the segments (10 points assigned to the first rank, and 1 point to the last 10th rank).
- ΣDS —the sum of the ranking points of the given tourist destination in the segment.
- ΣTD_n —the amount of representation of a given destination at the top of the considered segments.

The sum of rank points represents the score of each destination in the considered competitive environment, calculated by the sum of its rank points per segment.

Table 1

Ranking Points of Tourism Destinations (Countries) in Georgia's Top 10 Tourism-Generating Segments (Countries)

Top 10 tourism generating countries (segments) in Georgia's tourism destinations													
##		1	2	3	4	5	6	7	8	9	10	Scores by the rank points in the segments' top 10 destinations	Number of presence in the segments' top 10 destinations
Share in the top 10 segments		29%	25%	20%	6%	5%	4%	4%	3%	3%	3%		
##		Russia	Turkey	Amenia	Israel	Ukraine	Azerbaijan	Belarus	Kazakhstan	Saudi Arabia	Iran		
1	Armenia	ARM									7	7	1
2	Austria	AUT				1				2		3	3
3	Azerbaijan	AZE	2	1					4		8	15	4
4	Bahrain	BHR								8		8	1
5	Belarus	BLR										0	0
6	Bulgaria	BGR		7		1	7					15	3
7	United Kingdom	GBR		3		2				3		8	3
8	Canada	CAN									2	2	1
9	Czech	CZE				2						2	1
10	China	CHN							2		1	3	2
11	Cyprus	CYP				4						4	1
12	Egypt, Arab Rep.	EGY	9		6	8	4		7	7		41	6
13	Germany	DEU		4		3	2					12	4
14	Georgia	GEO	6	6	10		7	3	6		6	44	7
15	Greece	GRC		10								10	1
16	Hungary	HUN				5	1					6	2
17	Iran, Islamic Rep.	IRN		8	8		8					24	3
18	Israel	ISR						2				2	1
19	Italy	ITA	5	2							4	11	3
20	Jordan	JOR								6		6	1
21	Kazakhstan	KAZ	7		5		5	5				22	4
22	Kuwait	KWT								10	3	13	2
23	Kyrgyz Republic	KGZ							5			5	1
24	Lebanon	LBN			3							3	1
25	Lithuania	LTU						8				8	1
26	Russian Fed.	RUS			9	9	9	6	9			42	5
27	Poland	POL			2	6	10		10			28	4
28	Romania	ROU		9	1	5	8		4			27	5
29	Saudi Arabia	SAU		5							5	10	1
30	Spain	ESP				7						7	1
31	Sweden	SWE	1									1	1
32	Sudan	SDN								4		4	1
33	Tajikistan	TJK							1			1	1
34	Thailand	THA	3									3	1
35	Tunisia	TUN	4									4	1
36	Turkmenistan	TKM					4					4	1
37	Turkey	TUR	10		7	10	6	10	7	8	5	10	9
38	United Arab Emir.	ARE	8				6			9	9	32	4
39	Ukraine	UKR					3	9				12	2
40	United States	USA			4	9		1	3	1		18	5
41	Uzbekistan	UZB							10			10	1
	SUM		55	55	55	55	55	55	55	55	55	550	

Data retrieval source: Global Data Network. <https://www.globaldata.com/data-insights/travel-and-tourism/#>.

In the first stage, the reliability of the applied segmentation was tested. According to the classical definition, “The process of dividing the market into groups of buyers with different needs, characteristics or behavior, who might require separate products or marketing mix, is market segmentation.” (Kotler & Armstrong, 1999, p. 107). To confirm the relevance of segmentation applied in this research, we tested the difference between the selected segments by their outbound travel variables. For pairwise testing of these variables, Kendall’s Tau test $\tau =$

$\frac{S}{n*(n-1)/2}$ was selected, where:

- τ —Kendall’s Tau correlation;
- S —Difference between concordant (C) and discordant (D), or C-D;
- n —Number of cases.

Table 2

Kendall’s Tau Pairwise Correlation (Between Variables Indicating the Popular Outbound Travel Destinations From Georgia’s Tourism Generating Countries)

	RUS	TUR	ARM	ISR	UKR	AZE	BLR	KAZ	SAU	IRN
Russia	RUS	-0.360	-1.000	-0.130	-0.059	0.130	-0.065	0.160	-0.120	-0.004
Turkey	TUR		-0.004	-0.220	-0.083	0.076	0.200	-0.230	-0.300	-0.028
Armenia	ARM			-0.350	0.076	-0.015	-0.310	0.017	-0.620	0.020
Israel	ISR				-0.170	-0.450	-0.240	-0.310	-0.420	-0.480
Ukraine	UKR					-0.310	-0.029	-0.240	-0.600	-0.480
Azerbaijan	AZE						-0.250	-0.029	-0.420	0.120
Belarus	BLR							-0.190	-0.580	-0.430
Kazakhstan	KAZ								-0.400	-0.300
Saudi Arabia	SAU									-0.190
Iran	IRN									

The results confirm the absence of a positive correlation among any pair of the variables, indicating that all selected segments significantly differ in prioritizing their outbound travel destinations. Therefore, the applied segmentation in this research is justified.

The second stage of the research relates to the 10 most popular travel destinations of the 10 leading segments of Georgia. The data analysis revealed 41 destination countries. According to the discussed concept, they compose a geo-competitive environment in Georgia.

The most popular destination in the established geo-competitive environment is Turkey. This destination is presented in the top 10 choices of all segments, and the sum of ranking points is 73. The next is Georgia, which shows in the top choices of its seven leading segments, and the sum of the rank points amounts to 44 (see Table 1).

According to the same calculation, Russia and Egypt are close to Georgia in terms of popularity in the considered competitive environment (for a general picture, see Figure 4).

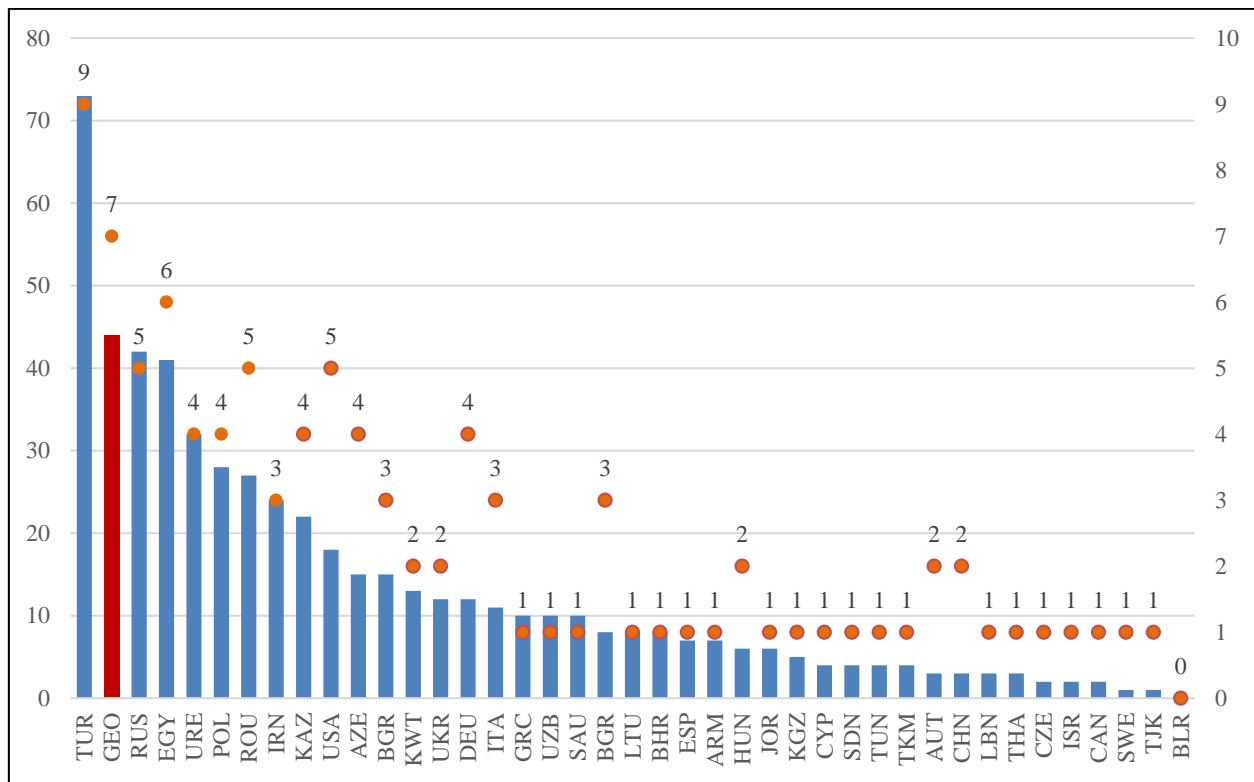


Figure 4. Ranking of the top 10 destinations for tourists from countries representing the 10 largest tourism generators in Georgia.

● Number of presences in the segments' top 10 tourist destination;

■ The destinations' points, counted by their presence and rank among the top 10 outbound destinations for each segment;

■ Georgia as a tourist destination.

The third stage of the analysis defines the competitive position of Georgia as a tourist destination among its leading tourism-generating countries, along with the selectivity of these countries as tourist destinations in the studied competitive environment. In this regard, the countries that generate tourism in Georgia are considered segments and tourist destinations in the same competitive environment. The following three indicators express these inter-relations:

- Share of each of Georgia's tourism leading segments among its top 10 tourism-generating countries, measured in %;
- Selectivity of Georgia as a tourist destination in each of its leading tourism-generation countries, measured by the ranks in their top 10 destinations;
- Selectivity of Georgia's tourism-generating countries considered as tourism destinations in the studied competitive environment.

A combination of these three indicators specifies the positions of each country considered as a tourism generator and competing destination in relation to Georgia's tourist destination, revealing the conditions for advancing the competitive positions (see Figure 5).

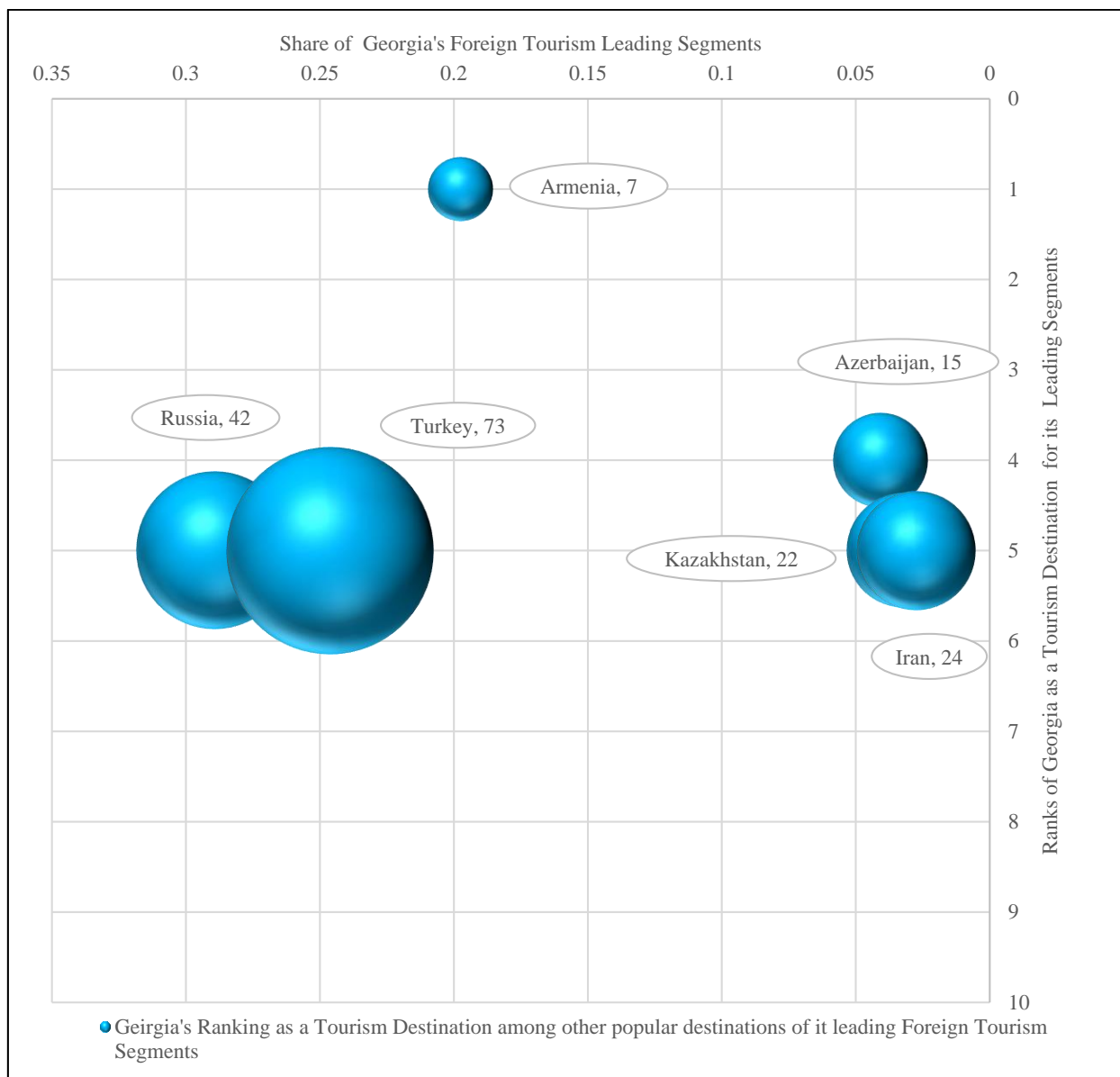


Figure 5. Georgia's ranking as a tourism destination among other popular destinations of its leading foreign tourism segments.

Findings

The combinations of the three applied indicators reveal that in the case of those segments that are the most important for Georgia's foreign tourism (Russia, Turkey), Georgia, as a tourist destination, is just the 5th option. Meanwhile, the same countries, as tourism destinations, are the main competitors for Georgia, being the most popular destinations for all the top 10 segments of Georgia's foreign tourism (Turkey destination gains 73 points, Russia 42 points).

A specific position holds the segment of Armenia, for which Georgia is the most popular travel destination, contributing 20% to its top 10 foreign tourism markets. From a competitiveness perspective, Armenia represents a preferred travel destination (listed among the top 10 preferences) only for the Iranian Segment, while Iranian

tourists represent just 3% of the top 10 segments of Georgia. In this case, the indicators allow us to consider this competitive position of Georgia's destination as less risky.

The shares of the remaining seven segments of Georgia's foreign tourism market are significantly lower and vary within 4%-6%. Among these segments, the popularity of traveling to Georgia for Azerbaijan, Kazakhstan, and Iran segments takes four-five ranking positions. Therefore, the relatively low intensity of competition and the similar level of Georgia's selectivity as a tourist destination balance each other.

Travelers from Kazakhstan, Saudi Arabia, and Iran represent relatively small (about 3%) segments of the considered tourist market. Meanwhile, Georgia does not present one of these countries' top 10 traveling preferences. Therefore, the relatively low popularity of traveling to Georgia, in combination with the adequately insignificant share of these segments in Georgia's tourism market, categorizes the relevant competition challenges as not of prime importance in the case of an unchanged strategy.

The applied combination of indicators presents the Georgian tourism market as over-dependent on just a few segments, underlying the importance of its diversification.

Discussions

The proposed approach helps to specify and better understand the competitive environment of a tourism destination. The presented methodology and the research design may also apply to different types of segmentation based on age, country of origin, interests, etc., as well as to different levels of destinations, such as cities, resort areas, villages, and so on. Future studies envisage applying the presented conceptual approach with a range of analytical techniques adjusted to the specifics of the research subjects and objectives.

Conclusion

This research suggests a conceptual approach to identify the leading competing destinations for a specific studied one. It fills the gap in similar studies where competing destinations for the analysis are selected based on specific research objectives, missing the universal conceptual approach in this regard.

The integrated consideration and application of the applied indicators define the competitive position of a destination among the specified tourism destinations, considered as the geo-competitive environment.

The results of the conducted research in the case of Georgia demonstrate the applicability of the SGE-TD conceptual approach in terms of specifying the competitive environment and position of a tourist destination.

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