

**AN INVESTIGATION OF FACTORS
DETERMINING THE COMPETITIVENESS OF
TAIWAN'S HOT SPRINGS TOURISM SECTOR**



by
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the requirements for the degree of
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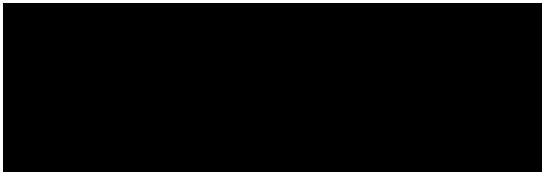
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ABSTRACT

Hot springs have long been acknowledged as a special and significant natural resource. The practice of drinking water which emanates from hot springs and using it for bathing has occurred throughout history. Being endowed with natural hot springs all over the island, Taiwan possesses a comparative advantage in terms of availability of this resource along with its considerable tourism potential. With a view to capitalising on the abundance of natural springs and positioning Taiwan as a hot springs tourism destination, a number of government and industry-led initiatives have been undertaken and others are in the planning stages. In this context, the present study is both timely and worthwhile, and provides a detailed framework and management guidelines for the hot springs tourism sector.

A sector-specific model of destination competitiveness has been developed to identify and prioritize the major tasks to be undertaken. Competitiveness has been defined as the ability of a destination to deliver hot springs tourism experiences that exceed those offered by similar and competing destinations across three dimensions: Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environments. The conceptual framework that is proposed extends beyond the conventional analysis of 'internal-destination' attributes, and takes account of 'external-destination' factors as well as the likelihood of destination strategies.

To gather appropriate inputs and attain expert group consensus on the relative importance of each identified determinant of destination competitiveness, a three-round modified Delphi procedure was undertaken. The panel consisted of government officials, industry practitioners and academic researchers from across Taiwan. Since all respondents had substantial field experience and knowledge, their perceptions, attitudes and opinions were considered as major sources for testing the proposed model. The empirical results indicated that Taiwan has the potential to become one of the world's leading hot springs tourism destinations. Because hot springs tourism involves drinking and bathing in mineral waters, one of the most important tasks is to ensure visitors enjoy high standards of comfort, safety, cleanliness and security. With a view to protecting the key and irreplaceable natural

features of hot spring destination areas, the sector will need to adhere to sustainable practices when exploiting these resources for economic benefit. In response to the increasingly complex expectations of a health-conscious society, the sector will need to extend the application of hot springs into the health-care and medical fields while remaining focused on the leisure market segment and on product development. Five priority areas where destination competitiveness could be strengthened have been highlighted for immediate attention. These include the availability of quality natural hot springs, the safety and security issues of hot springs tourism, the distinctive capabilities of destination management organizations, the continuous improvement in service delivery, and the application of sustainability principles to environmental management.

The central component of the study has been the development of a model of destination competitiveness that may be applied to the hot springs tourism sector. The present study should be of value to both industry practitioners and policy makers. Firstly, the results have identified a set of determinants of destination competitiveness that have particular application to the hot springs tourism sector. Secondly, they show the relative importance of these determinants for enhancing destination competitiveness. Thirdly, the results highlight specific areas of concern and opportunity that the sector may choose to focus on, in order to ensure a seamless hot springs experience for visitors. Finally, they illustrate a potential development path for Taiwan's hot springs tourism sector. It is the view of the researcher that the Delphi technique employed in the present study has shown itself to be an effective tool for identifying and prioritizing the key factors which determine the level of competitiveness of the hot springs tourism sector generally, and in Taiwan in particular. The emphasis of this technique on anonymity is particularly appropriate in an orderly society such as Taiwan which attaches great importance to 'maintaining group harmony'. Acknowledging the fact that this Delphi study was undertaken entirely within Taiwan is a significant limitation of the present study, future studies might find it beneficial to involve a more diverse range of international perspectives. It is hoped that the proposed model of destination competitiveness will arouse interest amongst tourism scholars to conduct further tests of the model internationally with a view to verifying its generic applications.

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CHAPTER 1. INTRODUCTION

1.1 Background

‘Taking the waters’ has been widely reported as one of the earliest forms of tourism (Smith and Jenner, 2000). Throughout history, travellers have sought the rejuvenating and curative powers of certain waters. During the period of ancient Rome, in what is now England, visitors travelled to Bath to bathe in the warm springs and mineral waters, and to drink the water for its alleged health benefits (Hembry, 1989). In ancient times, there is evidence of people travelling to bathe in the Nile River in Africa, the Ganges in India, the Yangtze in China and the River Jordan, prompted by a belief that participants would be cleansed physically and spiritually (Goodrich, 1993).

From the available evidence, there is a clear connection between certain tourism activities and positive health outcomes. The pursuit of good health has shaped travel patterns and this is illustrated by the history of spa resorts (Towner, 1996). According to Williams, et al. (1996), the role of spas and related water resources in the development of travel behaviour and related tourist resort destinations has been widely discussed in the tourism literature. Such discussions have included: descriptions of the evolution and development of spa tourism, particularly in Europe and North America; the spatial distribution and developmental characteristics of spa locations and related spa tourism products; and to a lesser extent market demand and marketing strategy characteristics.

The practice of travelling to improve one’s health has emerged as a growing component of tourism behaviour and products (Hall, 2003). With the increasingly frenetic pace of life in the twenty-first century, the desire to use leisure time to pursue activities that contribute positively to health and well-being is anticipated to show continuing growth. A belief that ‘taking the waters’ contributes to physical and emotional well-being persists and underpins the motive of spa visitation as the growth of spa tourism as a significant component of the health tourism phenomenon (Hall, 2003). Spa visitors represent a special interest tourist market whose increasing

dimensions are emblematic of the shift from mass to niche tourism (Douglas, 2001; Hall, 1992).

With growing scientific evidence that minerals from certain springs have special properties which can cure or ease the symptoms of various ailments, the tourism industry has sought to deploy these resources to attract international visitors. The rapid growth of spa tourism in recent years has provided an incentive for countries, endowed with the relevant natural resources such as mineral springs, to pursue the development of their own health spa resort sectors. The economic potential has led many countries to finance, plan and develop the regions where these natural resources are found and to engage in promotional campaigns to encourage visitors to these sites. While well-established in Western society, the development of spa and health tourism is a relatively recent phenomenon in many Asian countries (Henderson, 2004). Within the wider context of the Asia-Pacific region, Taiwan offers considerable potential as a spa resort destination.

Taiwan has a peculiar crustal structure and is located on the fault line where the Euro-Asian and Philippine continental plates meet in the Circum-Pacific seismic zone. Subterranean heat from this zone produces island-wide hot springs. Taiwan's hot springs are of varying water quality, and include numerous spring sources and a high output of springs. Taiwan is endowed with and enjoys the highest concentration and greatest variety of hot springs in Asia. However, the authorities have paid little attention to the endemic natural hot springs resources from a legal standpoint. There has also been little effort to maintain clean and organized facilities and to cultivate good bathing habits. The hot springs tourism sector within Taiwan is still considered to be relatively undeveloped and nearly half of the spa properties are unlicensed (Taipei Journal, 2002).

Despite these drawbacks, popular interest in hot springs bathing is accelerating. A survey by the Taiwan National Hot Springs Association has shown a clear trend towards increasing appreciation of natural hot springs baths. It was found that the percentage of Taiwan residents who have visited hot springs has jumped from a mere 2 per cent in January 1999 to 23 per cent in December 2002, equating to 4 million visits (Taipei Journal, 2002; Central Geological Survey, Ministry of Economic

Affairs, 2003). One impetus for this growth has been the increasing awareness amongst Taiwanese of the importance of good health. A survey by the Directorate General of Budget, Accounting and Statistics, Executive Yuan (cited in Chang, Hsiao and Wu, 2003) reported that the most desired lifestyle of Taiwanese citizens is maintaining good health (59%), followed by enjoying family time (26.7%) and having a wealthy life (26%). The implementation of the two-day weekend in 1998 (previously Saturdays were half-work days) has provided Taiwanese with more leisure time for relaxing and participating in outdoor recreational activities. According to the 2003 Travel Survey (Taiwan Tourism Bureau, 2004), 102 million domestic trips were undertaken, representing a growth of 35 per cent over the 66 million taken in 1998. The two-day weekend has stimulated the desire to travel and rejuvenated domestic tourism. As the pursuit of good health has become an important travel motivation and available leisure time has increased, it appears likely that hot springs tourism will strengthen and grow from both a supply and demand perspective.

In response to current trends, many hot springs proprietors have invested in the construction or renovation of their properties, and have even added modern scientific spa equipment with a view to transforming the traditional leisure concept of hot spring bathing into the health-related concept of hot springs hydrotherapy (Taiwan Tourism Bureau, 2002a). The continuing popularity of hot springs tourism has fostered the rapid planning and development of the regions in which hot springs resources are found. An estimated investment of US\$ 15 billion is budgeted for the construction of hot springs related development, improvements in protection of the physical infrastructures, research on the diverse utilizations of hot springs and the enhancement of the natural environment (The Journalist, 2003). While the Double Tourist Arrivals Plan reinforces the notion that tourism has been recognized by government as a vital part of the national economy, the hot springs tourism sector sets an example of the tourism industry actively contributing to the local economy. It has attracted entrepreneurial investments in the construction of new hot spring properties and offered job growth in the tourism sector.

In the past, the lack of relevant laws governing the construction and operation of hot springs properties was the major impediment to sustainable development. In order to

address this complex environmental issue, the authorities introduced the ‘Hot Springs Development Management Program’ in 1999 in an effort to improve the quality of hot springs areas. More recently, the ‘Spa Law’ has been approved. This will seek to formalize the conservative and sustainable use of natural hot springs resources. The industry and government sectors have made substantial progress in developing Taiwan as a hot springs tourism destination, but much work remains to be done. The recent unimpressive performance of Taiwan’s hot springs tourism sector highlights the need for a systematic review of its competitiveness as a destination. If Taiwan is to be promoted as a hot springs tourism destination and is to compete with other such destinations, it needs to ensure that the overall attractiveness and integrity of the experience it delivers is superior to those of the many alternatives available to potential visitors. Therefore, it is important for the industry and government sectors in Taiwan to develop a comprehensive strategic management framework for the hot springs tourism sector. This suggests the need for further investigation of the key underlying determinants of destination competitiveness and the development of a sector-specific model of destination competitiveness.

The development of a competitiveness model for hot springs tourism destinations is considered worthwhile for several reasons. First, the concepts and models of competitiveness relevant to the tourism sector have already been introduced and developed in a number of previous studies (Crouch and Ritchie, 1999; Dwyer and Kim, 2003; Hassan, 2000; Heath, 2003; Kim, 2000; Ritchie and Crouch, 2000). However, few studies have been undertaken focusing on destination competitiveness in the context of special interest tourism in general, and the hot springs sector in particular. By exploring the determinants of destination competitiveness for the hot springs tourism sector, the present study will provide a starting point for future research in this area. Second, the relative importance of the various determinants of competitiveness has not been clearly identified in previous models (Dwyer and Kim, 2003). The present study focusing on Taiwan as a tourism destination is intended to ascertain the relative influence of major determinants of destination competitiveness in the context of hot springs tourism. Lastly, the development of a model of destination competitiveness offers the prospect of assisting tourism stakeholders in both the private and public sectors to identify destination strengths and weaknesses from a visitor’s perspective, to highlight opportunities for tourism development, and

to develop strategies to combat potential threats to future visitation (Dwyer, et al., 2004). Correspondingly, through developing and testing the proposed model of destination competitiveness, the present study attempts to provide hot springs proprietors and government authorities with useful insights into the competitiveness of Taiwan's hot springs tourism sector.

1.2 Objectives of the Study

The spa and health tourism sector is undoubtedly one of the fast-growing areas in contemporary tourism (Hall, 2003). In the foreseeable future, countries whether well or poorly endowed with relevant mineral springs natural resources, will devote themselves to developing their own spa tourism sector and to launching aggressive promotional campaigns designed to increase visitation. With increasing competition between spa destinations, competitiveness will be determined and enhanced by the ability of a destination to design, produce, market, and deliver quality spa experiences that outperform other destinations across the range of dimensions from a supply-side perspective.

With a view to investigating spa destination competitiveness, a conceptual framework is proposed which acknowledges the differences in development and management styles between natural hot and mineral springs-based spa destinations and branded 'spa' destinations (manufactured). This proposed model provides a basis for exploring the key underlying determinants of destination competitiveness and examines the relative importance of these determinants in the Taiwanese context, with particular reference to the hot springs tourism sector.

General aim

The aim of the present study is to develop a model of competitiveness applicable to destinations which have the capacity to highlight their intrinsic hot springs attributes, particularly in Taiwan. While the model aims to provide a basis for comparing hot springs tourism destinations in the international tourism markets, it is also expected to be of assistance in the formulation of development and management guidelines for Taiwan's hot springs tourism. The key determinants of destination competitiveness

should be employed for the purposes of strategic planning and management, and achieving long-term sustainability.

Specific aims

With a view to achieving this general aim, the research focuses on five specific aims that follow.

1. To investigate the evolution and pattern of spa tourism development in other parts of the world which might inform the prospective development of Taiwan's hot springs tourism sector.
2. Based on an extensive literature review, to identify the key underlying determinants of destination competitiveness relevant to the hot springs sector in general.
3. To identify the determinants of destination competitiveness as they apply specifically to Taiwan's hot springs tourism sector.
4. To ascertain the relative importance of these determinants of competitiveness for Taiwan.
5. To prioritize the determinants of competitiveness important for the strategic development of Taiwan as a hot springs tourism destination.

1.3 Contribution to Knowledge

The prospective contribution and significance of the present study has both a theoretical and a practical dimension.

The study should enhance the current literature on destination competitiveness with particular reference to the hot springs tourism sector. Although the main dimensions and indicators existing in tourism destination competitiveness models are comprehensive, they are not specifically designed to measure the competitiveness of those characteristics distinctive to the hot springs tourism sector. The present study

fills this gap through applying a multidimensional destination competitiveness model based on an extensive literature study, and testing of the model in the context of hot springs tourism in Taiwan. An attempt is made to integrate industrial organization theory and resource-based view theory in exploring the relationships between three proposed determinants of destination competitiveness. The proposed groupings of determinants are Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environments. While the results generated from a single destination (Taiwan) cannot provide a definitive statement of destination competitiveness for global application in the hot springs tourism context, the present study serves three important purposes: it provides an initial test of the integrated approach; it demonstrates the value of a composite framework; and it provides a template for further refinement and research into the competitiveness the hot springs tourism sector.

Most of the previous research on spa tourism has focused on developments in Western countries generally and in Europe, the United States and Australia in particular. There is very little material focusing specifically on Asian countries and there is a pressing need to undertake research into such settings. Taiwan has a long history of recreational activity based around its hot springs and greatly influenced by the Japanese culture. It boasts a large number and high output of spring sources featuring high temperatures and a variety of high quality types of water. Bathing in hot springs gradually increases the temperature of the body, thus killing harmful germs and viruses. In addition, the waters contain different chemical components and properties, and are suitable for both drinking and bathing cures. The lack of adequate management and planning has however caused environmental degradation and over-utilization of the hot springs resource. With the growth in popularity of Taiwan's hot springs in recent years, the industry and government have endeavoured to reconstruct the sector with a view to providing visitors with quality hot springs experiences. The present study aims to create a management framework which assists the hot springs tourism sector in Taiwan to become more competitive. It is both timely and worthwhile. Using the Delphi technique to elicit and refine expert judgements and ultimately agreement on this subject matter, the present study should help the industry and government to formulate and direct current management strategies and tactics affecting the future development of hot springs tourism in Taiwan.

The major determinants of destination competitiveness may be used as criteria to assess the potential of the hot springs tourism sector in Taiwan and to compare its competitiveness with other destinations internationally. As Dwyer, Forsyth and Rao (2000) have contended, models of tourism destination competitiveness can be useful for industry and government to determine a destination's competitive position in terms of strengths and weaknesses, how competitiveness is changing and why these changes are occurring. The findings of this study will provide both the industry and government sectors with a better understanding of Taiwan's competitiveness as a hot springs tourism destination in relation to other destinations and how to improve the level of competitiveness. This is indicative of the practical applications of the study.

1.4 Structure of the Research

Reflecting the main objectives, the thesis consists of seven chapters.

Chapter 1 serves as a general introduction and background. It outlines the objectives, contributions and structure of the study.

Chapter 2 begins with a definition and description of hot springs tourism. It also provides a discussion of spa tourism development in various parts of the world including Taiwan. The characteristics of spas and the major themes in spa management are also discussed to provide an enhanced understanding of the primary components constituting a competitive hot springs destination and how these components should be managed in order to meet the needs of tourists and hence achieve competitiveness.

Chapter 3 examines a wide range of studies on tourism destination competitiveness with a view to identifying the underlying determinants of competitiveness likely to be of importance for the hot springs tourism sector. It also summarises various theories relevant to the present research including industrial organization theory and resource-based view theory.

Chapter 4 proposes a model of destination competitiveness which may be applied to the hot springs tourism sector. The determinants of tourism destination

competitiveness are identified primarily from a review of relevant literature. Before being incorporated into the conceptual model, these are classified into a number of major dimensions. Two theories of contemporary strategic management, namely industrial organization theory and resource-based view theory, are integrated to conceptualise the linkages between major components and destination competitiveness. The proposed model and other models of tourism destination competitiveness are also compared.

The research design and methodology is presented in Chapter 5. The key elements of a Delphi study are discussed including the selection of panel experts, number of rounds, development of the survey instrument and data analysis methods. An illustration is provided of the application of this methodology to generalising the destination competitiveness model used to measure the competitiveness of Taiwan's hot springs tourism sector.

Chapter 6 reports the results of the empirical study and describes a modified and augmented model of destination competitiveness that reflects more precisely the key determinants of destination competitiveness for Taiwan's hot springs tourism sector.

Chapter 7 summarizes the major findings, theoretical and managerial implications, and conclusions of the study. Some suggestions for possible future research directions are proposed.

1.5 Chapter Summary

Hot springs tourism is one of the fastest growing sectors of Taiwan's tourism industry. There has however been no adequate provision of guidelines for the appraisal and strategic development of this particular sector. The present study aims to fill the gap by developing and operationalizing a competitiveness model applied to a particular sector of the tourism phenomenon—hot springs tourism. It is hoped that the recommendations of the study will assist the industry and government sectors in Taiwan to develop niches or areas of speciality that meet the needs of the prospective

tourists as well as enhancing the overall competitiveness of the hot springs tourism sector.

CHAPTER 2. LITERATURE REVIEW: HOT SPRINGS TOURISM

2.1 Defining Hot Springs Tourism

A study published by the International Union of Travel Organizations (IUOTO) characterizes health tourism as being reliant upon “natural resources”, especially “mineral water and climate” (cited in Hall, 1992, p. 151). This definition is somewhat restrictive, but is useful for considering the taking of waters at mineral springs as one manifestation of health tourism. Goeldner (1989, p. 7), quoting Van Sliepen, refers to five dimensions of health tourism: sun and fun activities, activities where health is either a principal or secondary purpose, stays at spa resorts, and medical treatment. Since the primary motive for such travel is a desire to improve one’s health, visiting spas is considered to be an important market segment under the broad heading of health tourism. As described by Hall (2003), spa tourism is a component of health tourism and relates to the provision of mineral waters. It may also refer to tourist resorts that integrate health facilities and accommodation. The word ‘spa’ may originate from the acronym of the Latin phrase ‘solus per aqua’ (health through water). There is also a Belgian town named Spa, where a curative, thermal spring was discovered in the fourteenth century.

Natural mineral springs have long been established as the primary focus for spa and health tourism, and are considered as offering effective treatment for various ailments. Many mineral springs are thermal in nature (hot springs), but many others are cold. Hot springs are suitable for both drinking and bathing, whereas cold springs are used for drinking cures only. Taiwan harbours a great variety of natural hot springs, each notable for its own specific curative properties, and undoubtedly has great potential for the development of spa and health tourism. In terms of travel motivation, the phenomenon of hot springs bathing in Taiwan has a close correspondence with the long tradition of visiting spas, as evidenced by Fang’s study (2002). The results of this study summarize four distinct areas offering potential for spa and health tourism businesses. These are respectively relaxation and pleasure seeking, social interaction motives, perceived health benefits, and the opportunity to

harmonize thoughts. For the purposes of the present study and under the broader heading of health tourism, hot springs tourism is considered to be synonymous with traditional spa tourism. These terms are used more or less interchangeably throughout this study.

2.2 Overview of the Tourism Industry in Taiwan

Taiwan has undergone a remarkable transformation over the past decades, from agricultural to industrial, from traditional to modern and from a backward to a relatively advanced country. While Taiwan has received international recognition and admiration for its 'economic miracle', the performance of the tourism sector has lagged the wider economy and is still at an early stage of development. The purpose of the following section is to provide an overview of the international, domestic and leisure-based tourism markets so that the potential growth and development of Taiwan's hot springs tourism sector can be both estimated and understood within the broader tourism context.

International tourism market

An overview of Taiwan's international tourism market can provide insights into the tourism resources and attractors available and tourism strategies needed to take advantage of the opportunities and to counter possible threats if the hot springs tourism sector is to be promoted internationally.

Asia-Pacific travellers represent Taiwan's major tourism market. Taiwan Tourism Bureau statistics indicate that Japan, Hong Kong (transit points for Mainland China) and South Asia, together with the United States were the principal tourist markets over the period of 1999-2003. Fish and Waggle's (1997) regression analysis shows that the growth of Taiwan's international tourism market is closely associated with economic conditions within the countries of the Asia Pacific region. By taking advantage of geographic proximity, reduced cost of travel resulting from advances in technology and cultural similarities, Asian countries represent an ongoing opportunity for Taiwan to explore and target (Hsu and Chen 1998). For the purposes of better understanding the motivation of visitors to Taiwan, their activities and consumption patterns, as well as their reactions and opinions, the Taiwan Tourism

Bureau conducts annual surveys on visitor expenditure and trends. The statistics released for 2002 (Taiwan Tourism Bureau, 2003) report that the destination features sought were variety of Chinese cuisine (51%), natural scenery (43%) and warm reception by local residents (30%). Ease of getting around, quality of accommodation, international standard cities and public safety were reported by respondents as being better than expected, whereas availability of signage and directions in English, cleanliness of the public environment and ease of communication with locals performed less well. The favourite tourism activities in rank order were shopping (44%), visiting night markets (39%) and visiting historic sites (34%). Amongst the diversity of tourism activities, leisure travellers enjoy hot springs bathing, and adventure and ecological tours, whereas trade shows and exhibitions, and nightlife are the primary attractions for business travellers to Taiwan.

A SWOT analysis of Taiwan as an international tourist destination conducted by Hsu and Chen (1998) reviews the range of internal strengths and weaknesses, as well as external opportunities and threats in the areas of visitor markets, transportation infrastructure, destination attractions, accommodation and supporting services, and information and promotion. The SWOT analysis is summarized in Table 1. The authors conclude that Taiwan holds great potential as a popular international tourist destination, although the tourism sector is facing competition from other Asian countries, from inadequate promotional budgets and activities, and more importantly misperceptions about tourism offerings. As noted by Rowe (1997), Taiwan has long been viewed as a business rather than a leisure destination, even though it has a strong historical and cultural heritage, together with areas of outstanding natural beauty. International tourism to Taiwan may also have been hampered by its reputation as one of the key financial centres in Asia. The misperceptions of tourism offerings may have seriously weakened the marketing activities that have been undertaken regardless of efforts in developing new tourism-related facilities and services (Hsu and Chen, 1998).

Table 1 SWOT Analysis of Taiwan as an International Tourism Destination

Resource	Strength	Weakness	Opportunity	Threat
The market	Large number of intra-Asia visitors	Over-dependence on the Japanese market; small US pleasure travel market	US outbound travel market; leisure travel market in Africa, Europe and Oceania	Competition from other Asian countries
Transportation/Infrastructure	Successful infrastructure development; inexpensive domestic travel; a well-planned road system; new railway systems; International airports with ample capacity and frequent flight service	Traffic congestion; substandard domestic airports	New high-speed trains	
Destination/Attraction	High proficiency in English and Japanese; relaxed visa requirements; unique scenic beauty; subtropical weather; diverse cultural heritage; diverse cuisine; proximity of major attractions to Taipei	High cost of living; infrequent visitation to attractions outside Taipei	Strategic location; image on democracy movement	Misperception of tourism offerings
Accommodation/Support Service	Modern lodging facilities; foreign language fluency of employees	Quality of services; low hotel occupancy rate	New hotels outside Taipei	
Information/Promotion	Advance in computer technologies; prevalence on the Internet	Lack of aggressive marketing activities		Insufficient promotion budget and efforts

Source: Hsu and Chen (1998).

Based on the findings of the 2002 Survey on Visitor Expenditure and Trends and the results of Hsu and Chen's SWOT analysis, several strategic implications may be proposed regarding the development and management of Taiwan's hot springs tourism sector. First, Japan remains the major market for the promotion of Taiwan's hot springs tourism sector having contributed greatly to Taiwan's tourism industry in terms of both volume and visitor expenditures (Taiwan Tourism Bureau, 2003). Outside of Japan, the United States and Europe are two ideal markets worth exploring that previously have gone untapped. The benefits of undertaking a strategy of diversification are twofold: to avoid over-dependence on the Japanese market and to bring additional tourists from newer and more remote markets. Taking the waters is a national tradition in these three markets. This common feature encourages

Taiwan to develop its abundant hot springs as a major tourism attraction from the perspective of these consumers.

Second, transportation infrastructure is well established in Taiwan making travel within the country convenient and inexpensive. Also travel to and from Taiwan is easy because of its modern and highly efficient communication links with the rest of the world. This convenience and flexibility of transportation services make the hot springs located in outlying rural or semi-rural areas readily accessible to both domestic and international travellers.

Third, Taiwan has the potential to become a hot springs tourism destination in terms of the variety of tourist attractions. Apart from its natural beauty and comfortable year-round climate, Taiwan has a rich and diverse culture. Other advantages of Taiwan are its warm hospitality and diverse cuisine. The diversity of tourism attractions and resources may be expected to augment the development of the hot springs tourism sector. Most foreigners are however unaware of the broad range of tourism products offered in Taiwan. This may form a barrier to the promotion of hot springs tourism internationally and is indicative that an aggressive marketing campaign may be required to build Taiwan's tourism brand and position the destination with a clear and positive image in the international market.

Finally, the provision of accommodation for travellers in Taiwan is amongst the world's finest. However, maintaining an appropriate level of service quality is often problematic due to the shortage of skilled labour. Professional tourism and hospitality education and training have a relatively short history in Taiwan. In light of the rapid growth of Taiwan's tourism industry, a number of colleges and universities have recently added tourism and hospitality management courses to their curricula with a view to cultivating a high quality workforce. While hot springs tourism represents a significant part of Taiwan's tourism industry, it calls for qualified personnel to manage the development of the sector. Higher educational institutions may wish to offer spa management courses and certificate programs that allow students to acquire the basic skills, knowledge and qualifications necessary to work professionally in the sector.

In summary, more resources and commitment from both the hot springs industry and from the government are needed to position Taiwan as a hot springs tourism destination in the international market.

Domestic leisure-based tourism in Taiwan

Domestic leisure-based tourism has developed quickly over the past decades. This section briefly reviews the scale of expansion in leisure and domestic tourism in Taiwan for the purpose of relating some of the critical changes to the potential development of the hot springs tourism sector.

Leisure time, attitudes and activities have changed dramatically during Taiwan's transition from a rural-agrarian to an urban-industrial society. A generation ago, when Taiwan was an agricultural society, people spent most of their time working. Spending time and money on leisure activities was considered a sin. However, in the era of economic prosperity and rising living standards, many people in Taiwan are increasingly spending their leisure time on particular types of activity. The Directorate General of Budget, Accounting and Statistics, Executive Yuan reported that spending on sports, recreation and entertainment in Taiwan has increased by an average of 10 per cent a year over the past decade (Taipei Review, 2000). In 2001, each person in Taiwan spent an average of US\$ 304 on sports, recreation and entertainment, compared to equivalent per capita expenditure of US\$ 183 in 1991, an increase of two-thirds (Government Information Office, 2003).

Another contributor to the changing leisure and travel patterns of the Taiwanese has been the implementation of the full two-day weekend policy. The usage of this two-day weekend for leisure and domestic travel is reported to have increased from 50 per cent in 1998 to over 60 per cent in 2003 (Taiwan Tourism Bureau, 2004). As the full two-day weekend policy has prompted a desire for more leisure and travel activities, most take to the roads at this time causing exceptional crowding in key recreation areas. The Department of Statistics, Ministry of Transportation and Communications reports that in 1999 over two thirds of the Taiwanese population (72.5%) expected travel conditions to worsen after the implementation of the full two-day weekend policy. Traffic jams and travel crowds as well as the poor state of

leisure facilities may keep people away from outdoor leisure or domestic travel (Lan, 2000).

A survey conducted by the Directorate General of Budget, Accounting and Statistics, Executive Yuan, indicates that in 2000 the most popular indoor recreational activities were watching television and videos (98.67%), listening to music and radio broadcasts (55.58%), reading (32.40%), and Internet surfing (23.46%); while jogging and field walking (51.72%), hiking and mountaineering (32.59%), folk arts (23.21%), and sports (22.14%) were the favourite outdoor recreational activities. Lan (2000) arrived at similar findings. Audio-visual activities, shopping, visiting families and friends, reading, nature observation, Internet surfing, field walking, mountain climbing, swimming, and visiting hot springs were found to be the most common leisure activities. The author concluded that Taiwanese leisure focuses primarily on physically inactive pursuits or motionless activities. Indoor recreational activities associated with electronic equipment and facilities seem to be more attractive. Nevertheless, the propensity to undertake outdoor leisure and recreational activities is likely to be reinforced by the active pursuit of good health, and increased disposable personal incomes and leisure time. Indeed, domestic tourism has emerged as a very significant segment of Taiwan's leisure economy. According to the 2003 Survey of Travel by ROC Citizens, over 90 per cent of the Taiwanese population participated in some kind of domestic tourism during the previous year (Taiwan Tourism Bureau, 2004).

Of the various needs and motivations of domestic tourists, vacations taken for relaxation and recreation (61%) were dominant, followed by visiting friends and relatives (19%), vacations for physical exercising (8%), religious travel (5%), and ecological tours (3%). More than half of the domestic tourist trips (60.9%) were taken on weekends indicative that the full two-day weekend has encouraged travel. Unfortunately, travellers flocking to major destinations during the weekend have placed tremendous demands on transportation, tourist facilities and service personnel causing a decrease in the quality of services which may hurt the balanced development of the domestic tourism market. In terms of travel patterns and behaviour, the survey results indicated a strong distance-decay factor in destination choice. The longer the distance between origin and destination, the lower the number

of visitor arrivals. Over 65 per cent of domestic trips occurred over short distances and within the same region. One-day return trips remained the most popular, representing 63 per cent of domestic tour trips. While nearly seven-tenths of the surveyed domestic tourists enjoyed nature scenery sightseeing, the major tourist attractions were varied in different regions: food and shopping in the North, visiting amusement parks in the Centre, water activity participation such as diving and surfing in the South, and frequenting hot springs in the East.

Seasonal fluctuations apply to the domestic tourism market in particular. The peak month for domestic travel is the Chinese New Year (in January or February with some variation owing to the Chinese calendar). Summer months (from July to September) also attracted the youth to undertake short-term trips with their families and friends. The report illustrated that students accounted for the largest youth group, comprising 19 per cent of the market. The domestic tourism market has grown to encompass the youth segment including student budget travellers who are more affluent and willing to spend money on leisure activities and vacation trips.

To meet the diverse needs of leisure and domestic tourism in Taiwan, a growing range of leisure products and facilities have been planned and constructed. These include both indoor and outdoor facilities developed by either the public or private sectors, located in either urban or rural areas, and on land or water. They are generalized into five major categories:

- Entertainment-related facilities are the major form of recreation provision in Taiwan. They include karaoke, nightclubs and bars, teahouses, restaurants, night markets, and Internet cafes (Government Information Office, 2003).
- Sports facilities in Taiwan are provided both indoors and outdoors. It is estimated that Taiwan currently has a total of 63,409 sports grounds at various locations. Sports parks account for 24 per cent of all sports facilities. Others facilities include track and field settings, swimming pools, basketball courts, badminton courts, volleyball courts, tennis courts, billiard rooms, and outdoors and indoors multipurpose sports grounds (Government Information Office, 2003).

- Art and cultural activities remain popular across all age groups. The Council for Cultural Affairs reports that in 2001 a total of 18,375 art and cultural events were held throughout Taiwan, with 75 per cent sponsored by the government. The range of culture and art events are fine arts, concerts, traditional dances and rituals, folk arts, filming, and seminars (Government Information Office, 2003).
- Government-designated tourism resorts are extensive complexes with a comprehensive product and service mix intended to satisfy the needs of diverse leisure and tourist markets. Major tourist destinations include national scenic regions, tourism and recreation areas in national parks, public tourism areas, county/city scenic areas, and forest recreation areas. The most visited tourist resorts are Kenting National Park, Yangmingshan National Park, Taroko National Park, East Coast National Scenic Area, Chihpen Hot Springs, Alishan Forest Recreation Area, National Museum of Natural Science, National Museum of Marine Biology and Aquarium, and Taipei Zoo (Taiwan Tourism Bureau, 2003).
- Theme parks and man-made attractions constitute another major form of entertainment and recreation for Taiwan's tourism industry. The 2001 Tourism and Recreation Industry Survey (Taiwan Tourism Bureau, 2002b) reported that there are 43 facilities in operation. In terms of geographical distribution, 37.2 per cent are located in Northern, 32.6 per cent in Central and 25.6 per cent in Southern Taiwan. There is only one in Eastern Taiwan and one in the offshore islands. Nearly two-thirds of the facilities have commenced formal operations since the late 1980s and early 1990s. Janfusun Fancyworld, Yamay Resort and Leofoo are the most popular privately-operated tourism destinations.

From the available evidence, it is clear that leisure and domestic travel have become an important part of life in Taiwan as a result of the remarkable increases in disposable income, leisure time, and awareness of, and need for leisure and recreation. Most leisure activities have seen increases in numbers and frequency of participation. The hot springs tourism sector appears to have the greatest growth potential. The foregoing discussion has helped to clarify the primary reasons for this potential. Firstly, vacations for recreation and relaxation remain the most important travel motivator. The health and pleasure pursuit of hot springs bathing is likely to

capture more people's attention and participation underpinning the continuous growth of hot springs tourism. Secondly, Jhiben Hot springs has the reputation as the most scenic spot in eastern Taiwan, together with four traditional famous hot springs sites, Beitou and Yangmingshan in the North and Guanziling and Sichongxi in the South, form the foundation for further development and promotion of the hot springs tourism sector. Finally, Taiwan has a diversity of tourism attractions. The special packaged tour routes, integrating other tourism resources to promote the hot springs, may provide visitors travelling in Taiwan with the greatest added value.

There are however potential problems and drawbacks facing the hot springs tourism sector. Issues associated with holiday traffic congestion, visitor congestion and lack of adequate facilities may hamper the development of the sector. Like other scenic areas, hot springs lie predominately in outlying rural or semi-rural areas where the capacity to accommodate traffic has definite limitations. With visitors taking private vehicles into scenic areas, particularly on weekends, crowding and traffic jams are unavoidable. Transportation is in need of systematic, fundamental development and intensive management in order to improve the competitiveness of the hot springs tourism sector.

To minimise crowding and seasonality effects, Taiwan needs to diversify its tourism products in order to maintain its attractiveness to tourists. A wider range of recreational activities, entertainment, and special events and festivals will be needed all year-round and at the destinations across the regions if the hot springs tourism boom is to be sustainable.

2.3 The Development Pattern of the Spa Tourism Sector

The present study aims to explore the factors determining the competitiveness of Taiwan's hot springs tourism sector from a supply-side perspective. It focuses on Taiwan as a tourism destination. However, it also examines the development of the spa sector in other parts of the world where these developments may have direct and indirect relevance to the evolution of Taiwan's hot springs tourism sector. The following section is organized into two parts: one, to investigate the historical development of the spa tourism sector in both Western and Asian countries; and two,

to understand the extent to which the current situation of spa tourism development in Asia is different from that of Western counterparts. It is expected that this discussion will shed some light on the future development patterns of hot springs tourism in Taiwan.

Spa development in Western countries

A review of academic publications that have appeared over the past twenty years indicates that the majority of articles on the evolution of spa and health tourism, and the development of health spa resorts sector have focused on European destinations. Country-specific research includes studies in Hungary (Vadas and Vajda, 1989), Italy (Becheri, 1989), UK (Witt and Witt, 1989), Romania (Cooper, et al., 1995), Switzerland (Mueller and Kaufmann, 2001), and Slovenia (Snoj and Mumel, 2002). Wider implications for Western Europe are discussed by Gibert and Van de Weerd (1991), Bywater (1990), Cockerell (1996), and Smith and Jenner (2000). Outside Europe, publications on the health and spa tourism in the United States include Stein, Dev and Tabacchi (1990), Spivack (1998), and Loverseed (1998). Some work has been done on spas and health tourism in Cuba (Goodrich, 1993), Mexico (Williams, et al., 1996) and Australia (Bennett, King and Milner, 2004). The findings from previous studies have provided extensive knowledge and useful insights leading to a better understanding of the evolution of the spa and health tourism sector in the Western context.

Searching out special places where curative powers of natural thermal and mineral springs could be found has long been popular in Western societies. The taking of waters at mineral and hot springs has occurred since Roman times (Hall, 1992) and is regarded as having generated one of the earliest forms of tourism (Smith and Jenner, 2000). A spa may be defined as “a mineral spring or a place or resort where such a spring is found” (Longman Dictionary of Contemporary English, 1978, p. 1372). This is the sense in which the traditional European spa sector uses the word. In the European context, Cockerell (1996) defines a spa as a thermal resort which boasts natural mineral springs or thermal baths. Followed by Smith and Jenner (2000), a spa refers to both a town where a natural mineral spring exists and an enterprise or group of enterprises offering health treatments based on that source. Throughout history many cities have grown up around thermal springs and health spas in order to

accommodate the influx of prosperous visitors. Examples of such cities include: Baden, Lausanne, St. Moritz and Interlaken in Switzerland; Baden-Baden and Wiesbaden in Germany; Vienna, Austria; and Budapest, Hungary (Goodrich and Goodrich, 1987).

Historically, spas are constructed close to their sources of thermal and mineral springs. Given the geographic distribution of these sources, it often benefits a spa cure to be taken in the mountains, at the coast or in regions of historic interests with beneficial climates. As Hall (2003) notes, the provision of spa and health resorts is in part related to the availability of suitable natural resources including mineral springs, or attractive amenity landscapes or climates. Traditionally attendance at spas in Europe has been by referral for the treatment of specific medical conditions. The taking of waters based on the medical properties of a spa, is regarded as a treatment for specific illnesses under medical supervision for a sustained period. According to Cooper et al. (1995), the concept of taking of the waters at spa and health resorts is still prevalent in Europe today, where it is held very seriously as a therapy in modern medicine. Spivack (1998) claims that Europe has continued its tradition of spa therapy or 'medical hydrology' into the 20th century to such an extent that the healing aspects of water are virtually accepted as a separate branch of medicine, or 'social medicine'.

European spas have long been focusing mainly on providing cures to people with certain types of illnesses and have enjoyed the strong support either by the state or by private medical insurers. However, several current trends appear to challenge the traditional mineral springs-based spa resorts market. This is particularly relevant to the increased reluctance of many medical insurance companies whether private or state-run to reimburse the cost of spa treatment. The new rules on eligibility for reimbursement have tightened up considerably in countries like Germany, Italy and France, where taking the waters has been a national tradition. These changes have given the traditional spa market reduced prospects for growth (Cockerell, 1996; Smith and Jenner, 2000).

Meanwhile, the increased awareness of the importance of healthy living is a fairly widespread phenomenon in Europe. The growing number of health and fitness

enthusiasts, together with clients interested in being pampered in relaxation and beauty treatment has generated a new market for the spa sector. As Cockerell (1996) observes, the spa sector in Europe constitutes two market segments: those visiting spas and health resorts primarily for medical reasons and those visiting for purposes more similar to traditional tourism. Many spa and health resorts are responding to this change by blending medicine and tourism in an effort to keep their traditional medical clientele while readjusting their image and products to meet the perceived needs of a growing health tourism market (Bywater, 1990). While little empirical evidence exists to suggest that this strategy is successful, this blending has in practice blurred the image of the traditional medical cure and mineral springs-based spas. The additional on-site leisure-health facilities and related ancillary services added to reflect the active and healthy visitors have shifted spa focus from facilities and services designed solely for medical patients to those concerned with health motivated travellers (Becheri, 1989).

American spas are still young by international standards. Travel connected to thermal springs and mineral waters in the United States was a manifestation of notions that early settlers carried with them from Europe (Spivack, 1998). In colonial times and through the 1800s, taking of the waters at spa and health resorts was all the rage amongst the rich and famous (Loverseed, 1998). The current fashion of spa visits can be traced to the recent so-called “health and fitness craze” which swept across the United States (Stein et al., 1990, p. 46). This growing consumer interest for products that contribute to notions of fitness and wellness has provided a basis for the resurgence of the U.S. spa sector. The traditional spa concept in the United States has also been modified to embrace the broader interest in health and fitness (Hall, 2003). The popularity of the traditional mineral water destinations has decreased and they have been replaced by new modern style spas offering a wider range of facilities and services (Gray and Liguori, 1980). Spivack (1998) argues that the fast growing American spa resort sector comprises not only the curative aspects of waters, but also the integrative leisure-health elements with their emphasis on fitness, wellness and longevity.

In the U.S., the term spa is used loosely and may describe everything from a whirlpool bath, to a full-service health centre offering therapeutic treatments. The

US-based International Spa Association, an organization which sets spa industry standards and monitors its practices, takes an even wider definition. It promotes and defines the spa experience as “your time to relax, reflect, revitalize and rejoice” (ISPA, 2001). Spas are longer solely described as a place to which visitors are attracted by the therapeutic properties of its natural mineral waters; there are now choices of cruise ship, day destination, medical, resort/hotel, and mineral springs spas. These new style spas offer a range of programs for guests that are intended for physical, emotional and spiritual self-improvement.

From a supply-side perspective, the spa sector remains significant for the tourism industry, even though the natural water sources of traditional spas are no longer considered essential. From a demand perspective, spa and health tourism is anticipated to grow rapidly. As Loverseed (1998) suggests, there are several prevailing trends likely to favour the spa resort sector. There are the increasing number of professionals seeking spas as fitness and stress relief and the corporate market which views spa resorts as an interesting and potentially beneficial alternative to traditional types of venues. The spa tourism movement observed in the United States is somewhat different from its counterpart in Europe. The U.S. market is becoming more leisure-oriented than the spa and health resorts of Europe.

Australia seems to be following the U.S. model in developing spa and health resorts. A recent study by Bennett et al. (2004) provides a profile of the spa and health resort sector in Australia. The findings of the study show that the biggest grouping of properties in the health resort category may be described as mainstream and as offering a tourism focus, whereas the smallest grouping is found in the alternative and medical treatment focus categories. Unlike European countries, Australia does not have a strong ‘spa culture’ tradition. To some extent, this provides a great opportunity for the emerging new style spa and health resorts in Australia to broaden the conceptualisation beyond the established attributes of traditional medical-oriented spas and adds a new dimension to the development of the spa and health resort sector. In reviewing the evolution of spa and health resort developments and participation rates in Europe, the United States and Australia, Douglas (2001) concludes that Europeans fundamentally go to spa and health resorts because they are sick whereas Americans and Australians go because they are healthy and want to

stay that way. From a demand perspective, the spa and health resort sector is currently enjoying mixed fortunes (Bywater, 1990). This is the case whether those making conscious spa destination choices to satisfy their health and well-being needs are instructed to do so by their doctor, as is the most common experience in Europe, or are aware of the potential benefits of the spa experience, as is the case in the both the United States and Australia.

From the supply side, Williams et al. (1996) conclude that in many English speaking countries a spa refers to a health resort where a variety of core products and services are developed in relation to the use of mineral springs, and a set of transportation and lodging facilities are available to accommodate visitors. By way of contrast a European traditional spa takes on more of a medicinal and curative focus. However, the growing tide of interest in health and fitness as well as the increasing demand for spa experience holidays, appears to be detrimental to the traditional mineral-based spas. The leisure side of the spa and health resort businesses where the emphasis is on relaxation, fitness, stress reduction, and beauty has great potential for growth (Douglas, 2001; Smith and Jenner, 2000).

Spa development in Asia

In the literature there is very little material focusing specifically on the spa and health tourism in Asian countries. Accordingly, there is a need for research into the Asian context of spa tourism. This section aims at initially filling this gap by giving a clear picture of the current scope of development and potential for growth of the spa tourism sectors in the Asian context.

As King and McVey (1996) have reported, the development of spas has catered more recently to the Asian market, while it was originally prompted by demand from Europe consumers. The growing trend towards spa tourism has stimulated investment from a number of Asian destinations to tap into this increasingly lucrative market. Hot springs bathing, for example, has a long history in Japan and is an intimate part of Japanese culture. The volcanic chain that spans the Japanese archipelago provides an abundance of thermal springs. According to Geo-Heat Centre Bulletin (2000), there are over 10,000 thermal mineral springs and over 2,000 onsen resorts in Japan. Onsen means hot springs in Japanese. It has played an

important role in Japanese culture, providing socially institutionalised relief from the pressures of the contemporary Japanese long-hours work ethic and a chance to break down the hierarchical nature of society through the mutual nakedness of 'skinship'. According to Kobayashi (2000), visiting onsen resorts has been the most popular pastime for the Japanese since the Edo period (1603-1807). A survey by the Japan Tourist Association shows that in 1999, 45.8 per cent of the overnight tourists gave onsen baths as the main purpose of their holiday, while it was ranked the second most popular choice for a one-day return trip (7.2%) outranked only by nature scenery sightseeing (9.2%). Not only do the historical and cultural assets make a hot springs tourism destination attractive, but also the quality of the natural environment and hospitality of local residents offer tourists a real sense of onsen experience (Nakata, 2000).

The role of onsen resorts and related water resources in the development of leisure travel patterns in Japan has been well documented by Kobayashi (2000). He has stated that the use and function of onsen and the image and market positioning of onsen resorts have shifted the focus from the treatment of ailments to the leisure orientation of tourism. Indeed, several groups of people have urged a more positive use of natural thermal springs since the mid 1980s. These include the use of hot springs soaking for health benefits amongst the ageing population, the belief that hot springs soaking helps maintain youth and beauty amongst the female population, and most importantly, the resurgence of the 'back to nature' theme amongst the population. Kobayashi (2000) and Nakata (2000) suggest that the health-oriented social trend and the pursuit of a sense of togetherness with nature inevitably lead the typical leisure-oriented onsen resort towards a true 'hot springs health resort' or a traditional European 'health resort'.

Thailand's spa sector has witnessed phenomenal growth over the past two years. A report published by Intelligent Spas discloses that between 2001 and 2002, 230 spa operators attracted 3.3 million spa users of which 2.5 million were overseas spa patrons, who yielded US\$ 85 million in revenue (Tourism Authority of Thailand, 2003). These indicators reveal great potential for the growth of Thailand's spa sector. Indeed, the high quality and variety of spa services and products integrating traditional Thai herbal recipes and ancient remedies, the attractiveness of price and

value for money, the friendliness and competence of spa staff, architectural design, atmosphere, and ambience and cleanliness are the vital assets of the Thai spa sector and the key industry factors differentiating it from other international counterparts (Tourism Authority of Thailand, 2003).

Malaysia is another newcomer to the health tourism market. Spa attendance is reported to have increased by 18 per cent since 2001 with about 50 per cent of these visits being made by international tourists. There is however no formal registration scheme (Travel Daily News, 2003). The concept of spa and health tourism was initially introduced and promoted by the Malaysian government as a response to the Asian economic crisis in search of new and sustainable growth areas in 1998 (Virtual Malaysia, 2004). Given the potential economic gains from spa and healthcare tourism, the Malaysian government has aggressively marketed health-related tourism abroad via advertising campaigns and trade and investment missions in order to create and promote the awareness of Malaysia as a health destination. Meanwhile, on the industry side, some local hotels have been tapping into this new market segment by providing reasonably comprehensive wellness facilities and offering spa holidays and health rejuvenation packages to tourists. By building on its diverse culture and rich heritage together with the presence of well-established and affordable health-related facilities and services, Malaysia has the essential ingredients to become a major player competing with other well-established healthcare tourism destinations in the region like Singapore and Thailand (Wong, 2003).

From the available evidence, it is clear that the Asian region has demonstrated a strong interest in the development of spa and health tourism. In recognizing the market opportunities spa and health tourism offers, a number of regional destinations including Taiwan have promoted themselves as spa and health tourism destinations in line with the increasing demand for health-related tourism products in the world market. Although promoting spa and health tourism is a relatively new field in Asia compared to Western society, much effort has gone towards attracting tourists.

Hot springs tourism in Taiwan

Taiwan is one of the regional destinations aiming to promote its abundant hot springs resources to both the international and domestic markets in recent years. Situated on

the fault line where the Euro-Asian and Philippine continental plates meet, Taiwan is at the crossroads of an oceanic trench and volcanic system. This unique environment produces high temperature hot springs with crystal-clear water that offer a multitude of health benefits. According to the Central Geological Survey, Ministry of Economic Affairs (2002), Taiwan has about 128 natural hot springs located in different geological areas including plains, mountains, valleys and oceans. The number of hot springs as well as their wide distribution, water smoothness and difference in the water mineral content, are a prospective and active tourist asset and offer the prospect of developing Taiwan as a desirable hot springs tourism destination. The development of Taiwan's hot springs occurred in the following three stages:

Historical background: 1894-1945

The initial development of hot springs dates back to 1894, when a German businessman first discovered hot springs in Beitou, suburban Taipei. In 1895 Taiwan was ceded to Japan by the Qing dynasty of China. In the course of their search for retreating fugitives in the hills above Beitou, the Japanese discovered the hot springs for themselves and were quick to build hot springs bath areas to send wounded men to recuperate. During the period of the Japanese occupation from 1895 to 1945, the Japanese constantly used and enhanced the area's facilities, and were instrumental in opening many other hot springs across the island. The four most famous hot springs, Beitou, Yangmingshan, Guanziling and Sichongxi, were discovered and the first hot springs hotel, Tenguang, was opened in Beitou in 1896. The Japanese brought with them their rich culture of hot springs bathing which greatly influenced Taiwan.

Initial stages: 1945-1998

Until the Japanese occupation ended in 1945, hot springs bathing was considered a leisure activity only afforded by the nobility and extremely wealthy. After retrocession, the pastime gradually became popular amongst the public at large. However, local people did not place as much of a premium on hygiene and good bathing habits as the Japanese did, and the facilities soon fell into disrepair with hot springs bathing gradually losing momentum after 1945. As Lu (2002) indicates, concerns about naked bathing, declining consumption value for tourism, poor quality facilities, non-organized hot springs tours, destructive management of hot springs

properties, and lack of legislation and regulation are the major reasons for the stagnation of the hot springs tourism sector.

Expansion stage: 1999-now

The resurgence of hot springs tourism seems to have coincided with the rapidly increasing awareness of healthy lifestyles and an increasing amount of leisure time. With a view to initiating a comeback of the hot springs culture and setting off a new hot springs tourism boom, the authorities reinstated large-scale promotion of Taiwan's hot springs and declared 1999 as Taiwan 'Hot Springs Tourism Year' (Taiwan Tourism Bureau, 2002a). Meanwhile, the 'Hot Springs Development Management Program' was also introduced in an effort to provide a firm basis for systematic improvements to the quality of the hot springs tourism sector. However, the lack of a responsible administrative unit governing the operation of hot springs proprietors and relevant laws protecting the use of hot springs waters during the past decades has caused over-exploitation of the natural environment and resources, and somewhat hindered the positive development of hot springs tourism. The Taiwan National Hot Springs Association reports that there are approximately 230 hot springs establishments around the island, only half of which are legal operations in terms of water and land use permits (Taipei Journal, 2002). The authorities eventually approved the 'Spa Law' in 2003. This new law aims to provide a legal basis for the promotion of hot springs tourism.

Taiwan inherited a centuries-old hot springs culture from Japan, which ruled the country as a colony for the 50 years up to 1945. Under the influence of the Japanese culture, many hot springs facilities were built in a Japanese style and adopted their hot springs bathing traditions and manners. The Japanese legacy can still be seen in number of buildings and temples especially in the hot springs regions of Beitou and Yangmingshan. Currently, the structures surviving from that era have been rebuilt and turned into historical sites and museums adding a dimension of cultural attractiveness to the destination. A number of hot springs regions are the ancestral homes of Taiwan's tribes and are enriched with the mysterious customs and traditions of the aborigines including Wulai. The incorporation of aboriginal cultural assets to the promotion of Taiwan's hot springs tourism offers the prospect of

cultivating its own unique hot springs culture which differentiates itself from the Japanese.

The development of hot springs in Taiwan has both historical and cultural significance. While Taiwan is endowed with an abundance of hot springs, the richness of its historical hot springs development provides the sector with integrated cultural assets making the destination unique.

2.4 Characteristics of Spas

This section analyzes the characteristics of spas in terms of the range of products and services currently provided, and discusses the definitions and descriptions of different types of spa. The range of products currently offered by Taiwan is a key issue.

The location of spa and health resorts is often associated with intrinsic geographic values (Hall, 2003). As resorts grow in size and commercial orientation, the need for greater returns on investment and the search for larger markets encourage spa operators to expand the range of on-site leisure-health facilities and services (Wightman and Wall, 1985). The appearance and development of these new additions associating leisure activities as the agent of health, considerably broadens the traditional notion of spa tourism and gives a new dimension to traditional spas. The evolution of spa development has led to a shift in spa products and services from focusing mainly on the treatment of ailments to the improvement and prolongation of health in a leisure environment (Gibert and Van de Weerdt, 1991), and from being designed solely for medical patients to those concerned with health motivated travelers (Becheri, 1989).

A study by Goodrich and Goodrich (1987, p. 217) provides an in-depth investigation into the concept of health tourism in the US context. The authors identify the typical elements of spa and healthcare programs deliberately promoted by a tourist facility or destination to attract tourists. These healthcare products and services available at spa and health resorts may be classified as medical wellness (medical examinations, acupuncture, transvital injections and vitamin-complex treatments), intake of mineral

springs (hydrotherapy, balneotherapy, various baths), stress management (body massage, relaxation techniques), exercise and diet (yoga, vegetarian and special diets), and beauty care (facials, herbal wraps and herbal teas). Similar elements of spa and alternative therapies were also identified by Henderson (2004) in a recent study of healthcare tourism in Southeast Asia. Spa and healthcare products and services typically range from those which are primarily medically oriented to those which have more of a tourism focus. Table 2 outlines a sample from previous publications of the various types of spa and healthcare products that have been associated with spa and health resort operations.

Table 2 Classification of Spa Products and Services

Author(s)	Categories of treatment types
Becheri (1989)	<ul style="list-style-type: none"> ● Hardware (medical treatments) ● Software (massage centres, health clubs and centres, fitness, marine therapies, diet therapies and physiotherapies, beauty treatments, detoxify treatments, sports and exercise, steam bath, hydrotherapies, health education, and relaxation techniques)
Gilbert and Van de Weerd (1991)	<ul style="list-style-type: none"> ● Classical healthcare (cardiovascular diseases) ● Specialized healthcare (holidays for the skin, keep slim, and anti-smoking) ● Remise en forme (leisure and recreational programs and facilities)
Snoj and Mumel (2002)	<ul style="list-style-type: none"> ● Medical treatment (health improvements in heart and circulatory systems, and treatment for the metabolic system, kidneys, urinary tract, neurological problems, skin, mouth, teeth and eye diseases, injuries to the locomotor system, neurotic disorders and respiratory ailments) ● Preventive health care (thermal therapy, occupational disease prevention, convalescence) ● Leisure programs (relaxation in unspoiled environment, sports activities, scenic trips, walking tours) ● Active holidays (recreation in unspoiled environment, a variety of sports and other activities, entertainment, swimming)
Bennett, King and Milner (2004)	<ul style="list-style-type: none"> ● Medical treatment focus (rehabilitation, medical tests, mention the diseases which can be helped, certified health practitioners, health/medical assessments) ● Wider tourism focus (holistic health, fitness, lifestyle, pampering, rejuvenation, stress management, nutrition, relaxation) ● Mainstream activity (traditional medical treatments, stop smoking programs, traditional counselling, pampering, weight management, traditional relaxation therapies, and emphasis on body/exercise/physical and traditional massage) ● Alternative activity (Tarot, Tai Chi, alternative counselling, detoxifying, fasting, meditation, yoga, emphasis on mind/emotions/spirituality, alternative medical treatment, alternative massage)

A spa offers a range of the aforementioned products and services designed to enable its visitors to improve and maintain their health and well-being. Monteson and Singer (1992) specify two distinct types of spas. The rough distinction between these two types of spa depends on whether visiting spas is the primary motive for travel and the relative emphasis placed on health and leisure facilities. The first is the destination spa. In this type of establishment the spa experience is the single purpose and alternative distractions/diversions are generally unavailable. The European models fall within this type, even though their primary purpose is often quite different. The second is the amenity spa where the spa experience is just one of a range of recreational and social activities available to guests. Success depends heavily on the level of amenities and the breadth of recreational facilities offered (Spivack, 1998). The United States and Australia models adhere to this type.

Before identifying the factors determining the competitiveness of Taiwan's hot springs tourism sector, it is necessary to define the product offerings. For the purposes of the present study, the underlying idea of an amenity spa, together with the resort concept will be utilized and applied in the context of Taiwan's hot springs tourism. Given that the resort concept is fundamentally associated with the provision of accommodation and recreational activities (King, 1994a), hot springs in Taiwan, from a demand-side perspective, are defined as a tourism destination or a resort where visitors can stay overnight to engage in a range of recreational activities and programs, and simultaneously, to choose as much or as little of the hot springs-based facilities and services as they please. From a supply-side perspective, a hot springs destination or resort provides a variety of core facilities and services related to the use of hot springs waters, in addition to a set of ancillary recreation and lodging facilities designed to satisfy the diverse needs of visitors.

2.5 Themes in the Development and Management of Spas

As mentioned earlier, an increasing proportion of the popularity of spas is exhibiting a desire to use leisure time to pursue activities that contribute positively to physical and emotional well-being. As the demand for spas continues to grow, competition between destinations is expected to increase. Therefore, the extent to which a spa tourism destination differentiates itself from other destinations and finds the best

position to promote itself is of importance. The purpose of this section is to explore the key success factors for spas. It is hoped that such success factors can provide a context for the development of Taiwan as a competitive hot springs tourism destination.

Towner (1996) has proposed the key spa supply components as the provision of accommodation, food and beverages, places of entertainment, recreation facilities, health amenities and services, variety of tourists attractions and infrastructure such as utilities and transport both for visitors and suppliers, in addition to the spa waters themselves. Other studies have arrived at similar conclusions. Cooper et al. (1995) for example, summarized the key components crucial to the success of a German spa (p. 34):

- a pleasant, varied and well organized stay;
- a high standard of cure treatment and staff efficiency;
- a relaxing venue with extensive social entertainment;
- good hotels, food and services;
- open air exercise in attractive parks or woodlands; and
- suitable diets and exercise courses.

Stein et al. (1990) surveyed U.S. spa operators and specified the most important factors in the consumer's choice of a particular spa as ambience, location and access, price, emphasis of the spa programs and facilities, and visitor mix. In the Australian context, Bennett et al. (2004) outlined certain themes frequently mentioned by the health resorts in their promotional materials. These are location and accessibility, types of cuisine, health assessment, lectures/workshops, tailor-made programs, seminar/conference facilities, length of stay, ambience as manifested through the natural surroundings, and bundled pricing. To establish and maintain a strategic market position, a health resort needs to differentiate those themed products and services from those offered by their competitors.

In the broader context of spa operations and management, Stein et al. (1990) indicated the industry success factors for a spa destination should be drawn from the dimensions of marketing, location, finances and staff management. Word of mouth

communications, strong public-relations and clearly defined target markets are crucial to effective marketing strategy, whereas proximity to major population centres and ease of access through normal means of transportation are as beneficial as the intrinsic geographic advantages to the spa operation. Excellent cash and asset management are needed given the considerable investment that is required in both capital and human resources especially during the start-up period. Finally, special emphasis is placed on staff management because the quality of spa services depends largely upon the technical skills and professional knowledge of spa staff. High service quality is vital as a response to international competition between rivals within the spa and health tourism market. It is also essential in order to satisfy high guest expectations (Muller and Kanfmann, 2001).

Monteson and Singer (1992) have discussed the success of a spa from the perspectives of marketing and programming, operations, staff and training, and budgets. The formula for a spa's success begins with "understanding your existing and future guests; defining a marketable concept; properly planning a flexible, comfortable, and efficient facility; making realistic financial decisions regarding pre-opening expenses, operating expenses, and revenue; designing a workable and accountable system of operation; providing ongoing staff training and evaluation; staying current on specialized spa services and programs; adjusting to trends; and listening and responding to your guests" (p. 38). The concept is broad in nature but it indicates how to successfully manage a spa property. While these two studies focus on the diverse dimensions of spa operation, other studies typically confine themselves to analyzing a specific aspect of spa operation, notably service quality (Snoj and Mumel, 2002) or marketing activity (Vadas and Vajda, 1989).

In accordance with demand factors, the growing patronage of spas can certainly be related to affluence and the emergence of a "leisure culture" elite (Towner, 1996, p. 59). A number of important consumer trends suggest that the demand for spa and health tourism is likely to grow substantially over the coming decades. These include shifting consumer values, increased stress, ageing boomers and retirees, rising health care costs and personal health care, consideration of/attention to mind and spirit, and environmentalism (Pollock and Williams, 2000). According to Snoj and Mumel (2002), interest in health spas is growing faster than the demand for other tourism

destinations. Future success for a spa and health tourism destination is likely to depend on the appreciation and satisfaction of the changing demands of the spa and health market (Henderson, 2004).

As is evident from the foregoing discussion, it is noteworthy that, first, a broad range of tourism attractions and resources such as spa programs and facilities, transportation, accommodation, cuisine, and natural surroundings has always been needed in addition to the hot springs waters themselves. Second, the changing nature of tourism demand reveals that hot springs destinations are under pressure to be both competitive and sustainable. For this to be realized, the planning and management of the destination is critical if hot springs tourism is to become a mature and attractive sector. The supply of hot springs tourism products must be matched with the changing conditions within which the destination operates through strategic planning and management approaches.

2.6 Chapter Summary

Hot springs tourism is an emerging tourism activity in Taiwan and aims at the utilisation of natural thermal mineral water to improve health and physical well-being. As already indicated, there is a pressing need for industry practitioners and policy makers to understand the factors which result in the sector's success or failure so as to develop a much more effective, assertive and proactive tourism destination management program. For this purpose, a detailed review of the literature relevant to spa and health tourism was presented in this chapter. The literature review contributes to the study by providing fundamental background information on the historical and current state of hot springs tourism development in Taiwan and in other parts of the world. It also illustrates many possible approaches to building a competitive hot springs tourism destination and addresses key issues that may influence the success of this particular sector. While the literature has provided significant knowledge and useful insights into the evolution of the spa and health tourism sectors in the Western context, very few studies have focused on spa and health tourism in Asian countries. The present study investigates the factors determining the competitiveness of Taiwan as a hot springs tourism destination and represents one of the first attempts to fill this gap.

CHAPTER 3. LITERATURE REVIEW: STRATEGIC MANAGEMENT AND DESTINATION COMPETITIVENESS

3.1 Theories of Strategic Management

The present study attempts to link the principles of strategic management as they apply to the individual firm, with how they apply to tourism destinations. It also attempts to integrate two diverse perspectives of strategy and competitiveness, namely industrial organization theory and resource-based view theory with the aim of providing a more complete explanation of destination competitiveness. The industrial organization theory and the resource-based view theory focus, respectively, on the external and internal environments of the firm. The lack of integration is probably the main reason for much of the ambiguity and confusion in the literature because each perspective is likely to be concerned with only one aspect of the issue. According to Flagestad and Hope (2001), and Melian-Gonzalez and Garcia-Falcon (2003), theories developed for the strategic management of a firm may be usefully applied to the strategic management of a tourism destination because of the existence of close similarities. Firstly, they possess a series of resources and capabilities used to undertake certain economic activities within their competitive scope; and secondly they are limited by their specific environment and must adapt to it if they are to survive. As a result of close similarities between the conceptualisation of the firm and the conceptualisation of a tourist destination, this parallelism allows the application of theories developed for the strategic management of the firm to the strategic management of a tourism destination.

Numerous theories have been introduced into the field of strategic management where the concept of competitiveness has evolved from the study of the external environment of a firm to the analysis of its inner resources and capabilities. From the 1960s to the 1980s, the external environment was thought to be the primary determinant of strategies that firms select to be successful (Hoskisson et al., 1999). The industrial organization theory explains the external environment as the dominant influence on a firm's strategic actions (Hitt, Ireland and Hoskisson, 2003). It claims that the 'fit' between a firm's strategy and the external environment has significant implications for performance (Venkatraman and Prescott, 1990). This basic concept

of industrial organization was initially developed in the 1940's by Mason and Bain, and has come to be known as structure-conduct-performance (SCP) model (Hoskisson et al., 1999, p. 425). Building on this foundational work, Porter (1980) introduced the five forces model, which provided an important conceptual framework for understanding and analyzing the various effects of industry structure on the profit potential of firms within the industry.

In the late 1980s, there was a resurgence of interest in the role of the firm's resources as the foundation of firm strategy (Grant, 1991). The resource-based view theory assumes that a firm is a collection of unique resources and capabilities that provide the basis for its strategy and in turn determine its performance (Hitt et al., 2003). According to the resource-based perspective, differences in a firm's performance across time are due primarily to its unique resources and capabilities rather than the industry's structural characteristics. The principal drivers of competitiveness and performance are internal to the firm, a view that contrasts with industrial organization theory. The roots of the resource-based view theory are in the seminal work of Edith Penrose who conceptualised the firm as a bundle of resources (Hoskisson et al., 1999, p.417). Various works appeared in the strategic management literature during the 1990s that reviewed the development of this field and offered insightful suggestions concerning its future directions (Amit and Schoemaker, 1993; Conner, 1991; Foss, 1996; Hoskisson et al., 1999). The various authors call attention to the importance of both external and internal environments to firms and the potential for success and failure of firms based on the role of managers in dealing with positioning the firms in their industry. Below is a review of the theoretical backgrounds of the industrial organization and resource-based perspectives of strategy and competitiveness, as well as the rationale for the development of a composite model.

The industrial organization theory

Grounded in economics, the original concept of industrial organization (IO) theory is that the industry's structure drives the conduct of buyers and sellers, which in turn, determines the economic performance of an industry. This is known as the 'structure-conduct-performance' (SCP) paradigm. In this framework, performance is a function of the conduct or actions of the firm in areas such as pricing policies, product

differentiation and advertising strategies, research and development commitments, and investment in production capabilities. Conduct is a function of the structure of the market and the industry in which a firm operates. Important structural characteristics include the number and size of buyers and sellers, the level of barriers to entry, and the extent of alliance formation. These structural characteristics have influence on the nature of competition in the market, allowing some firms to be in a better position than others to implement successful strategies.

Porter's highly influential book 'Competitive Strategy' (1980) is firmly based on the traditional SCP paradigm of IO concepts and is remarkably up to date with newer developments in IO (Foss, 1996). The Five Forces of Competition of Porter (1980) has been widely recognised as a useful analytic framework to classify and assess the intensity of competition and the level of profitability of an industry. It can also be used to help a firm find the position in an industry from which it can best defend itself against competitive forces or influence them in its favour (Porter, 1980, p. 4). According to Porter (1980), the collective effects of the five industry-level forces, namely entry barriers, threat of substitution, bargaining power of suppliers and buyers, and rivalry amongst industry, embody the rules of competition that determine industry attractiveness and help determine the ability of firms in an industry to make profits.

In coping with the five competitive forces, Porter (1980, 1985) suggests three generic strategies that can be used to match particular industry foci and thereby build competitive advantage: cost leadership, differentiation and focus. For Porter, a firm's strategy is a consistent array or configuration of activities, aiming at creating a specific form of competitive advantage for which there exist two primary types: differentiation or low cost (1985, 1991). The value chain framework introduced by Porter in 1985 is a way of viewing the activities of a firm. It is considered a tool for analyzing a firm's sources of competitive advantage by systematically examining all the activities the firm performs and how they interact. "Competitive advantage cannot be understood by looking at a firm as a whole. It stems from many discrete activities a firm performs in designing, producing, marketing, delivering and supporting its product" (Porter, 1985, p. 33).

While his early works mainly deal with the analysis of a firm's competitiveness, Porter (1990) introduces a very broad framework to explain the competitiveness of a nation. This framework postulates that while a nation's success in international competition in a given industry stems from the individual firm, it is the nation that incorporates the four broad attributes that shape the environment in which firms compete, and promote or impede the creation of a competitive advantage (Porter, 1990). These four attributes are factor conditions, demand conditions, related and supporting industries, and firm strategy, structure and rivalry. The diamond, as Porter (1990) has termed his framework, describes a mutually reinforcing system where the effect of one determinant is contingent on the state of others. The interplay of advantage amongst the determinants that yields self-reinforcing benefits ultimately determines the competitiveness of nations. The strength of the dynamic diamond model is that it encompasses country, industry and firm-specific factors (Kim, 2000). In other words, Porter (1990) integrates both micro and macro perspectives on competitiveness into one framework. Prior to his publication, such a framework was not available.

Porter's theories (1980, 1985, 1990, 1991) link strategic thinking with a firm's performance, managerial conduct and the competitive environment. The environment, via the industry and the diamond system, affects both a firm's competitive advantage and its managerial choices. At the micro level, Porter (1980) considers the environment as an area of intensive rivalry between buyers, suppliers and competing firms driving industry competition. At the macro level, the environment encompasses: a pool of inputs, skills and knowledge a firm has to draw on; the information a firm has available to perceive opportunities; the goals that condition investment; and the pressures on a firm to innovate (Porter, 1990). These attributes of the environment have the greatest influence on firm performance in terms of achieving and sustaining competitive advantage and relative market position. For Porter, competitive advantage is viewed as a position of superior performance that a firm attains through offering undifferentiated products at low prices or offering differentiated products for which customers are willing to pay a price premium. Hence, the two primary types of competitive advantage relevant to the price policy of a firm are low cost and differentiation (1991).

Research drawing from traditional IO has adopted an environment-oriented perspective of strategy and competitiveness, of which Porter's framework (1980, 1985, 1990, 1991) is probably the most prominent representative. Hoskisson et al. (1999) state that as a refinement of the traditional SCP paradigm, Porter's framework specifies the competitive structure of an industry in a more tangible manner, as well as recognizing, though in a limited way, the role of firms in developing an appropriate competitive strategy to achieve superior performance. While industry structure still occupies a central role in explaining firm performance, reflective of a heritage from traditional IO, the role of a firm's conduct in influencing performance, together with industry structure, is explicitly recognized in Porter's framework (Spanos and Lioukas, 2001).

The foregoing discussion on the IO perspective suggests that the external environment is the primary determinant of firm competitive strategy and performance. Because of the effect of the external environment on performance, firms must develop the strategies required to identify opportunities and threats existing in a challenging and complex environment. In the present study, it is suggested that IO theory, specifically the contemporary work by Porter, provides a useful tool for exploring and understanding the sources and determinants of competitiveness in a nation's tourism industry. Whereas the five forces model could be applied at the level of the organization in tourism, the diamond model suggests the fundamental structure of competition occurs at the national level, that is, the nation as a tourism destination (Ritchie and Crouch, 1993; Crouch and Ritchie, 1999). In this sense, the application of Porter's theories in the hot springs tourism context creates a dual perspective for the strategic analysis of both the industry environment as well as the macro environment. The outcome of the external environment analysis helps identify the threats and opportunities, which present themselves to a hot springs tourism destination over the planning horizon.

The resource-based view theory

The resource-based view (RBV) theory, focusing on the relationships between the internal characteristics of a firm and performance, advances two fundamental assumptions: one, firms may be heterogeneous in relation to the resources on which they base their strategies, and two, these resources may not be perfectly mobile

across firms, resulting in heterogeneity amongst industry participants, a view that contrasts with the IO perspectives of resources homogeneity and perfect resource mobility (Barney, 1991). The resource-based approach focuses on the individual firm as opposed to the industry, as the critical unit of analysis (Spanou and Lioukas, 2001).

The term 'resource' is used in a very broad sense by the resource-based scholars. Wernerfelt (1984) for example, looks at the firm as a broad collection of resources, which are in essence "anything which could be thought of as a strength or weakness of a given firm" (p. 172). Examples of resources are brand name, in-house knowledge of technology, employment of skilled personnel, trade contact, efficient procedures, capital, etc. Those tangible and intangible assets are considered a firm's resources because they are tied semi-permanently to the firm at a given time. Barney adopts Daft's definition of firm resources to "include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by the firm that enables the firm to conceive of and implement strategies that improve its efficiency and effectiveness" (1991, p. 101). While many different definitions of the concept of 'resource' are found in the resource-based literature, there is a reasonable consensus that RBV theory considers 'resource' in three categories: physical capital resources (plant and equipment, and raw materials), organizational capital resources (internal co-ordination systems and informal relations amongst groups within a firm and between a firm and those in its environment) and human capital resources (training and experience of employee) (Hitt et al., 2003). They may be either tangible or intangible in nature.

In the early contributions, there was no explicit distinction made between resources and capabilities until Grant (1991), who posits that resources are inputs into the production process. Capabilities are the capacities for a set of resources to perform some tasks and activities in an integrative manner. "While resources are the sources of a firm's capability, capabilities are the main source of its competitive advantage" (p. 119). Amit and Schoemaker (1993) contend that resources are assets that are either owned or controlled by a firm, whereas capabilities refer to its ability to exploit and combine resources, through organizational routines in order to accomplish its target. Hill and Deeds (1996, p. 433) further interpret a firm as being composed of "hardware" and "software". The hardware can be viewed as a collection

of resources such as primarily people, building, equipment and land, whereas the software of the firm refers to a collection of organizational routines for coordinating various resources in order to convert inputs into outputs. For Hill and Deeds, it is the software, a firm's routines, that determine the relative profitability and hence the competitive advantage of firms (1996).

In fact, the subject of firm capabilities as one source of competitive advantage has been widely discussed in the literature on RBV theory. There are many definitions and interpretations of firm capabilities. The term 'distinctive competence', for example, was first used by Selznick to refer to the activities that an organization tends to perform especially well in comparison to its competitors within a similar environment (Snow and Hrebiniak, 1980, p. 317). Prahalad and Hamel (1990) introduce the term core competence as "the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies" (p. 82). For a competence to be core it has to: first, "provide potential access to a wide variety of markets"; second, "make a significant contribution to the perceived customer benefits of the perceived customer benefits of the end product"; and third, "be difficult for competitors to imitate" (p.p. 83-84). More recently, Teece, Pisano and Shuen (1997) have offered a comprehensive framework of dynamic capabilities that reflect a firm's ability to achieve new and innovative forms of competitive advantage. This framework encompasses organizational and managerial process (i.e., coordination and integration, learning and reconfiguration), specific asset positions (i.e., technological, financial, reputation), and path dependencies (i.e., the firm's history).

It should be noted that not all of a firm's resources and capabilities are of equal importance or possess the potential to be a source of sustainable competitive advantage. The potential is realized only when resources and capabilities are rare, inimitable, non-substitutable and valuable (Barney, 1991). Grant (1991) argues that levels of durability, transparency, transferability and replicability are important determinants, whereas Amit and Schoemaker (1993) suggest that they must meet eight criteria namely complementarity, scarcity, low tradability, inimitability, limited substitutability, appropriability, durability and overlap with strategy industry factors.

In contrast to the IO perspective, the resource-based approach centres on the firm's internal environment and purports that the strategy and competitiveness of a firm are determined by its internal strengths as presented by the quantity and quality of resources and capabilities. A firm is a unique collection of resources and capabilities that provide the basis of its strategy and is the primary source of competitiveness. Differences in firm performance across time are due primarily to its unique resources and capabilities rather than the conditions and trends in the external environment. However, a firm's competitiveness is formed through the combination and integration of a set of resources, and individual resources alone may not yield a competitive advantage (Hitt et al., 1999). Through continued use of capabilities, the capacity for a set of resources to perform a task or an activity becomes stronger and more difficult for competitors to understand and imitate (Grant, 1991). Heterogeneity and imperfect mobility of a firm's resources are a necessary condition for a firm to constitute and sustain competitive advantage.

The RBV theory suggests that the principal drivers of competitive strategy and performance are internal to the firm, a view which contrasts with IO theory. In the present study, it is suggested that RBV theory provides the basis for investigating and realizing the sources and determinants of destination competitiveness. The tourism industry is based on a set of resources, many of which share the qualities of shortage and imperfect mobility (Bull, 1995). The application of RBV theory in the hot springs tourism context creates a perspective for the strategic analysis of the internal environment of the destination. The outcome of the analysis of the internal environment helps determine areas of strengths and weakness that present themselves to the hot springs tourism sector destination for the planning horizon.

For the purposes of this study, the notion of a tourism destination's resources is given a broad interpretation, covering all types of inputs that are available for enterprises involved in tourism to use in a specific economic activity. In this respect, a variety of tourism resources, ranging from natural resources to cultural assets, man-made attractions, transportation, accommodation and cuisine are the primary foundation for developing Taiwan as a competitive hot springs tourism destination. However, the extent to which the destination's resources are becoming sources of competitiveness lies in its capabilities of integrating and bundling these resources. The destination's

distinctive capabilities therefore refers either to the ability of the public administration to coordinate the different agencies, authorities and organizations which play a part in tourism at all levels, or to the ability of the private sector to undertake strategic marketing activity, human resource development, service quality management and environmental management, or to a combination of both.

The integration of industrial organization theory and resource-based view theory

While both IO theory and RBV theory have made significant and complementary contributions in the field of strategic management (Amit and Schoemaker, 1993; Foss, 1996; Conner, 1991; Hoskisson et al., 1999), they have been at odds regarding the origin of competitive advantage. The significant differences between these two theoretical perspectives need to be investigated and highlighted. First, in Porter's framework (1985, 1991), a firm is viewed as a bundle of activities. Firm assets are built by performing activities (i.e. strategy) over time or acquiring them from the environment, or a combination of both. In this view, the available stock of resources reflects prior managerial choices. Thus, resources are not valuable in and of themselves because they are attached to strategic activities. In contrast to Porter's contention, other scholars advocate that the resource-based approach consider a firm as a bundle of unique resources. Firm resources are value in and of themselves, driving the choice of strategy and performance. Furthermore, Porter views strategy as being primarily industry-driven, while strategy, from the resource-based perspective, is determined by the firm's unique resources and capabilities, which in turn are seen as the main source of competitive advantage.

Despite the apparently conflicting views between the two perspectives, in reality both may co-exist and shape actual firm behaviour. Recently, it has been recognized that the IO and the resource-based perspectives may complement each other in the development of firm strategy for competitiveness. This view is strengthened by the two sides of the same argument between IO and RBV in the context of building competitive advantage (Wernerfelt, 1984). In fact, the integration of IO and RBV has been highlighted in different ways and with various degrees of emphasis by several researchers in the strategic management literature (Amit and Schoemaker, 1993; Barney, 1991; Conner, 1991; Foss, 1996; Hoskisson et al. 1999). Foss (1996) for

example, argues that the resource-based approach, which emphasizes a firm's capabilities to combine resources to achieve competitive advantage, provides the 'strengths-weaknesses' part of the overall SWOT framework, while industry analysis supplies the 'opportunities-threats' part. In this respect, the two approaches are complementary simply because they cover different domains of application within the context of SWOT analysis (Barney, 1991).

Conner (1991) claims that a firm's performance is affected by the simultaneous interaction of at least three forces: the firm's own asset base, the asset bases of competitors, and constraints emanating from the broader industry and public policy environment. A proper strategy formulation to optimise performance must consider both the external environment influences and the firm-specific elements in order to be successful. Spanos and Lioukas (2001) suggest the need for the integration of IO theory and RBV theory for the following reasons. First, they are complementary in explaining the firm's performance, in that by drawing insights from both, one can gain a more balanced view on the sources of competitive advantage; Second, they both attempt to explain the same phenomenon of interest, that is, competitive advantage; and third, the unit of analysis, the firm, is identical in both cases.

Hoskisson et al. (1999) state that future research in strategic management will likely experience increasing integration of the two in order to achieve a balance between internal and external explanations of the complex relationship in the new competitive landscape. In light of these two gaps in the literature, the present study is an attempt to develop a multidimensional model of destination competitiveness by integrating the diverse perspectives, thus reducing the ambiguity and confusion evident in the current literature. The present study will link IO theory and RBV theory into a unified conceptual framework to provide a better understanding of the key underlying determinants of destination competitiveness within the hot springs tourism context. The relationship between the tourism resources and attractors of the destination and its competitiveness strategies will be understood through the application of RBV theory, whilst the relationship between the external environment within which the destination has to operate and its strategies for competitiveness will be understood through the application of IO theory. The basic premise of the study is that a destination strategy should be formulated and implemented to match its

tourism resources and attractions against a background of the opportunities and challenges of the external environment. The process of combining internal and external examinations of a tourism destination may produce insights and an understanding of what are the strengths and opportunities that could contribute to a destination's success, and the weaknesses and threats that needed to be countered or avoided.

3.2 Overview of Tourism Destination Competitiveness

In the recent tourism management literature, a number of researchers have introduced various concepts and models concerning tourism destination competitiveness. Most of these studies have focused on how effectively and efficiently destination competitiveness can be managed and improved in response to increased competition. By far the most comprehensive destination competitiveness models that include all important aspects impacting on destination competitiveness, are those of Ritchie and Crouch (2000), Dwyer and Kim (2003), and Enright and Newton (2004).

This section examines the literature on tourism destination competitiveness, which has direct relevance to the main themes of the present study. It is necessary to establish an understanding of two key areas in order to provide a basis for making assumptions and propositions concerning the focus of this study which is to explore the key determinants of destination competitiveness for the hot springs tourism sector. First, the concepts and definitions of destination competitiveness are reviewed and applied to the hot springs tourism context. Second, the major dimensions of destination competitiveness are illustrated and used as guidelines for the development of destination competitiveness models for the hot springs tourism sector.

Concepts and definitions of destination competitiveness

The literature does not offer a generally accepted definition of 'tourism destination'. Basic guidance is found in the tourism system described by Leiper (1995) where he outlines the geographical elements of tourism in his model: the generating region, the destination region and the transit route region. Leiper (1995) explains that destinations are places people travel to and where they choose to stay for a while in

order to experience certain features or characteristics of perceived attraction. At the destination, the full impact of tourism is felt, and planning and management strategies are implemented (Cooper et al., 1993). Bieger (1998, p. 7) considers a destination as a special area, which consists of services and offerings relevant for certain tourists to consume during their stay. It can be a wide geographic area or a narrower one depending on what the target market is.

While a destination is traditionally regarded as a well-defined geographic area, there is increasing certainty that a destination could be a perceptual concept that different consumers interpret differently dependent on their travel itinerary, cultural context, purpose of the visit, level of education and previous experience (Buhalis, 2000). There are supply-side approaches (Cooper et al., 1993; Leiper, 1995) as well as demand side approaches (Bieger, 1996; Buhalis, 2000) to the definition of a tourism destination. Based on the above discussion, it is argued that a tourism destination is a geographic area, which is understood by its visitors as a unique entity (Buhalis, 2000) and with a critical mass of planning and development that satisfies traveller objectives (Gunn, 1994).

A number of studies have applied the concept of competitiveness in the area of tourism destinations (Bordas, 1994; Buhalis, 2000; Crouch and Ritchie, 1999; d’Hauteserre, 2000; Dwyer and Kim, 2003; Hassan, 2000; Heath, 2003; Kozak and Rimmington, 1999; Mihalic, 2000; Pearce, 1997; Ritchie and Crouch, 1993, 2000, 2003). An analysis of the literature indicates that the development of a model of competitiveness focusing especially on the destination is appropriate because of its nature as a tourism product. From a tourism perspective, the destination is defined as “an amalgam of individual products and opportunities that combine to form a total experience of the area visited” (Murphy, Pritchard and Smith, 2000, p. 44). Mo, Howard and Havitz (1993) have described the environment as the primary factor (Destination Orientation Dimension), the service infrastructure as the secondary factor (Travel Service Dimension) and social contact as the tertiary factor (Social Contact Dimension) in considering the appeal and subsequent satisfaction of a destination product.

In a broader sense, destinations of all sizes are heterogeneous bundles of both natural and cultivated landscapes, built-up areas, cultural factors, climate, and a range of goods and services, offered and produced by a variety of different and mostly unrelated enterprises which may even act under different national legislations (Mundt, 2004). Buhalis (2000) conceptualises destinations as essentially consisting of individually produced tourism amenities and services (e.g. accommodation, transportation, catering, entertainment), and a wide range of public goods (e.g. landscape, scenery, sea, lakes, socio-cultural surroundings, atmosphere), which incorporate the interests of different stakeholder groups who live and work in the area. A tourism destination therefore is the basic unit of analysis in tourism; and the focal point in motivating visitation, delivering tourism products and services, implementing tourism planning and management strategies, and contributing to enduring memories of the tourism experience.

Within the tourism literature, destination competitiveness has been defined as the ability of a destination “to maintain its market position and share and/or to improve upon them through time” (d’Hartserre, 2000, p. 239); and “to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered to be important by tourists” (Dwyer and Kim, 2003, p. 374). Ritchie and Crouch (2000) further claim that without sustainability, competitiveness is illusory. Thus, the most competitive destination is one that most effectively creates sustainable well-being for its residents. This view has been supported by Hassan (2000, p. 239) who describes competitiveness as “the destination’s ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors”. Destination competitiveness is a multidimensional concept encompassing “price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness of otherwise of a destination” (Dwyer et al., 2000, p. 9).

As is evident from these references, there is no universally accepted definition of destination competitiveness. Fundamentally it may be too broad and complex to be captured within a single definition. Nevertheless, it is clear that competitiveness should concentrate on the destination since the destination experience is the

fundamental product (Ritchie and Crouch, 2000). Effective management and planning of tourism destinations are recognized as essential for the maintenance of a competitive and sustainable tourism sector. Competitiveness has often incorporated the concept of strategic planning and competitive development strategies. Bordas (1994) for example, argues that competitiveness cannot be established between countries but between clusters and tourism businesses. He suggests that a strategic plan is required to gain competitive advantage and introduces three strategies for clusters to gain competitive advantage: low cost, differentiation and specialization. A cluster is defined by Bordas as “a group of tourist attractions, infrastructure, equipment, service and organization concentrated in a delimited geographic area” (1994, p. 3). Evans, Fox and Johnson (1995) have adopted Porter’s three generic strategies for the tourism industry: cost leadership strategy, differentiation strategy and focus strategy. To be competitive, the authors emphasize the significance of developing a strategy that establishes a fit between the destination’s resources and opportunities in the external environment.

From a marketing perspective, Poon (1993) suggests four key principles which destinations must follow if they are to be competitive: put the environment first, make tourism a leading sector, strengthen the distribution channels in the market place and build a dynamic private sector. These principles are considered too broad and general to be meaningful to destination managers and policy makers. Buhalis (2000) points out that the marketing of a competitive destination should balance the strategic objectives of all stakeholders as well as the sustainability of local resources. In other words, competitive destination marketing must lead to the optimisation of tourism impacts and the achievement of the strategic objectives for all stakeholders. From a planning perspective, Pearce (1997) describes destination competitiveness as evaluation techniques and methods that can systematically analyze and compare the diverse attributes of competing destinations within a planning context. Systematic evaluation and comparison of major tourism components amongst competitors can “constitute a more objective basis for evaluating the strengths and weaknesses of the destination, provide a better appreciation of its competitive advantages, and contribute to the formulation of more effective development policies” (p. 17). From an environmental perspective, Mihalic (2000) concludes that tourism destination competitiveness is especially dependent on natural resources and can be enhanced by

appropriate managerial efforts and by certain environmental marketing activities or strategies.

The foregoing discussion has provided insights into what constitutes a tourism destination and how it should be managed in order to achieve competitiveness and sustainability. Given the nature of the destination as a tourism product, the destination environment, the service infrastructure and the social contact are the major components forming visitor destination experiences (Mo et al., 1993). It is proposed that the destination competitiveness is not based solely on the destination's internal attractors and resources. The external environment in which a destination operates also affects this assessment. Central to the competitiveness and sustainability of the tourism destination are the strategy formulations and evaluations, which include product planning and development, marketing, and environmental quality. In the field of strategic management, a strategy is the match an organization makes between its internal resources and skills and the opportunities and risks created by its external environment (Grant, 1991). In this vein, the development of competitive strategies for successful tourism destinations should best exploit and utilize its resources and attractors in aligning themselves with the influences and forces of its external environment. The literature relevant to the study of tourism destination competitiveness reveals that it is important to understand the major dimensions of a tourism destination and how they should be managed in order to achieve competitiveness. The present study utilizes the concepts and definitions of tourism destination competitiveness and applies them to the hot springs tourism context. Competitiveness refers to the ability of the destination to deliver hot springs experiences that perform better than other similar and competing destinations across a range of aspects. Particular emphasis is placed on those that are considered important from a supply-side perspective.

Dimensions of destination competitiveness

Within the tourism literature, an increasingly systematic research approach has been adopted towards the concept of destination competitiveness. Starting with Ritchie and Crouch's research (1993), a number of studies have discussed the important determinants or sources of competitiveness for the tourism sector (Crouch and Ritchie, 1999; Dwyer and Kim, 2003; Enright and Newton, 2004; Hassan, 2000;

Heath, 2003; Kim, 2000; Ritchie and Crouch, 2000). These insights into major dimensions of destination competitiveness provide a context for the analysis of the competitiveness in the hot springs tourism sector. In the supply-side approach where they adopt the so-called “Calgary Model of Competitiveness in Tourism”, Ritchie and Crouch (1993, p.p. 49-50) extend the previous studies that focus on destination image and attractiveness and discuss the dimensions that form the basis for a model of destination tourism competitiveness. These include destination attractiveness and deterrents, destination marketing and management practices, capabilities of destination management organization and strategic alliances, internal information system and research capabilities, and integrity of experience and productivity. Despite the preliminary model development of destination competitiveness, the intent of Ritchie and Crouch (1993) is that the model should provide a starting point for future analysis and understanding of competitiveness in tourism.

Subsequent work by Crouch and Ritchie (1999) has undertaken a systematic analysis of how concepts of comparative and competitive advantage can be applied and contribute to destination competitiveness in the tourism context. According to Crouch and Ritchie (1999), comparative advantages constitute the tourism resources available to a destination, while competitive advantages relate to a destination’s ability to use these tourism resources effectively over the long term. Within this framework, a destination’s competitive position is shaped by global (macro) environmental forces and trends, and competitive (micro) environmental influences and circumstances. The model posits that destination competitiveness is a function of core resources and attractors, supporting factors and resources, destination management, and qualifying determinants. The core resources and attractors include the primary elements which act to attract tourists. It is these “that are the fundamental reasons that prospective visitors choose one destination over another” (p. 146). The supporting factors and resources provide the necessary foundations for a strong tourism sector. Qualifying determinants include factors that can modify, possibly in a negative sense, the influence of the other components. Hence, these can possibly limit a destination’s capability to attract and satisfy potential tourists and hence affect its competitiveness. Destination management involves activities that can enhance the appeal of the core resources and attractors, strengthen the quality and effectiveness of

the supporting factors, and adapt to constraints imposed by the qualifying determinants.

A more recent model proposed by Ritchie and Crouch (2000) has provided a further and more sustainable update. A comparison of the current model with previous versions reveals that tourism policy has been identified as a separate, major component of the model. It is the view of Ritchie and Crouch (2000) that the destination management group of factors found in earlier versions give insufficient coverage of critical policy, planning and development issues. According to this latest version of the model, the destination policy, planning and development dimensions identify processes required to create an environment within which tourism can flourish in a sustainable manner. Drawing upon the widely acknowledged model of national competitiveness developed by Porter and known as the 'dynamic diamond', the Crouch-Ritchie model of destination competitiveness is considered to be the most detailed work within the tourism literature which encompasses many nation, industry and firm-specific factors of competitiveness (Kim, 2000). This combined approach to tourism destination competitiveness recognizes tourism-specific and business-related factors as determinants of destination competitiveness (Enright and Newton, 2004). However, to date, this model has not been subject to adequate empirical testing.

In recognizing the importance of sustainability in tourism development, Hassan (2000) has introduced a model of competitiveness that examines the relationships amongst all stakeholders involved in creating and integrating value-added products to sustain resources while maintaining a favourable market position relative to other competitors. It is the view of Hassan (2000) that balancing growth orientation and environmental commitment, and creating partnerships amongst major stakeholders are priorities to sustain destination market competitiveness. Four determinants of market competitiveness are identified including competitive advantage, demand orientation, industry structure and environmental commitment. Underlying his model is a conviction that "a global perspective to understand key determinants of market competitiveness is critical for the tourism industry to sustain its growth and vitality" (Hassan, 2000, p. 239). Unfortunately, this model does not identify the key variables associated with measuring market and environmental sustainability.

Kim (2000) has developed an evaluation model of competitiveness using a concept of tourism competitiveness, which draws from Porter's national competitiveness. He claims that the development of competitiveness evaluation indicators not only enables comparison amongst tourism industries, but also promotes international co-operation amongst countries. The model identifies four-dimensional sources of competitiveness in the tourism sector, each carrying a different weight. Kim's model has been criticized for failing to justify the sources of destination competitiveness regarding their importance (Dwyer and Kim, 2001).

Heath (2003) has attempted to tailor a model based on the Crouch-Ritchie model of destination competitiveness from a South African perspective. The model is presented in the form of a house. The foundations provide an essential base for competitiveness, the cement binds and links the respective facets of competitiveness, the building blocks are essential to make tourism 'happen' in a destination, and the roof (the key success driver) comprises the 'people' part of destination competitiveness. He places a strong emphasis on the key success drivers (people) and the vital linkages (e.g. communication and information management) that need to be considered when developing a comprehensive framework of sustainable destination competitiveness. Like other models of destination competitiveness developed previously, Heath's model is linear and does not acknowledge the interactive effects between different sources of destination competitiveness.

Dwyer and Kim (2003) have proposed an integrative model, based on the comprehensive frameworks for destination competitiveness of Crouch and Ritchie (1999) and Ritchie and Crouch (2000). In contrast to the Crouch-Ritchie model, Dwyer and Kim's (2003) model explicitly recognizes demand conditions as a distinctive determinant of destination competitiveness. Their model also regards the situational conditions which correspond to the qualifying determinants identified in the Crouch-Ritchie model as falling within one of two interactive and interrelated contexts of organizations operating in the destination: the competitive environment and the remote environment. For them, destination competitiveness is a function of endowed resources (comprising natural and heritage resources, and supporting factors), destination management (comprising government and industry), situational conditions and demand conditions. It is an intermediate goal towards the objective of

regional or national economic prosperity. The Dwyer-Kim model attempts to provide a more realistic display than the Crouch-Ritchie model of the linkages between the various elements of destination competitiveness.

Recently, the Dwyer-Kim model has been tested empirically by surveying tourism industry stakeholders consisting mainly of industry operators, government officials, and tourism research academics in Australia and Korea. The use of factor analysis identified several major attributes of destination competitiveness including destination management, nature-based and other resources, heritage resources, quality service, efficient public services, tourism shopping, government commitment, location and access, e-business, nightlife, visa requirements, and amusement parks (Dwyer et al., 2004). The results of this empirical test of the model provide useful insights into the following aspects. Firstly, destination management activities, both public and private related, are clearly distinguished from other factors underpinning destination competitiveness. This is consistent with the concept of strategic management that competitiveness is achieved through strategy choices and decision-making. Secondly, the government sector plays a leadership role in facilitating sustainable tourism development. Thirdly, there is no distinction between core resources and supporting factors and resources. These are simply destination 'resources' in the mind of the consumer. Finally, tourism attractions, spanning from nature-based, to heritage, shopping, nightlife and amusement parks, are perceived important in enhancing destination appeal which in turn contributes to destination competitiveness.

Enright and Newton (2004) have proposed a broader and more comprehensive model of tourism destination competitiveness which integrates the generic factors of competitiveness derived from the industry setting and the mainstream factors of destination attractiveness. It is the view of Enright and Newton (2004) that the identification of the determinants of tourism destination competitiveness should go beyond conventional destination attributes to include generic business factors of competitiveness. A tourism destination will be competitive if it can attract and satisfy potential tourists and this competitiveness is determined both by tourism-specific factors and by a much wider range of factors that influence the destination and the industry in which it operates. Correspondingly, the conceptualisation of a tourism

destination’s competitiveness should combine the internal analysis of destination tourism attractors with the external analysis of business-related factors of competitiveness.

As summarized in Table 3, there are many ways in which a model of destination competitiveness may be developed. While the major dimensions in determining destination competitiveness are defined and documented, most models of destination competitiveness, however, have failed to acknowledge either the interactions between different sources of destination competitiveness or the relative importance of the different dimensions of competitiveness. In addition, the models of destination competitiveness proposed in the literature are ideally intended to serve as a framework for determining the competitiveness of an entire country as a tourism destination. It is of concern that the existing models may not have the capacity to determine the competitiveness of destinations within one particular tourism sector. Nevertheless, the existing literature has provided a useful basis for the development of a competitiveness model focusing specifically on hot springs tourism destinations. As the most detailed work on destination competitiveness, the Crouch-Ritchie model provides guidance for the development of a sector-specific model for hot springs tourism.

Table 3 Summary of Previous Studies on Destination Competitiveness

Authors(s)	Components of Destination Competitiveness	Methodology	Contribution
Ritchie and Crouch (2000)	<ul style="list-style-type: none">● Core resources and attractors● Supporting factors and resources● Destination management● Destination policy, planning, and development● Qualifying determinants	Focus group; interviewing	<ul style="list-style-type: none">● Competitiveness is illusory without sustainability● The model is considered the most detailed work on destination competitiveness
Hassan (2000)	<ul style="list-style-type: none">● Comparative advantage: climate/location; culture/heritage; history/artefacts; safety and health; nature; leisure activities, etc.● Demand orientation: target tourists; motivators; level of travel experience; demographic profile; psychographic profile; acceptance of local customs; novelty seeking● Industry structure: industry suppliers; core service suppliers; stakeholders● Environmental commitment: environment regulations; tourism policy; environment-friendly investment policy; facility/land use requirements; carrying capacity constraints; environmental promotion programs; environmental education; enforcement organizations, etc.	Literature review	<ul style="list-style-type: none">● The future destination development plans need to be compatible with market needs and environment integrity for the industry to maintain its economic viability
Kim (2000)	<ul style="list-style-type: none">● Primary sources: subject; environment; resources● Secondary sources: tourism policy; investment; taxation rate and prices● Tertiary sources: infrastructure; reception system; attractiveness● Resultant sources: tourism demand; employment; performance	Focus group	<ul style="list-style-type: none">● The resources of competitiveness are not distributed equally within the system● Each set of factors bears a different weight in the model
Heath (2003)	<ul style="list-style-type: none">● Foundations: key attractors; non-negotiable enablers; value-adders, facilitators; experience enhancers● Cement: communication channels with stakeholders● Building blocks: sustainable development policy and destination marketing● Roof: a shared vision and promoting an innovative spirit and culture	Literature review	<ul style="list-style-type: none">● The model places a strong emphasis on people factor● The study suggests building strong partnerships and strategic alliances amongst stakeholders and destination
Dwyer and Kim (2003)	<ul style="list-style-type: none">● Resources: endowed, created, and supporting● Situational conditions● Destination management● Demand conditions	Literature review	<ul style="list-style-type: none">● Destination competitiveness is not an intermediate goal towards the objective of regional or national economic prosperity
Enright and Newton (2004)	<ul style="list-style-type: none">● Tourism-specific factors● Business- and industry-related factors	Literature review; quantitative analysis	<ul style="list-style-type: none">● The model is a combined approach through the integration of generic business factors of competitiveness derived from industry setting and the mainstream factors of destination attractiveness

A review of the available models of destination competitiveness suggests that there is a need to develop a model for the hot springs tourism sector, applied particularly to Taiwan. The foregoing discussion has provided some insights into the identification of major components perceived as important in determining destination competitiveness. These components of the previously developed destination competitiveness models proposed by various researchers, Dwyer and Kim (2003), Enright and Newton (2004), and Ritchie and Crouch (2000) in particular, may be classified into three major categories: destination resources and attractors, destination strategies, and destination external environments. The integration of these three categories of destination competitiveness may provide a framework to explore the key underlying determinants of competitiveness within the hot springs tourism context. The framework will be discussed in detail in the next chapter.

Sustainability has been increasingly recognized as a major determinant of destination competitiveness for the tourism sector (Hassan, 2000; Ritchie and Crouch, 2000). In their more recent model, Ritchie and Crouch (2000) discuss the competitiveness of a destination with a stronger emphasis on sustainability. For them, the most competitive destination is one which has greatest success in achieving well-being for its residents on a sustainable basis. The concept of sustainability is of particular relevance in Taiwan's hot springs tourism context. As mentioned earlier, the over-exploitation of the natural environment and resources of hot springs regions has seriously hampered the healthy development of the hot springs tourism sector. This should prompt us to pursue an effective deployment of destination resources and attractors to be achieved through strategic destination management activities which also take into account the dynamic nature of the external environment.

The development of a destination competitiveness model for the hot springs tourism sector provides a basis for the evaluation of the competitiveness of Taiwan as a destination. This can be done through analyzing the strategic actions of tourism enterprises as well as the uniqueness of tourism resources with regions. As already described in Section 2.3.3, hot springs are widely distributed in different regions of Taiwan. Each hot springs region has its distinctive characteristics and provides a variety of hot springs spa related products, services and facilities offered by public organizations and a number of business enterprises. Within this structure, the role of

the hot springs proprietors is critical in developing the competitiveness of individual hot springs regions and hence contributes to the overall competitiveness of Taiwan as a destination. All business enterprises within the hot springs regions need to undertake a variety of destination strategies to make use of the unique tourism resources within the areas, and adapt to rapid changes in customer preferences. Therefore, the overall competitiveness of Taiwan as a destination is closely bound up with enterprise activities.

In order to support the hot springs tourism sector, the main area of public sector action is to establish a balanced policy framework allowing fair competition and ensuring maximum transparency for tourism enterprises and consumers. The links and cohesion between all policies related to the development of hot springs tourism need to be strengthened. Likewise, close co-operation between the public and private sectors would lead to the adoption of effective strategies that improve the quality of Taiwan as a tourism destination and create a positive environment for enterprise development. This would maximise the benefits expected from policies towards tourism enterprises in Taiwan. The application of a destination competitiveness model also enables the measurement of the relative competitiveness of different tourism enterprises and hot springs regions. Given the multi-dimensions of destination competitiveness discussed above, the competitiveness varies significantly not only between the hot springs tourism enterprises, but also amongst the hot springs regions themselves. The reason for the different levels of competitiveness results from the distinctiveness of tourism resources and attractors available in a particular region, the range of public policy approaches and enterprise activities, and the speed of responses and reactions to the rapidly changing environment. By means of investigating the relative competitiveness of different tourism enterprises and hot springs regions, the overall competitiveness of Taiwan's hot springs tourism sector in both the national and international arenas can be realized.

3.3 Chapter Summary

The focus of this chapter has been to provide a theoretical background and knowledge related to the strategic management of tourism destinations. Firstly, it reviewed industrial organization theory and resource-based view theory, and suggests the synthesis of these two contrasting perspectives would be useful for

developing a more integrated model of destination competitiveness. The emerging literature on destination competitiveness is consistent with the more recent concept of strategic management which places the emphasis on integrating all factors internal and external to the firm. This stream of literature reveals that the more comprehensive approach which takes into account destination-specific factors as well as external environmental factors has been widely advocated by many tourism researchers. However, the majority of previous studies have focused on the competitiveness of an entire country as a tourism destination. Little research has been undertaken focusing specifically on destination competitiveness within the spa tourism sector. With a view to filling this gap, an integrated model of destination competitiveness specifically designed for the hot springs tourism sector is undertaken in this thesis.

Chapter 4. Conceptual Framework

The aim of this chapter is to propose a conceptual framework which identifies and prioritizes the key underlying determinants of destination competitiveness for the hot springs tourism sector. The chapter is organized into three parts: the development of a conceptual framework model and a series of research questions, the comparison with other tourism destination competitiveness models, and the investigation of fundamental determinants of destination competitiveness under the three proposed headings of Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environments.

4.1 Development of the Hot Springs Tourism Destination Competitiveness Model

The conceptual framework is based upon IO theory and RBV theory from the field of general strategic management. These are then applied to the context of tourism destinations. The basic premise of the study is that the appropriate deployment of destination resources and attractors through the formulation and implementation of tourism strategies adapted to the changing external environments can lead to the enhancement of destination competitiveness. The IO perspective emphasizes the influence of the external environment on destination competitiveness. It helps to ascertain major threats and opportunities for a destination that must be considered when developing tourism strategies. The RBV perspective specifies the primary determinant of tourism attractors and resources of destination competitiveness. It enables the identification of strengths and weaknesses of a destination by examining the manner in which tourism resources and attractors are incorporated into tourism destination strategies.

The previous discussion in Section 2.5 has indicated that hot springs tourism destinations must be promoted in conjunction with other forms of tourism resources and attractions. Tourism destination strategies formulated and implemented to develop the hot springs sector should ensure an optimal match between internal resources and external environmental changes. Under the assumption that a hot springs destination contains all the elements that are expected in other types of

tourism destinations, the conceptual framework on which the present study is based contains the major elements drawn from generic tourism destination competitiveness models (Dwyer and Kim, 2003, Enright and Newton, 2004, Ritchie and Crouch, 2000). This framework focuses on the determinants of destination competitiveness in the context of three major domains. These are Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environments (see Figure 1). Each domain is modified to represent the specific features of the ‘hot springs’ dimension of tourism development and discussed in details in the following sections.

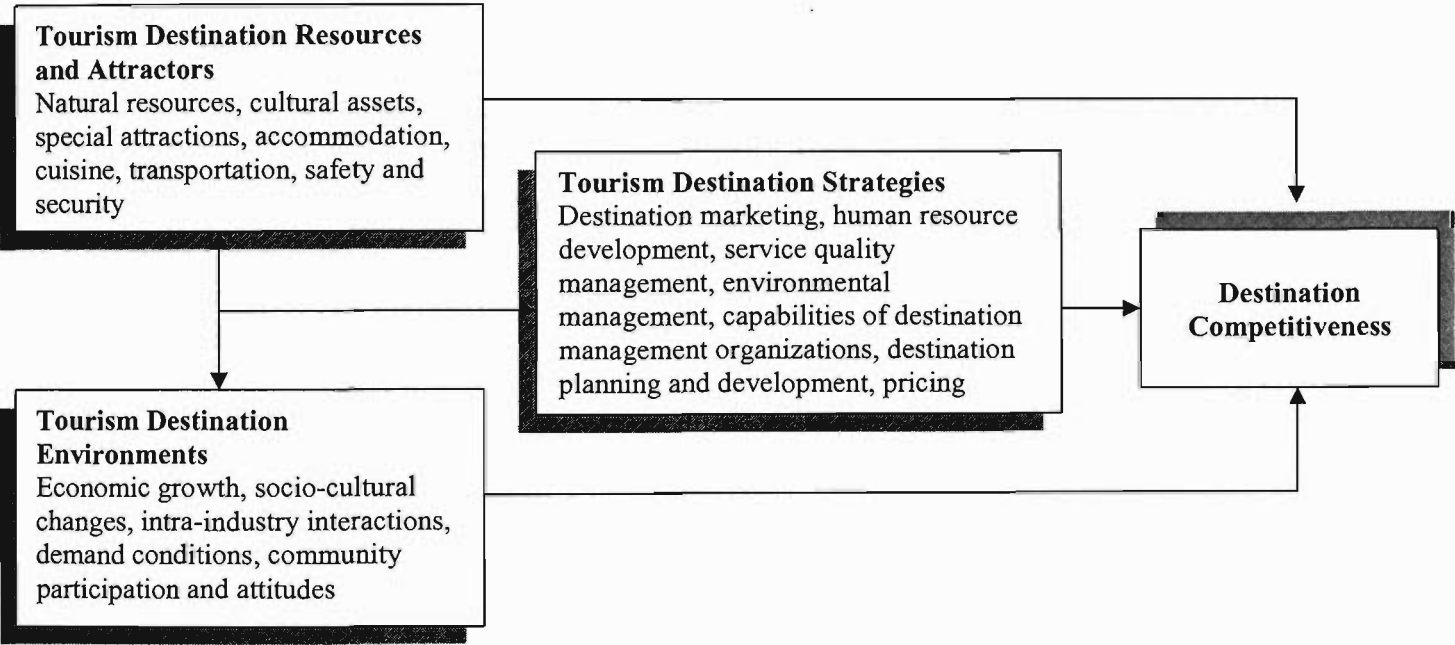


Figure 1 A Model of Hot Springs Destination Competitiveness

As is shown in Figure 1, causality between major dimensions of the model may be represented through the use of arrows, representing the direction of likely influence. There are two-directional arrows linking Tourism Destination Resources and Attractors to Tourism Destination Environments. Firstly, distinctive features of Tourism Destination Resources and Attractors create destination appeal which draws visitors from external, uncontrollable domains. The nature of Tourism Destination Environments influences the types of tourism products and services developed to offer an integrated experience to tourists. Secondly, Tourism Destination Strategies adopted to incorporate external opportunities and threats using internal strengths and weaknesses are influenced by the match between Tourism Destination Resources and Attractors, and Tourism Destination Environments. Finally, Destination

Competitiveness is linked to the three determinants of competitiveness. Based on the conceptual framework, the following research questions are proposed:

1. What are the fundamental determinants of destination competitiveness in the hot springs tourism context?
2. Which determinants vitally contribute to the competitiveness of Taiwan's hot springs tourism sector in a sustainable way?
3. What is the relative importance of these determinants of destination competitiveness in the context of Taiwan's hot springs tourism sector?
4. Which areas should Taiwan concentrate on as hot springs tourism destinations in order to maintain competitiveness and sustainability?

4.2 Comparison with Other Destination Competitiveness Models

For the purposes of the present study, it is considered valuable to compare the proposed model with others that have been developed by tourism researchers. To date the most comprehensive model that has been developed is that of Ritchie and Crouch (1993, 2000, 2003). More recent models based on the Crouch-Ritchie model are those of Dwyer and Kim (2003), and Enright and Newton (2004). Of these two models, the former is of great importance in that it attempts to provide a more realistic display of the linkages between the various elements of destination competitiveness than does the Crouch-Ritchie model. The latter reinforces the merit of including business-related factors as well as the more conventional destination image or attractiveness factors in studies of tourism destination competitiveness. The present model also derives a significant number of its variables of destination competitiveness from previous models and has adapted many of their ideas.

As such, it is appropriate to outline and compare these models to determine areas of similarities and differences between the different frameworks. The model of destination competitiveness proposed in this study shows certain similarities with, but also important differences from, the other three models. These similarities and

differences will now be discussed and the main elements of each model are displayed in Table 4.

Table 4 Comparison of Destination Competitiveness Models

The Present Model	Crouch-Ritchie Model	Dwyer-Kim Model	Enright-Newton Model
Tourism destination resources and attractors Natural resources Cultural assets Special attractions Accommodation Cuisine Transportation Safety and security	Core resources and attractors Physiography and climate Culture and history Market ties Mix of activities Special events Entertainment Superstructure	Endowed resources Natural resources Cultural/heritage resources Created resources Tourism infrastructure Special events Range of available activities Entertainment Shopping	Tourism-specific factors Physiography Culture and history Activities Special events Cuisine Safety
Tourism destination strategies Destination marketing Capabilities of destination management organizations Human resource development Tourism planning and development Service quality management Environmental management Pricing	Supporting factors and resources Infrastructure Accessibility Facilitating resources Hospitality Enterprise	Supporting factors and resources General infrastructure Quality of service Accessibility of destinations Hospitality Market ties	Business-related (Industry-level) factors Inputs Industrial and consumers demand Inter-firm competition and co-operation Industrial and regional clustering; Internal organization and strategy of firms Institutions, social structures and agendas Tourism business superstructure Market ties Additional drivers
Tourism destination environments Economic growth Socio-cultural changes Intra-industry interactions Demand conditions Community participation and attitudes	Destination management Marketing Finance and venture capital organization Human resource development Information/research Quality of service Visitor management Resource stewardship	Destination management Destination management organization Destination marketing management Destination policy, planning and development Human resource development Environmental management	
	Destination policy, planning and development System definition Philosophy Vision Audit Positioning Development Competitive/collaborative analysis Monitoring and evaluation	Situational conditions Destination location Competitive (micro) environment Global (macro) environment Security/safety Price competitiveness	
	Competitive environment and global environment	Demand conditions Tourist preferences Awareness of destination Destination Image	
	Qualifying and amplifying determinants Location interdependencies Safety/security Awareness/image/brand Cost/value		

Tourism resources and attractors analysis

All three models recognize tourism resources and attractors as a critical component of destination competitiveness. Building on the RBV theory, each tourism destination is deemed to have distinctive attributes that contribute to its superior performance. The distinction between core resources and attractors, and supporting factors and resources is explicitly drawn upon in both the Crouch-Ritchie and the Dwyer-Kim models. This is consistent with Porter's diamond model, which acknowledges the relative importance of basis and advanced factors in achieving competitive advantage. The Enright-Newton model however identifies a set of tourism-specific factors of competitiveness and makes no attempt to distinguish between 'core' and 'supporting' factors. The present model considers that both core attractors and supporting resources are all important in making a hot springs tourism destination attractive for visitors. They are the foundations upon which a successful hot springs tourism sector is established. Thus in the present model, there is no explicit distinction for core and supporting resources.

Destination management analysis

Both the Crouch-Ritchie and Dwyer-Kim models regard destination management as a series of processes and activities aiming to enhance the appeal and the quality of the tourism attractors and resources, and to best adapt to the constraints or opportunities imposed by the qualifying and amplifying determinants. This is consistent with strategic management theory which states that the effectiveness of a strategy is contingent both on the opportunities and threats in a firm's external environment and on the possibilities provided by the firm's unique resources and capabilities. The more recent Ritchie-Crouch (2003) model moves the element of destination policy, planning and development away from its original category of destination management. It is the view of Ritchie and Crouch (2003) that the process of tourism policy, planning and development ultimately leads to destination sustainability. In contrast, the Dwyer-Kim model does not provide a separate box for destination policy, planning and development but subsumes this determinant under destination management. The Enright-Newton model also acknowledges the role of destination management in enhancing tourism competitiveness. However, instead of listing destination management as an independent component of destination

competitiveness, the model incorporates this issue into one of the business-related factors of competitiveness.

The present model recognizes the importance of strategy formulation and implementation as the crucial component of tourism destination competitiveness. The category of Destination Management in both the Crouch-Ritchie and the Dwyer-Kim models is now relabelled Tourism Destination Strategies. In the present model, destination policy, planning and development are seen as one type of strategic management function and are included under the theme of Tourism Destination Strategies.

External environment analysis

All three models recognize that the potential competitiveness of a destination is conditioned or limited by a number of influences and factors, which are in a constant state of change and often beyond the control of the tourism sector. All relevant factors are classified into three groups in the Crouch-Ritchie model: the macroenvironment, the microenvironment, and the qualifying and amplifying determinants. They are grouped under two major headings in the Dwyer-Kim model: the situational conditions and demand conditions. The Enright-Newton model includes a more comprehensive set of business-related and industry-level drivers of competitiveness and divides them into nine categories. This is consistent with IO theory that the external environment dominates the strategies potentially available to firms for creating and sustaining superior performance. The present model also considers the elements of the external environments as being the determinants of tourism destination competitiveness and therefore are categorized under Tourism Destination Environments.

4.3 Key Components of the Hot Springs Destination Competitiveness Model

Tourism resources and attractors

All destinations are an amalgam of tourism products aiming to provide consumers with an integrated tourism experience. Tourism destination products comprise the entire range of facilities and services offered locally, together with all socio-cultural, environmental resources and public goods (Buhalis, 2000). These essential elements

of the tourism product may be viewed as destination resources and attractors (Inskeep, 1991). Gunn (1994) considers destination resources and attractors as tourism supply factors that represent the real pulling power generating tourist demand. Crouch and Ritchie (1999) regard tourism resources and attractors as the critical attributes of a destination that attract visitors and form the basic foundations of sustainable tourism. Dwyer and Kim (2003) suggest that tourism resources and attractors should be acknowledged as the basis for destination competitiveness. Table 5 demonstrates a great diversity of destination attributes contributing to the overall attractiveness of tourism destinations. The investigation of previous research into tourism destination attributes clearly indicates a wide variety of items adopted by researchers for judging the attractiveness of tourism destinations, although some items are common to many approaches.

Table 5 Summary of Previous Research on the Tourism Destination Attributes

Author(s)	Research Objective	Attributes of Tourism Destination
Ferrario (1979)	To identify the tourist product and the assessment of its intrinsic value to the tourist market	<ul style="list-style-type: none"> • Typical environmental features: scenery and landscape, wildlife, and natural vegetation • Local people and typical ways of life • Tourist facilities, sports and recreational activities
Ritchie and Zins (1978)	To determine the relative importance of attributes which influence the overall attractiveness of a tourist region	<ul style="list-style-type: none"> • Natural beauty and climate • Culture and social characteristics • Sport, recreation and education facilities • Shopping and commercial facilities • Infrastructure of the region • Price levels • Accessibility of the region
Kim (1998)	To analyze tourists’ perceptions of destination attributes and seasonal preferences for destination visits	<ul style="list-style-type: none"> • Seasonal and cultural attractiveness • Clean and peaceful environment • Quality of accommodations and relaxing facilities • Family-oriented amenities and safety • Accessibility and reputation • Entertainment and recreational opportunities
Buhalis (2000)	To classify major components for assessing and evaluating tourism attractions and resources of tourism destinations	<ul style="list-style-type: none"> • Attractions • Accessibility • Amenities • Available packages • Activities • Ancillary services

A review of the literature soon confirms that there is no universal set of tourism attractors and resources in determining tourism destination attractiveness or

competitiveness. The more diversified a destination's portfolio of tourism attractors, services and experiences is, the greater its attractiveness and therefore competitiveness (Ritchie and Crouch, 2000). For the purposes of this study, the core resources and attractors identified in the Crouch-Ritchie model are selected with the exception of market ties. This is because these elements are consistent with mainstream destination attractiveness studies. 'Safety', which appears in the Crouch-Ritchie model as a qualifying determinant, is added to the group of tourism destination resources and attractors. This is because previous research on tourism destination attributes has also stressed the importance of safety in determining the attractiveness of a destination and being of particular relevance to the competitiveness of a tourism destination. Accordingly, tourism resources and attractors are classified into seven major categories: natural resources, cultural assets, special attractions, accommodation, cuisine, transportation, and safety and security. They are assumed to determine the competitiveness of a hot springs tourism destination and are deemed to be the Tourism Destination Resources and Attractors.

Natural resources

The natural environment is an integral component of tourism attractiveness (Meinung, 1989). Natural resources and attractors based on features of the natural environment provide an excellent asset to sell to tourists. Natural hot springs as a unique natural geothermal resource, play an important role in the development of tourism resort destinations. Within its active geothermal system, Taiwan is endowed with the highest concentration and the greatest variety of natural hot springs. More than one hundred hot springs have been discovered, mainly distributed in outlying rural or semi-rural areas where a diversity of natural scenes and beautiful landscapes are also available. Moreover, Taiwan is located in the tropical zone and enjoys warm weather year round. This characteristic is considered to be desirable by the majority of tourists. The universal importance of climate and natural beauty in contributing to destination attractiveness has been strongly supported by Gearing, Swat and Var (1974) who undertook research assessing the tourist attractiveness of a range of tourist regions. The variety, quality and volume of natural springs, in combination with the scenic variation occurring in the four seasons and the stable, comfortable climate all year round, are believed to make Taiwan an attractive tourism destination.

Cultural assets

Many cultural heritage resources, whether tangible or intangible, encompass the unique features of a place that reflect its history, lifestyle or environment and are ideally suited to become tourism attractions (McKercher, Ho and du Cros, 2004). A wide array of cultural assets is interwoven to provide a rich experiential tapestry for the visiting tourist. Taiwan's rich historical background has produced a multifaceted culture in which people from many different places and backgrounds have played a central role in its development. As Taiwan is enriched by a diversity of different peoples, tourists are able to experience a variety of cultures during their hot springs tours. Some hot springs regions, for example, are filled with a winding maze of old streets that retain the atmosphere of the past. Others have some of the original and rural architecture, and these unique structures which have been rebuilt and designated as national historic sites comprise the culturally specific assets of the region. Furthermore, the establishment of museums and galleries displaying traditional arts or cultural remnants of a particular region can enrich the experience. Tourists are also able to learn more about the cultural background of a hot springs region through on-site course offerings and story telling.

Special attractions

These are special types of attractions not particularly related to either natural or cultural features, but are artificially created, include recreational activities or are events and festivals. In seeking to make a destination more attractive and more interesting, recreational activities should be: consistent with the particular nature of the destination; offered across all seasons; and appeal to the sort of visitors that tend to come to the destination (Ritchie and Crouch, 2003). While recreational activities tend to focus on physically or mentally demanding experiences for the visitor, special events and festivals are intended to simply provide a sense of 'being there' (Ritchie and Crouch, 2000). Special events are being viewed as an integral and major part of tourism development and marketing strategies (Getz, 1989). Jago and Shaw (1998) reviewed the published literature on special events and summarized the following benefits: increased visitation to a region, financial injection, increased employment, improvement of a destination's image, enhanced tourism development, ability to act as a catalyst for development, reduction of seasonal fluctuations or extension of the tourism season, animation of static attractions and enhanced community pride. For

the purposes of the present research, it is proposed that the hot springs tourism experience can be complemented by a range of recreational activities available all year round and with special events and festivals taking place alternately in different parts of Taiwan.

Accommodation

As tourism attractions draw visitors from their homes, the provision of accommodation for travelers is an essential component of tourism. It is said that a tourism destination with accommodation available is not limited to day-trippers but can attract longer-staying visitors (Kelly and Nankervis, 2001). For a tourism destination to be successful, accommodation must be available in sufficient quantity to match the demands of arriving travelers (McIntosh and Goeldner, 1986). Mill and Morrison (1992) further emphasize the importance of providing a sufficient quantity of accommodation of the right quality for tourist needs. Besides the issue relating to the quality and quantity of accommodation facilities, the concept of authenticity has gained much attention in tourism and has been extensively applied in the hospitality sector. The manifestation of authentic accommodation involves the materials used in construction, the architectural style, the relation to the surrounding environment and the interior design. Incorporating authenticity into accommodation products provides tourists with a sense of place which can enhance visitor satisfaction and ensure that the historical integrity of a destination is maintained (King, 1994b).

Cuisine

Interest in food is common amongst travellers irrespective of their travel motivation (Handsuh, 2000). In distinguishing between food consumption as the primary or 'peak' and secondary or 'supporting' tourist purpose, Quan and Wang (2004, p. 297) find that tourists may quest for more variety in foods in the latter case, whereas they may seek novel ingredients of foods and manner of food preparation and delivery in the former case. The role of food in the tourism industry not only satisfies the vital physiological need of nutrition, but also aids in maintaining social relationships, and may also represent the culture and identity of an area (Handsuh, 2000; Reynolds, 1993; Bessiere, 1998). For the purposes of this study, food consumption in the context of hot springs tourism may be regarded as the secondary tourist purpose. It is believed that the diversity of local cuisine would help diversify Taiwan's tourism

product generally and the hot springs tourism experience in particular. It may enhance international and domestic perceptions of Taiwanese cuisine and Taiwan as a holiday destination.

Transportation

While tourism involves the movement of people, transport functions as a conduit for enabling tourists to travel from their origin to their destination and back. The role of the transportation system in destination development is of significance since it provides a critical linkage between market source and destination (Gunn, 1994). If tourists cannot travel to their preferred destination due to deficiencies in the transportation system, they may seek alternative destinations. Planning for the transport system should therefore take into consideration linkages and flows between the destination and other locations, and a system of nodes and linkages between places within the transport network (Page, 2003).

Since many hot springs in Taiwan are located in relatively remote areas, their development depends heavily on an effective and integrated transport system. Current transportation options have made travelling to hot springs areas relatively simple. With the flexibility, convenience and speed of the transportation networks in Taiwan, hot springs are expected to become one of the most favoured tourism destinations. However, traffic congestion remains a problem particularly during rush hours and on weekends. To improve traffic conditions, the co-ordination between different modes of the public transport system is particularly urgent. The government has been advocating the building of parking facilities/stations on the peripheries of scenic areas, turning entire scenic areas into pedestrian promenades, and setting up shuttle bus stops at specified locations as a cost-effective means of solving traffic problems.

Safety and security

Safety and security are a primary condition for a prosperous tourism destination (Pizam, Tarlow and Bloom, 1997). Making tourists feel secure and safe before and during the trip is essential to the competitiveness of tourism destinations. Negative impressions of a destination may cause a decline in tourism to the destination (George, 2003), even if the destination has quality tourism attractions. In recognizing

safety and security as an essential part of any quality tourism experience, the World Tourism Organization (1997) points out that the overriding objective of tourism destinations is to provide quality tourism experiences that incorporate principles of safety and security. Creating a safe, secure and high quality environment for all travellers requires addressing the following four aspects or areas of safety and security risks: outside the tourism sector, the tourism sector and related commercial sectors, the individual traveller, and physical and environmental risks.

Hot springs tourism is a type of activity involving drinking and bathing in mineral waters and any form of harm to a tourist can adversely affect the entire sector. Thus, an integrated approach ensuring the safety and security of hot springs visitors at the property, local and national level needs to be developed. These include measures preventing violence against tourists or the incidence of crime, regulations for the safety and hygiene of spa facilities, equipment and surroundings, and clear rules and instructions for taking hot springs baths and using related facilities.

Tourism destination strategies

A range of authors have pointed out that tourism destination competitiveness can be enhanced through strategies, including appropriate marketing, destination management and sustainable development (Buhalis, 2000; d’Hauteserre, 2000; Dwyer and Kim, 2003; Mihalic, 2000; Ritchie and Crouch, 2000). Since tourism resources and attractions cannot be replaced once they have been destroyed, the purpose of strategy formulation and implementation is to ensure that resource use does not exceed its long-term viability (Buhalis, 2000). Such development strategies are the processes or actions that match the internal tourism attractors and resources of a destination with the relevant external environments (Crouch and Ritchie, 1999).

According to Poon (1993), destination competitiveness can be enhanced from a marketing perspective by using a strategy of permanent innovation and ceaseless change. To be competitive, tourism destinations need to offer flexible, segmented and customized products. The main methods of developing flexibility for tourism destination competitiveness rely on the organization, management, marketing, distribution, and other forms of interaction and interrelationship amongst tourism suppliers. According to Buhalis (2000), the most appropriate marketing mixes enable

tourism destinations to approach their target markets with a comprehensive range of offerings which provides an integrated satisfaction of needs and wants of a consumer. These may be achieved through destination product development, distribution channels, promotion and communication, and more importantly, pricing techniques. The critical importance of pricing is closely associated with travel motivations and is a fundamental element of competitiveness (Dwyer, Forsyth and Rao, 2002; Ritchie and Crouch, 2003). Competitive advantage is achieved by offering value to consumers by means of either lower prices or by providing additional benefits and services that justify charging higher prices (Porter, 1980).

Ritchie and Crouch (2000) have proposed a variety of competitive strategies, which emphasize destination management approaches and activities including organization, marketing, information, quality of service experience, human resource development, visitor management, finance and venture capital, and resource stewardship. It is the view of Ritchie and Crouch (2000) that the competitiveness of a destination may be enhanced through a carefully selected and well-executed program of destination management. The processes and activities of destination management are fundamentally to “enhance the appeal of the core tourism resources and attractions, strengthen the quality and effectiveness of the supporting factors and resources, and best adapt to the constraints or opportunities imposed by the qualifying and amplifying determinants” (Crouch and Ritchie, 1999, p. 149). In other words, destination management should assess both the adequacy and effectiveness of the tourism offerings, facilities, services and programs and where appropriate, realign these in response to changes in the macro, competitive and market environments (Heath, 2003).

Building on the Crouch-Ritchie model, Dwyer and Kim (2003) have proposed five types of destination management activity which may influence destination competitiveness. They are destination marketing management, destination planning and development, destination management organization, human resource development, and environmental management. These destination management activities, whether they are undertaken by the public sector or by the private sector, are crucial for the success of a tourism destination (Dwyer et al., 2004). Mihalic (2000), on the other hand, has examined tourism competitiveness from an

environmental perspective, proposing that destination competitiveness would be enhanced by the management of environmental quality and through appropriate environmental marketing activities. The concept and scope of such activities may provide a framework for the development and measurement of destination competitiveness. Marketing efforts help enhance the appeal of particular attractions, whereas managerial activities are likely to strengthen the competitive position of a destination (Mihalic, 2000).

As has been suggested by the literature review, destination competitiveness may be improved by the application of the appropriate destination strategies. Previous studies in the tourism literature may be used as a guide for the development of destination strategies. Derived from the Crouch-Ritchie and the Dwyer-Kim models of destination competitiveness, the present study considers the components of Tourism Destination Strategies as being destination marketing management, capabilities of destination management organizations, human resource development, destination planning and development, service quality management, and environmental management. 'Price' which appears in the Crouch-Ritchie and the Dwyer-Kim models as a qualifying determinant, is translated for the present study as a tourism destination strategy.

Destination marketing management

Destination marketing has become increasingly important, as tourism destinations seek to be distinctive and to establish a favourable position in a highly competitive environment. The effort to promote Taiwan as an ideal holiday destination has been hampered by the misperception of its tourism offerings. The recent development of hot springs tourism in Taiwan should overcome this constraint by rebuilding the positive image of the industry and the country as a whole, and increasing the domestic and international awareness of Taiwan as a hot springs tourism destination. It should be noted that destination images can be conveyed through destination branding. The aim of destination branding is to convince the largest possible number of people that the destination is suited to their needs (d'Hauteserre, 2000). Critical to the creation of a destination brand is the identification of the core values of the destination, the translation of these into a suitably emotionally appealing name or label, and the targeted and efficient delivery of that message (Morgan, 2003).

Furthermore, the inadequacy of promotion budgets and efforts remains a significant constraint to the effective marketing of Taiwan's hot springs tourism. There has been an increasing recognition and understanding of the benefits of joint ventures, advocating the creation of marketing alliances between private and public sectors, cross-marketing of tourism products in a given destination, and co-operative branding across multiple tourist regions (Cai, 2002; Palmer and Bejou, 1995; Uysal, Chen and Williams, 2000). Collective promotion of an area through a pooling of efforts to achieve economies of scale helps advance the field of destination marketing and bring about efficient use of tourism resources and effective marketing practices. Therefore, the promotion of Taiwan's hot springs calls for cross-marketing programs of the destination tourism products and private sector-public sector co-operative marketing alliances.

Capabilities of destination management organizations

Destination management organizations (DMOs) may refer to convention and visitor bureaux, and local, regional and national tourism organizations (Buhalis, 2000; Getz, Anderson and Sheehan, 1998). Choy (1993) has suggested that all DMOs should be involved in coordination, legislation, promotion, research and the provision of tourist information. These are the core activities of DMOs and must be undertaken on an ongoing basis. The author further points out that DMOs should be flexible and adopt alternative roles including development, marketing, management and innovation, consistent with the growth pattern of a tourism destination. In this way, a DMO would be able to focus its efforts on key proprieties and utilize its limited funds more effectively. Currently the government tourism organizations at both local and national levels share primary responsibility for destination planning, marketing and management. Ideally, an independent, sector-specific administrative unit is needed to follow up and implement hot springs tourism development projects. At the same time, its efforts should extend to encouraging for coordination within the sector, licensing the hot springs proprietors and their properties, and launching international and domestic marketing campaigns. Also this unit should be responsible for maintaining a centralized consumer database for the hot springs tourism sector and encouraging the innovation of new hot springs spa related products, facilities and services which broaden the market base.

Human resource development

Since the quality of services experienced by a tourist at the destination is largely determined by the attitude, skill and professionalism of tourism employees, the quality of human resources is critical to the success of individual enterprises and to the industry as a whole (Ritchie and Echtner, 1995). As has previously been stated, the relatively short history of tourism education in Taiwan has resulted in a shortage of professional and skilled tourism workers. Driven by the recent tourism growth, there is an increasing recognition amongst the public sector, industry and educational institutions of the need to offer courses and programs as a sustainable approach to human resource development. In addition, tourism education providers and the industry sector are encouraged to work as partners to produce quality human resources possessing the required practical skills and knowledge to meet the specific needs of the industry. Several researchers have regarded partnerships between the tourism industry and the tourism education sector as an effective tool for achieving quality in education (Cooper and Shepherd, 1997; Go, 1994). The industry is encouraged to participate in the design of tourism curricula and courses, whilst educators should strengthen their contact with the industry through consultancy work. As the relationship between education and industry progresses, the industry will profit from a professional workforce and tourism education will gain the credibility and profile it deserves. Whereas comprehensive human resource development has a key role to play in the sustainability of the tourism industry, education and training are recognized as critical components in the supply of a highly qualified workforce (Baum, 1995).

Destination planning and development

Destination planning is a process of comprehensive evaluation and analysis of future issues. It includes not only the establishment a strategic vision for the area reflective of the community's goals and aspirations, but also the identification of preferred patterns of land use and appropriate styles of development which make the area more attractive and successful as a tourist destination (Mill and Morrison, 1992). Destination planning and development takes place at various levels, with each level focusing on a different degree of specificity. At these various levels, destination planning and development may be handled separately by a specific unit or area, but

should be executed in such a manner that destination planning is incorporated as a sector into the overall development plans and policies (Inskeep, 1991).

In view of the resurgent popularity of hot springs tourism, the authorities introduced the 'Hot Springs Development and Management Program' in an effort to improve the quality and sustainability of hot springs areas. As part of the overall destination planning and development, this program provides clear guidelines to encourage the reconstruction of the hot springs tourism sector. Major strategic approaches are as follows: to organize an administrative unit responsible for the planning and managing of hot springs areas; to regulate the conservation and sustainable use of hot springs water resources; to release existing land use restrictions in order to attract more investments; to build hot springs demonstration areas through build-operate-transfer (BOT) projects; to reconstruct existing hot springs areas and public facilities; and to assist spa proprietors in business reengineering and gaining licensing of current illegal operations. While some of these approaches apply across the board to all hot springs tourism destinations, others have more limited scope and apply only to the Taiwanese context. The present study focuses on the three aspects of destination planning and development: the regulations for the optimal use of land and hot springs sources, the incentive for entrepreneurial investment in the hot springs tourism sector and the public-private co-operation for proper design and planning of hot springs tourism areas.

Service quality management

With increased competition between tourism destinations, providing high quality service has been increasingly identified as a critical factor in the success of any tourism destination (Fick and Ritchie, 1991). Hsiao and Chang (2003) have conducted research into service quality in the hot springs tourism sector in Taiwan. Their findings emphasize the necessity of establishing quality standards for service delivery and production and the monitoring of customer satisfaction to identify the areas for service quality improvements. The establishment of service standards is recognized as a powerful means to guarantee 'a priori' levels of excellence (Moutinho, 1991). The measurement of the quality of spa experience in the literature has been focused primarily on the functional and technical aspects of service delivery (Ferguson et al., 1999; Mueller and Kaufmann, 2001; Snoj and Mumel, 2002). The

functional component refers to 'how the service is delivered' and as such focuses primarily on the interaction between the customer and the service provider. Examples include employees' professionalism and knowledge of the assortment of health spa services, employee's capacity to recognize the needs of their guests, and employee's commitment to the comfort of their guests. By way of contrast, the technical component refers to 'what was delivered' and thus, concentrates on the more tangible evidence of the service provision. Examples are the location of the health spa, the condition of facilities, equipment and surroundings, and the availability of signage. To differentiate Taiwan from competing hot springs tourism destinations, all hot springs proprietors should work individually or collectively to identify the tangible and intangible dimensions of the hot springs tourism experience, to comply with industry-wide service quality standards and to conduct on-going and periodic tourist satisfaction surveys.

Environmental management

As far as hot springs tourism destinations are concerned, the natural environment should be conceived as a precious resource. It requires balanced utilization according to the general principles and practice of sustainability, or of the optimal use of non-reproducible resources. Maintaining a high level of environmental quality has become a competitive issue for tourism destinations due to an increasing number of environmentally conscious tourists (Inskeep, 1991). Mihalic (2000) has suggested destination environmental management should be carried out with the establishment of environmental codes of conduct, self-developed environmental practice, certified or awarded best practice, and accreditation schemes. Amongst these, environmental accreditation schemes are found to be more effective, because they provide specified criteria for managerial acting and a well-known marketing logo. Hassan (2000), and Stabler and Goodall (1997) believe that tourism destination competitiveness is determined by the extent to which it is concerned with sustainability, contending that self-regulation actions of the industry sector and a compulsory set of public policy measures are managerial efforts which minimize the environmental impacts and manage environmental quality.

The absence of protection legislation for hot springs tourism in Taiwan has resulted in such environmental problems as the overuse and misuse of hot springs water

resources, poor land use planning and siting, and lack of engineer designed tourist facilities. While Taiwan's hot springs treasures are now being listed amongst the country's major attractions, the management of environmental quality has become an urgent issue which needs to be implemented in such areas as the construction of pipe and pumping systems and the exploitation of hot springs water. The environmental accreditation schemes granted by a third party help to create an environmentally friendly image of a destination can be a powerful tool in increasing destination competitiveness.

Pricing

For a product such as tourism, price is a complex construct and consists of numerous components, namely the price of transportation to and from the destination, and the price of goods and services purchased in the destination (Dwyer et al., 2000). The latter accounts for the major portion of the total destination price (Ritchie and Crouch, 2003). In general, destination price is primarily dominated by the prevailing industry cost structure, the nature of competition amongst rivalries which affects rates of profitability, and the acceptable level of sacrifice a consumer is prepared to make to receive the benefits of the tourism experience (Meidan, 1989). In order to retain the price competitiveness of the tourism industry, a wide range of pricing techniques are applicable: premium prices which are above the general market level to convey a superior product; middle range prices with emphasis on fair and good value for money; or cheap prices which attempt to lead the field (Goodall, 1991). Murphy et al. (2000) have highlighted that value for money is what guides the choice of most tourists.

As discussed previously, the Asian-Pacific region has demonstrated strong interest in the development of spa tourism. Japan has gained its strong reputation as a hot springs destination. Countries like Thailand and Malaysia have been making efforts to tap into this emerging market. If Taiwan's hot springs are to stand out in the Asian-Pacific region, pricing plays an important role in not only regulating demand and raising revenue for hot springs enterprises, but also in conveying to tourists something about the quality of the hot springs experience (Goodall, 1991). Given that higher income countries tend to have higher prices, and lower income countries lower prices (Dwyer et al., 2000), Taiwan is considerably more price competitive

than Japan, but less competitive than Thailand and Malaysia. In order to maintain the price competitiveness of the hot springs tourism sector, special attention must be paid to: controlling the cost structure of tourism products and services; monitoring the price levels of those competing destinations; and ensuring value for money destination experiences.

Tourism destination environments

The potential competitiveness of a tourism destination is conditioned or limited by many influences and factors that arise outside the destination or lie within the destination's immediate arena of tourism activities and competition (Crouch and Ritchie, 1999). Like a firm, the external environment of a tourism destination is comprised of two major parts: macro (global) and micro (competitive) environments. The global environment for the destination comprises economic, technological, ecological, political and legal, socio-cultural, and the changing demographic forces, whereas the competitive environment is made up of suppliers, marketing intermediaries and facilitators, customers, tourism and hospitality enterprises, related and supporting industries, local destination management organizations, and public services. Both macro and micro environments may enhance or reduce destination competitiveness, and the latter is likely to have a more direct impact on the destination than the former (Ritchie and Crouch, 2003).

Dwyer and Kim (2003) also view a tourism destination as operating in the two interactive and interrelated contexts of the competitive and global environments. While a tourism destination is influenced by a range of global forces including laws and regulations, the state of the economy, socio-cultural and demographic changes, and new technologies and the Internet, its competitive environment is shaped by the capabilities and strategies of destination enterprises. In a more recent study, Enright and Newton (2004) propose a set of generic 'business-related' drivers of competitiveness ranging from micro to macro levels. These factors are classified into nine categories, namely inputs, industrial and consumer demand, inter-firm competition and co-operation, industrial and regional clustering, internal organization and strategy of firms, tourism business superstructure, market ties, institutions, social structures and agendas, and additional drivers. It is the view of Enright and Newton (2004) that some of the business-related factors are in reality far

more important than some of the tourism destination attributes, and thus need to be integrated for a thorough examination. A tourism destination is affected by a great number of forces in the external environment over which it has no control (Kotler, Haider and Rein, 1993). Thus, a destination which keeps an eye on these environmental changes will be more likely to act proactively, because it is in a better position to predict opportunities and threats or at least judge the probability of them (Ritchie and Crouch, 2003).

In accordance with strategic management concepts, elements of the external environment of the hot springs tourism destination are analyzed on two levels: macro and micro. At the macro level, a number of macro trends have the potential to affect the hot springs tourism sector, both positively and negatively. Amongst these, vitally important for the evolution of the hot springs tourism in Taiwan, are economic growth and socio-cultural changes. According to Dwyer et al. (2000), and Jefferson (1995), socio-economic factors are an important generator of tourism traffic. Time, desire to travel, income level, and more importantly, the level of a country's economic growth are the prerequisites. At the micro level, inter-destination competition and co-operation, demand conditions, and community participation and attitudes are assumed to influence the sector's competitiveness. This is because tourism is often regarded as consisting of tourists, a business and a community in which this industry operates (Williams and Lawson, 2001). They are the key destination stakeholders who are interested in or affected by tourism. In this study, economic growth, socio-cultural changes, intra-industry interaction, demand conditions, and community participation and attitudes are considered to be external factors which have the potential to impact on destination competitiveness and are all included as Tourism Destination Environments.

Economic growth

Analysis of the economic environment centres on changes in the macro economy and their effects on businesses and consumers (Evans, Campbell and Stonehouse, 2003). The phenomenon of rapid economic growth in Taiwan has implications for the tourism industry. Average disposable income per person in Taiwan increased 5.01 times from NT\$ 48,167 in 1980 to NT\$ 244,918 in 1999 (Directorate General of Budget, Accounting and Statistics, 2000). Disposable incomes have risen and along

with it, the propensity to travel. The growth of the economy has also created a middle class of sophisticated and affluent Taiwanese who are better educated, have higher incomes, and who appreciate the value of leisure. It is estimated that Taiwan's middle class which is defined as those earning US\$5,000 and more per year will rise from 17 million people in 2000 to 23 million in 2010. The expansion of the middle class will increase demand for travel and is expected to accelerate the growth of tourism (Oppermann, 1997). Increasing disposable incomes and an expanding middle class are expected to foster the development of the tourism market. Hot springs tourism as a subset of tourism would benefit from this strong growth and gain a share in the tourism market.

Socio-cultural changes

Within the tourism context, new types of people, changes in attitudes and more flexible leisure time are amongst the most significant social changes (Martin and Mason, 1987). These social trends are eroding the standardized mass tourism trade towards a new era of tourism which is characterized by diversity, segmentation and more customized tourism experiences (Poon, 1994). The new tourism has potentially profound implications for the competitiveness and sustainability of the hot springs tourism sector. King and McVey (1996) report that the demand for differentiated tourism products and experiences has prompted a number of tourism developers to focus upon specific activities. Spa resorts may be an example of such trends. As previously mentioned, participation and interest in leisure and travelling activities have been kindled by the full two-day weekend in Taiwan. Also, people are becoming more aware of the importance of maintaining good health and regard it as the most desired lifestyle. The implementation of the two-day weekend, the public interest in leisure-health activities and the emergence of health-conscious customers combine with increased disposable incomes and the expansion of the middle class to determine a favourable potential for the hot springs tourism sector in Taiwan.

Intra-industry interactions

Most tourism destinations are amalgams of independent small and medium sized tourism enterprises (SMTes), which provide a very wide range of tourism products and services that forms the overall tourism experience (Buhalis, 2000; Buhalis and Cooper, 1998). Thus, competition and co-operation with nearby tourism enterprises

are vital to a destination's competitiveness and shape the actions, styles and operations of the destination as a whole (Crouch and Ritchie, 1999). Competition creates an environment for improvement, innovation, quality, efficiency and effectiveness (Porter, 1990). Co-operation, on the other hand, increases the extent to which relevant enterprises work together towards a shared objective (Hitt et al., 2003; Ritchie and Crouch, 2003). It creates a number of benefits for both the SMTEs and the destination. Co-operation between SMTEs heightens customer satisfaction by creating value-added products and services, and hence increases destination competitiveness against outside competitors (Buhalis, 2000; Buhalis and Cooper, 1998).

The hot springs tourism sector is also made up of a number of independent SMTEs operating in different regions of Taiwan. The fortunes of the small and medium sized hot springs enterprises, the hot springs regions, and Taiwan as a hot springs tourism destination must be interrelated. While the prosperity of the hot springs tourism sector heavily depends upon the complex amalgam of medium sized hot springs enterprises and their commitment to regional development, both tough competition and close co-operation are assumed to affect the overall competitiveness of the hot springs tourism sector in Taiwan.

Demand conditions

Customers, and their needs and preferences stand out as another driving force in the tourism destination's environment. Consumers are no longer a homogeneous group of people with identical motivations striving to travel. They are becoming more heterogeneous and sophisticated, and affect the competitive actions of tourism entrepreneurs and the functioning of the tourism destination as a whole (Ritchie and Crouch, 2003). According to Porter (1990), more sophisticated and more demanding customers are at the root of competitiveness, because they pressure firms to achieve high standards in terms of product quality, features and service. In addition, the size and pattern of demand growth can reinforce competitiveness by affecting investment behaviour, timing and motivation. For Porter (1990), demand conditions, particularly domestic demand and its internationalisation to foreign markets, provide a basis for developing a nation's industry.

As already discussed, the percentage of the population visiting hot springs has increased rapidly since the 1999 large scale re-promotion of Taiwan's hot springs by the authorities. It has potential for future prosperity due to the growth of Taiwan's leisure and domestic tourism and its attraction of international tourism. Moreover, the macro trends of socio-cultural change and economic growth in Taiwan are expected to affect the composition of tourism demand featuring more experienced leisure travellers. The demand side of the hot springs tourism market shows great potential and ability to maintain steady growth.

Community participation and attitudes

A community is a group of people residing in the same region with common interests and identity (Murphy, 1988). They are the main actor in the tourism development process because the tourism industry "uses the community as a resource, sells it as a product and in the process affects the lives of everyone" (Murphy, 1988, p. 97). Sheldon and Abenoja (2001) contend that there must be community-wide participation and continual assessment of resident perceptions with a view to ensuring that tourism destination development remains consistent with local character and values. Understanding community residents' attitudes about tourism development and involving them in as many aspects of development as possible, can create hospitable and friendly environments (Simmons, 1994), benefit both the tourism industry and host communities, and improve the quality of the tourism experience (Puad, Som and Baum, 2004).

As already indicated, the lack of legislation on the optimal use of natural environmental resources has damaged the community environment generally and community resident interests in particular. For the revitalization of the hot springs tourism sector in Taiwan, the conservation and protection of natural environmental resources from overuse as well as the enhancement of community life and well-being of its residents should be emphasized. To this end, the redevelopment of the hot springs tourism sector relies on community support through active participation in hot springs resort planning projects and the creation of positive attitudes. The role of community residents is an essential ingredient for creating a hospitable atmosphere in a destination.

4.4 Chapter Summary

This chapter presented the competitiveness model of hot springs tourism destinations which synthesizes the two contrasting perspectives, industrial organization theory and resource-based view theory. The basic assumption of this model is that the competitiveness of hot springs tourism destinations can be enhanced and sustained through a series of destination development and management strategies which take into consideration the availability of tourism resources and attractions as well as a much wider range of external environmental forces and trends. The model comprises various sector-specific determinants of destination competitiveness generated from the previous studies of Ritchie and Crouch (2000), Dwyer and Kim (2003), and Enright and Newton (2004). However, the present model differs from the previous models of destination competitiveness in that it examines the specific nature and characteristics of the hot springs tourism sector that contribute to destination competitiveness.

CHAPTER 5. RESEARCH METHODS

This chapter explains the research design and methods used in the present study. The Delphi technique has been chosen as the most suitable tool to achieve the following research objectives: (1) to identify the key determinants of destination competitiveness relevant to Taiwan's hot springs tourism sector; (2) to ascertain the relative importance of each determinant of destination competitiveness; and (3) to prioritize the areas for improvement if Taiwan is to become one of the leading hot springs tourism destinations. The chapter starts with a description of the characteristics of the Delphi technique and outlines the background and justification of selecting this particular method. It further discusses the recruitment and selection of panel members, the procedure of gathering data, the design and development of survey questionnaires, and the method of data analysis carried out in this study.

5.1 Description of the Delphi Technique

Originally developed by Dalkey and Helmer in the 1950s at the RAND Corporation for the purpose of addressing a future military issue (Helmer, 1983), the Delphi technique has been used extensively in a number of different forms in leisure and tourism contexts. The most common use of the technique in tourism is in forecasting future market conditions (Kaynak and Macaulay, 1984; Lloyd, La Lopa and Braunlich, 2000; Moeller and Shafer, 1994; Weber and Ladkin, 2003; Yong, Keng and Leng, 1989). This technique also facilitates group input for ideas and problem-solving, such as identifying the environmental impacts of tourism (Green, Hunter and Moore, 1990) and developing sustainable tourism indicators (Miller, 2001). Previous tourism research using the Delphi technique has presented many diverse mechanisms for the selection of panellists, the design of questionnaires, the determination on the number of rounds to be conducted and what constitutes achieving consensus (see Table 6). It serves as a useful reference for the design issues of the present study.

Table 6 Overview of Key Studies Using the Delphi Technique

Author(s)	Focus	Panel Composition	No. of Rounds	Determination of Consensus	Questionnaire Development
Kaynak and Macaulay (1984)	Tourism forecasting	Public policy makers at various levels; industry operators from different tourist regions; local business people who have direct interest in tourism	Total 2 rounds 1 st round: N=150 2 nd round : N=60	Mean, standard deviation, median, mode Unclear how the convergence of opinion is achieved	Adapted from Canadian Government Office of Tourism with modifications based on local conditions
Yong, Keng and Leng (1989)	Tourism forecasting	Government ministries and statutory boards; hotel industry; retail industry; airline industry; travel agencies; and governing bodies of tourist attractions Two panels: locals and expatriates	Total 3 rounds 1 st round: N=23 2 nd round: N=19 3 rd round: N=17	Z value, level of significance Unclear how the convergence of opinion is achieved	Adapted from Kibedi (1981), Kaynak and Macauley (1984) with modifications based on local conditions and interests as well as inputs from personnel in the Singapore Tourist Promotion Board
Miller (2001)	Indicators for sustainable tourism	Informed academics and consultants who had published in the area of sustainability in previous two and a half years in one of four major journals	Total 2 rounds 1 st round: N=74 2 nd round: N=50	Mean, standard deviation Unclear how the convergence of opinion is achieved	Investigates the concept of sustainable tourism and criteria for developing indicators to promote a more sustainable form of tourism
Garrod and Fyall (2000)	Management of heritage tourism	Heritage management consultants; local authority officers; heritage organization officers; historic property managers; academics; museum officers	Total 3 rounds 1 st round: N=17 2 nd round: N=15 3 rd round: N=14	Mean, ranking, Spearman's rank correlation coefficient Unclear how the convergence of opinion is achieved	Discusses visitor impacts, admission pricing practices, the heritage mission
Lloyd, La Lopa and Braunlich (2000)	Hospitality industry forecasting	Managers who had worked in the hotel industry 15 years or more; held the job of general manager 5 years or more; lived in Hong Kong 5 years or more; planned to continue to live in Hong Kong after 1997; were members of Hong Kong Hotel Association	Total 3 rounds N=14	Mean, standard deviation, ranking, coefficient of variation Unclear how the convergence of opinion is achieved	Predicts changes in Hong Kong's hotel industry given the change in sovereignty from Britain to China in 1997
Weber and Ladkin (2003)	Tourism forecasting	Destination marketing companies; conference/convention bureau; industry association; leading academics; conference venues; tourism associations Two panels: Australia and the UK	Total 3 rounds 1 st round: N=26 2 nd round: N=21 3 rd round: N=18	Mean, ranking	Predicts the competitiveness of the convention and meeting industry in Australia and the UK for the next 5 years

The Delphi technique is described as: “a unique method of eliciting and refining group judgment based on the rationale that a group of experts is better than one expert when exact knowledge is not available” (Kaynak and Macauley, 1984, p. 90); “a method of structuring a group communication process so that the process is effective in allowing a group of individuals to deal with a complex problem” (Linstone and Turoff, 1975, p. 3); and a procedure to “obtain the most reliable consensus of opinion of a group of experts by a series of intensive questionnaires interspersed with the controlled opinion feedback” (Helmer, 1983, p. 135). As a data collection method, the Delphi technique has both strengths and limitations. The major advantage of this method is that it makes use of the positive attributes of interacting groups, while minimizing the negative aspects largely attributed to the social difficulties within such groups (Rowe, Wright and Bolger, 1991; Rowe and Wright, 1999). A Delphi study does not involve face-to-face interaction amongst panel experts. In this way, individuals can express their expert opinions freely and are therefore more likely to generate reasoned, independent and well-considered opinions (Helmer, 1983). Furthermore, the use of questionnaires enables a geographically dispersed group of experts to complete their questionnaire at their leisure. This reduces time pressure and allows for more reflection and contemplation of response (Linstone and Turoff, 1975).

However, there are some limitations associated with the Delphi technique. Woudenberg (1991) discusses the difficulty in assessing the accuracy and reliability of a Delphi method that has subjective judgment and opinion as its basis. Lang (1998) points out that the process of defining and locating panel experts is often not considered seriously enough. Frechtling (1996) reports that the process is lengthy and time costly, potentially resulting in significant panel attrition rates. Indeed, participant dropout is a potential problem given the reliance of a Delphi study on their involvement over repeated rounds (Linstone and Turoff, 1975). Sackman (1975) cautions that iteration only leads to boredom. Bryman (2001) indicates that using open questions produces a large quantity of data for analysis since it allows panellists to share their opinions and thoughts freely. Finally, Lang (1998) considers the problems of bias in Delphi studies resulting from poorly worded or leading questions, or selective interpretation of the results.

5.2 Rationale for the Use of the Delphi Technique

Acknowledging the advantages of the Delphi method, the present study adopted this approach to achieve the research goals and objectives stated previously. Conducting a Delphi study in the context of Taiwan was deemed feasible despite its collectivist culture which emphasizes the importance of fitting in harmoniously with others (Hofstede, 1980). This decision was made because the Delphi method helps avoid the risk of generating findings that are biased either by the institutional loyalties of the individual participants or by peer pressure arising amongst the group during the course of the study (Frechtling, 1996). As summarized by Frechtling (1996), the Delphi method, compared to other research methods where groups are brought together to develop consensus (e.g. focus groups), avoids the problems encountered in face-to-face group interactions. It also avoids possible schedule clashes involving participants with time and travel distance constraints being unable to attend a series of discussions on fixed dates. For these reasons, it was chosen for this research in preference to other group judgement methods.

To date, very little research has been done to evaluate the competitiveness of an entire country as a hot springs tourism destination generally and of Taiwan in particular. The present study, which identifies and prioritizes the sector-specific determinants of destination competitiveness, is both timely and worthwhile. Given the exploratory nature of this study, the Delphi technique was deemed to be an appropriate research method for information gathering and model building. However, keeping in mind the disadvantages of the method, the present study used a 'modified' approach in which the predetermined items were drawn from the literature rather than from an initial round. Otherwise, this 'modified' Delphi approach was similar to the traditional approach in terms of the procedure used and the series of rounds with selected experts hopefully arriving at a consensus. The primary advantages of this modification to the Delphi were that it: (1) minimized the expense, effort and time associated with answering open-ended questions; (2) improved the initial round response rate; and (3) provided a solid grounding in previously developed work. Indeed, many variations of the standard Delphi method have been found in the literature. According to Rowe et al. (1991), Rowe and Wright (1999), and Woudenberg (1991), a Delphi study with partial anonymity is acceptable. The

number of rounds is varied, though seldom goes beyond one or two iterations. Panellists are asked for just a single statistic rather than for written justifications of extreme opinions and judgments. Feedback of arguments is rarely given. The instrument for round one is structured in order to save time and to make the application of the procedure simpler for the monitor team and panellists. These examples, particularly the latter, confirm the feasibility of applying a 'modified' Delphi approach to the present study.

Turoff (1970) states that hard and fast rules do not exist to guide the design of a particular Delphi study. He raises some concerns as to whether the respondent group is completely anonymous amongst its own members, whether the respondents are knowledgeable and willing to contribute to their understanding of the subject matter, and how much freedom should be given in the respondent group to change the nature of the issues presented. He also cautions on the need to clarify numbers of rounds, the way consensus is determined, and whether the respondents really use the same definition of terms and concepts. Finally, he questions the way researchers coherently distinguish between emotion, speculation, opinion, experience, judgement, knowledge and fact; and whether emotional arguments convey content that should be retained. Building on the concerns of Turoff (1970), the four elements relating to panel composition, data collection procedure, questionnaire development and data analysis method are discussed in this order in the following sections.

5.3 Panel Composition

The most important criterion for a Delphi study is the expertise and knowledge of panel members concerning the subject matter being studied (Martino, cited in Yong et al., 1989). The effective selection of the panel maximizes the quality of responses and gives the results of the study credibility to a wider audience (Lang, 1998). Wheeler, Hart and Whysall (1990) emphasize the need for a 'balanced' panel covering a wide spread of experts from different backgrounds. Smith (1995) suggests that the panel should include individuals from a wide range of backgrounds to ensure representativeness and comprehensiveness of insights. Respondents should be tailored to the issue, having reasonable familiarity with the area but also coming from varied backgrounds within the subject under investigation (Rowe et al., 1991).

Based on previous studies, it is common for a tourism destination to be evaluated by industry practitioners whose professional opinions and judgement will constitute a more accurate measure of competitiveness. This is supported by Gearing et al. (1974) who argue that industry practitioners are widely experienced in dealing with tourists and their opinions would be representative of a large group of tourists. Similarly, Faulkner, Fredline and Oppermann (1999) indicate that tourism industry practitioners may reflect views of the marketplace to the extent that they are in constant contact with customers who are in the process of making travel decisions. Hudson, Ritchie and Timur (2004) note that the input from a larger sample of tourism stakeholders would have been desirable and identify six main groups of stakeholders whose views best reflect the true market situation. These are: destination operators; tourism associations or destination management organizations; accommodation owners; tour operators; commercial enterprises; and 'resort-specific' groups such as environmental groups or destination consultants.

From the above discussion, it is clear that those tourism stakeholders who are involved in tourism are generally knowledgeable about the state of the industry and that their evaluations could offer the highest degree of accuracy. For the purposes of the present research, the target population for this study was drawn from three separate sources: (a) the tourism industry, owners of spa properties or spa management consultants; (b) officers of authorities involved in policy making at various levels, central and local government officers of tourism sectors and hot springs tourism association administrators; and (c) researchers who have a good reputation in the area of recreation and leisure tourism. The rationale for using the three different types of panellists was to emphasize that a mixture of applied and theoretical expertise was sought. It was also expected that across different regions of the country, government officers, industry leaders and academics with diverse expertise and perspectives would provide broad insights into the prospects of Taiwan as a hot springs tourism destination.

Since any targeted expert should have adequate professional knowledge, experience and wisdom, in addition to showing their willingness to participate, this research used the following criteria as a guide to their suitability. For the industry sector, participants must currently work in the hot springs tourism-related industry and have

a minimum of five years working experience. For the public sector, participants must have a minimum of five years working experience as a decision-maker in a government tourism organization. For the academics, participants must have: a minimum of five years teaching experience in tourism at a university; evidence of fairly extensive publications in tourism specifically with regard to Taiwan's tourism sector; and a research interest in recreation and/or leisure tourism management. The rationale for using a minimum of 5 years experience as a criterion is that there has been significant progress in the development of Taiwan's hot springs tourism sector over the past five years. Only those who experienced the development and remain actively involved in the process of hot springs tourism development, were considered qualified for inclusion in this Delphi study.

Acknowledging the fact that the desired sample characteristic was rare, snowball sampling was undertaken in order to achieve as wide a spread of key informants as possible. According to Cavana, Delahaye and Sekaran (2001), snowball sampling is the most suitable to collect information from individuals who have specific characteristics or knowledge, but are very difficult to locate and contact. This sampling method refers to a variety of procedures in which initial representatives are discovered and selected by random or non-random methods, but where subsequent representatives are selected by referral or information from the earlier representatives. The advantage of using snowball sampling can dramatically lower search costs, although it may come at the expense of introducing bias. The following is a detailed description of the steps taken to form this expert panel.

Industry participants

With a view to quickly and inexpensively locating appropriately qualified industry experts, the permission of the Hot Spring Tourism Association Taiwan was sought to access the database and then members were encouraged to participate in the study. At the same time, a snowball sampling strategy was implemented to search for more industry practitioners. Mr. Chia-Hao Leu, Board Director of the Hot Spring Tourism Association, whom the researcher had met at the '1st FEMTEC Asia Hot Spring Conference and FEMTEC Executive Committee' in December 2003, was contacted and asked if he could recommend a colleague who met the criteria and would be

interested in participating in the study. Following several informal consultations, a total of twelve hot springs proprietors were identified.

Academic participants

A snowball approach was again applied in the selection of academic experts. A review of academic publications in the area of recreation and leisure tourism was considered to be a useful preliminary source for accessing the desirable population. Dr. Ryan Wu, Assistant Professor and Director of Department of Leisure, Recreation and Tourism Management, Kaohsiung Hospitality College, who has been actively publishing in the field of Taiwan's recreation and leisure tourism, was contacted. Relying upon his assistance to provide contact details of possible candidates, nine outstanding academic experts were selected. Finding 'academic experts' was far more difficult than expected. The difficulty came from a limited amount of highly qualified teaching staff whose areas of expertise were relevant to destination and spa resort management.

Government participants

With a view to recruiting government officers with the relevant experience and knowledge of the hot springs tourism sector in Taiwan, a letter was written to the Director-General of Taiwan Tourism Bureau, Mr. Cherng-Tyan Su, on February 2005, requesting he provides a list of government participants (see Appendix 6). He offered his assistance in identifying ten potential candidates eligible to participate in the study and provided a letter of recommendation to each identified candidate. Another five government officers mentioned frequently during informal consultations with industry leaders in the field were considered qualified to join the Delphi panel. Ultimately, fifteen government officers were selected to participate in the study.

Finally, personal and telephone contacts were undertaken by the researcher with each potential panel member to clarify the study objectives and to emphasize the importance of participation. The approaches outlined previously yielded a list of 36 panel experts forming a solid basis for the present study. A review of the literature on the Delphi technique shows that suggestions vary considerably for successful and meaningful panel-size determination. Dalkey, Brown and Cochran (1969) have found

that error decreases rapidly as the group size increases from one to about thirteen; further small decreases in error continue to a size of about 25 people, at which point the error rate stabilizes. Accordingly, a sample size of 36 key leaders from government, industry and academia as used in the present study was deemed to be acceptable for determining a meaningful outcome. A snapshot of participant profiles is included in Appendix 1. The snowball sampling proved successful as a means of increasing the numbers in the sample.

5.4 Procedures for Data Collection

As is typical in Delphi studies, a three-round Delphi survey approach was designed to generate responses and achieve consensus from a selected sample of recognized subject matter experts in the field of hot springs tourism. Turoff (1970) cautions that Delphi studies should be limited to three rounds since response rates are likely to decline, especially from the second round onwards. Delbecq et al. (1975) have successfully demonstrated that a three-round Delphi process achieves consensus between panel members on the issues or problems investigated. The mail survey approach was selected as the most appropriate tool to gather information from the selected panel of experts, because it avoids group pressure and facilitates the best response rate. An electronic-based Delphi survey was considered to be inappropriate in the present study due to the unfamiliarity of many prospective Taiwanese respondents with computer use and likely discomfort with completing an online questionnaire. Smith (1995) notes that the advantage of using mail surveys is the avoidance of the potential biasing effects of peer or committee pressure and other psychological influences on respondent answers. Cavana et al. (2001) indicate that a mail survey offers anonymity and access to widely dispersed samples, and affords respondents time to complete the questionnaire at their own pace. Young and Jamieson (2001) report that the traditional mail survey using paper and pencil ensures a higher response rate, although the electronic data collection method utilizing the internet and web questionnaires provides a clear time-saving advantage during the data collection period. For these reasons, the mail survey was chosen for this research in preference to an electronic-based Delphi survey. In addition, there has been a continuing concern about the length of time for the administration of a Delphi study. Moeller and Shafer (1994) argue that the length of time required for

conducting a Delphi study needs to be well-organised and controlled, because experts are usually busy people and it is difficult to get them to serve on a Delphi panel for an extended period of time. Taking into account their suggestion, the procedures for carrying out this study were divided into the preparation phase (pilot testing) and the data collection phase. It was expected that mistakes could be avoided with advanced preparation.

Pilot testing

During late February and early March 2005, informal interviews in person and by phone were conducted with 36 key informants for the dual purposes of verifying their professional qualities and acceptability for the study, and confirming their intent and willingness to participate. These visits, whether in person or by phone, proved effective in getting sincere help in mail replies from participants who did not personally know the researcher prior to the visit. Influenced by Confucianism, the Taiwanese culture, like other Asian cultures, places considerable emphasis on personal contacts, connections and relationships ('guanxi' in Chinese) (Pablos, 2005). Meanwhile, taking into consideration the impact of the structure and content of the initial questionnaire on the rest of the study, the pilot questionnaire was given together with an introduction letter and a reply paid return envelope to the 21 individuals who not only accepted to be interviewed by the researcher but also agreed to participate as members of the panel of experts. No deadline date was indicated to encourage maximum response. Pre-testing the questionnaire is a beneficial way of eliminating complex or technical questions, and ensuring face and content validity, and that the item format, length and placement is appropriate (Frechtling, 1996; Lang, 1998; Cavana et al., 2001). In the end, twenty responses out of twenty-one distributed were received within one month. All responses were carefully examined for clarity and accuracy by the researcher in order to finalize the questionnaire for the first round survey. The draft questionnaire for round one was also reviewed in consultation with two academic supervisors prior to distribution.

Round one

The actual data collection began on April 2005 by distributing the first round questionnaire to selected Delphi panellists utilizing regular mail. Each of the 36 key informants received a mail survey package comprising a cover letter, a questionnaire,

a thank you letter and a reply paid return envelope. The cover letter with special instructions described the following: (1) purpose, significance and general overview of the study; (2) a request for commitment to the entire study; (3) an explanation of the time it would require; and (4) a declaration of confidentiality of response. A letter of appreciation was also enclosed in the package. Sending a thank you letter following each round was considered a good strategy to help build a closer relationship with the panel experts and to persuade them to continue to take part in the study. Panel members were given two weeks to respond from the mailing date of the survey package. During round one, the researcher contacted each panel member five days after the questionnaire should have been received to verify its safe arrival, to answer questions and to encourage its completion and return. Follow-up telephone calls were made to participants who did not reply by the deadline as a reminder to facilitate a high return rate. The efforts resulted in the return of 31 surveys, yielding a return rate of over 86 per cent. Acute time constraints imposed by increasing workloads were the most common reason given for non-response. The collected data were then prepared for analysis. The survey questionnaire for round two was developed based on this analysis.

Round two

The second round was administrated one month after the first round. This gave the researcher sufficient time to collect and assimilate responses, and administer the next round. The second round questionnaire and the letter of appreciation were sent to the 31 experts who participated in the first round by early May 2005. Reminders again followed the initial distribution of the second round survey. Turoff and Hiltz (1996) suggest that frequent correspondence and positive reinforcement of panel members are the best way to assure their continued participation for the duration of the study. Failure to compensate participants adequately for their work would lead to dissatisfaction and dropping out (Linstone and Turoff, 1975). With a view to maintaining a high response rate, special gifts, Australian souvenirs, were given to the participants who completed the first round survey, to thank them for their assistance. Finally, a total of 28 responses were received, yielding a return rate of over 90 per cent. Follow-up calls were made to the three non-respondents to confirm their continuing participation. Unfortunately, they all expressed their unavailability

due to other commitments. The results of the second round were again analyzed and summarized.

Round three

The third round questionnaire, together with the summary of input from the second round were mailed to those 28 experts who participated in the second round by early June 2005. A small modification was made to the questionnaire for the purposes of maintaining some continuity of ratings across the panel and obtaining more feedback and comments on the rating results. In this survey round, the panel was asked to justify and reconsider their responses, and to re-rate the level of agreement only on those items that had not reached the criteria of consensus. Reducing the total number of items rated was believed to make the task easier for the participants. Two days prior to the deadline questionnaire reminders were sent to participants who had not yet answered the survey. A total of 26 responses were received, representing a response rate of about 93 per cent. The entire process of data collection took approximately four months to complete. The collected data in round three was then prepared for analysis. Figure 2 shows the summary flow diagram of the three questionnaire rounds.

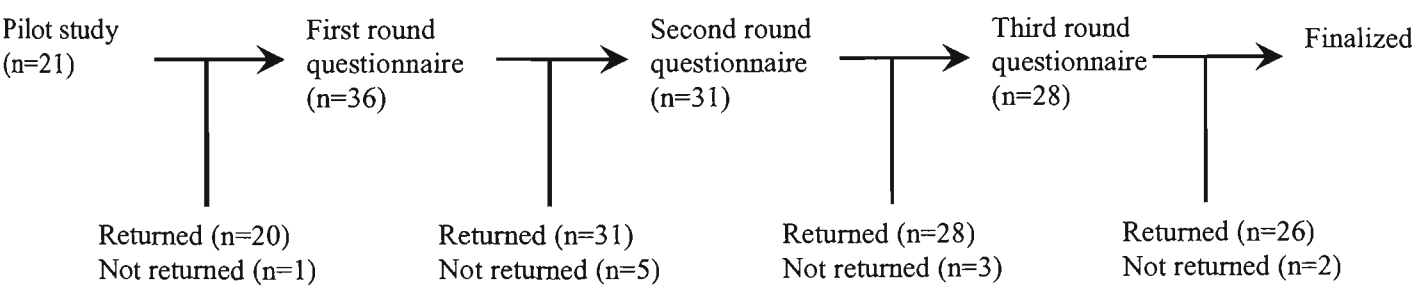


Figure 2 Summary Flow Diagram of The Three Questionnaire Rounds

5.5 Questionnaire Development

The primary aim of conducting this three-round Delphi survey was to obtain a consensus of opinion from a panel of experts on the key determinants of destination competitiveness for the hot springs tourism sector in Taiwan. In order to achieve this goal, the following strategies were adopted. Firstly, the preliminary round was structured based on the literature review. Secondly, the questionnaire for each round

was developed and prepared in Chinese, to make it easier for panel members to complete the survey precisely, comfortably and easily. Under the latter strategy, special care should be given to translating the questionnaires. Cavusgil and Das (1997) caution that the translation of questionnaires can affect conceptual, instrument and measurement equivalence. For the purposes of the present study, the back-translation procedure was implemented. The questionnaires were initially written in English and translated into Chinese by the researcher and then confirmed by a Chinese language expert. Secondly, the questionnaires were back translated into English by two bilingual professional English and Chinese translators. This procedure was to secure equivalence in meanings of words and to eliminate concepts that are culturally sensitive. A description of the steps taken to design the three rounds of questionnaires follows below.

Pilot testing

The tentative list of 57 literature-based determinants of destination competitiveness was used to develop the pilot questionnaire (see Appendix 2). A preliminary panel of experts was given this pilot questionnaire. As evaluators, the panel members were not asked to rate the pre-identified determinants of destination competitiveness, but to indicate whether every single pre-identified determinant of destination competitiveness was acceptable, should be deleted or should be edited. If the pilot participants indicated that the item should be edited, then they were asked to write a new, edited item. The pilot participants were also encouraged to add any additional items which they felt should have been included. The prime objective of the pilot testing was to validate the determinants of destination competitiveness included and to allow for others to be added.

Round one

The questionnaire used in the first round of the Delphi survey (see Appendix 3) was developed based on the responses to the pilot questionnaire and suggestions made by the pilot evaluators. Upon completion of the pilot testing, several adjustments were made in order to improve the subsequent questionnaire with respect to its clarity, understanding and organization. Finally, a questionnaire consisting of a list of 69 key determinants of destination competitiveness was developed for the first round of the Delphi survey. In this questionnaire, explicit instructions for answering the

questionnaire and the scope of the study were printed on the inside cover. The instructions were as precise as possible and written in plain language in order to minimize confusion. The instructions emphasized that respondents should answer all the questions and that all of the information was confidentiality.

Two major sections made up the first round Delphi questionnaire. The first section was sub-divided into three major parts, representing three major themes of the proposed destination competitiveness model. Of the total of 69 determinants of destination competitiveness included for evaluation, items 1 to 25 related to the evaluation of the importance of tourism destination resources and attractors, whilst items 26 to 54 and items 55 to 69 were designed to measure the importance of tourism destination strategies and tourism destination environments respectively. Following the predominant form used in such questionnaires, closed questions were used which asked participants to indicate their level of agreement with each individual determinant of destination competitiveness being considered as a major contributor of the competitiveness of Taiwan's hot springs tourism sector. The advantage of using closed questions is that they are less demanding for respondents, tend to be specific, and answers are easier to code and analyze (Smith, 1995). A five-point Likert scale was used, with 1 indicating strongly disagree and 5 strongly agree. Cavana et al. (2001) report that a five-point scale is as good as any, given that an increase from five to seven or nine points on a rating scale does not generally improve the reliability of the rating. The open-ended questions were designed to solicit expert opinions. To enrich the data obtained and provide participants with as much opportunity as possible to express their thoughts in depth, the participants were invited to make additional comments or list any additional items perceived essential but not included in that group. By asking for comments on the pre-identified determinants of tourism destination competitiveness, the task was simplified without reducing the value of comments received.

In the second section of the questionnaire, four questions were developed to collect socio-demographic data on each participant. Questions 1 to 3 referred to the sample group's age, gender and highest education level, whilst question 4 related to participants' working experience.

Round two

The formulation of the second round questionnaire (see Appendix 4) was based on responses to the first questionnaire and on suggestions from the panel of experts. The questionnaire used in the second round contained 76 determinants of destination competitiveness with seven of these being derived from suggestions received during the first round from the panel of experts. Items for which consensus was not achieved in the first round questionnaire were edited consistent with the first round feedback and included in this second round instrument for re-examination. The second round instrument comprised a first iteration feedback which listed the average rating from all panellists and each panellist's individual rating for each determinant, and then asked participants if they wanted to change any of their ratings based on the information provided. The presentation of statistical feedback is effective in obtaining consensus (Dalkey, 1969; Dalkey and Helmer, 1963). Items 1 to 27 were designed to investigate expert opinions about the importance of tourism resources and attractors in determining destination competitiveness, whereas items 28 to 60 and items 61 to 76 were designed to assess the importance of tourism destination strategies and tourism destination environments respectively. The major difference between the first and second round questionnaires was the omission of the general demographics section in the second round as this had been collected in the first round.

Round three

The third round questionnaire (see Appendix 5) only incorporated the items for which consensus was not attained by the end of the second round. The rationale for not re-examining the whole set of determinants of destination competitiveness was that: (1) the expert panel had already reached consensus on a comprehensive list of determinants of destination competitiveness for the hot springs tourism sector in the second round; (2) too much repetition would diminish the motivation of respondents and lead to a lower response rate; and (3) it is reasonable to exclude those items on which a certain point of consensus has been reached during the Delphi survey (Ulschak, 1983). In this third round questionnaire, panel members were provided with a short summary of the results from the second round for reference purposes. In four cases where consensus had not been reached, the panellists were asked to review their round two responses and contrast them using the group data. Based on the

information provided, the respondents could opt to retain their previous rating or select a new rating. They were also asked to provide an explanation for the rating of any item that diverged from the panel's average rating.

5.6 Methods of Data Analysis

The responses from the panel members in each round were analyzed quantitatively and qualitatively in order to: (1) build the next round's instrument; (2) provide participants with feedback between rounds; and (3) identify whether group consensus has been reached. To enhance the interpretation and reporting of the data, a number of descriptive statistical analyses were employed with a view to providing an indication of the level of consensus amongst the panel members as to what determinants of destination competitiveness are essential. Frechtling (1996) reports that either the mean and standard deviation, or the median and inter-quartile range has been used variously to summarize the group consensus. For the purposes of the present study, the mean and median scores of the participant ratings were calculated in order to demonstrate the level of importance of the item as a key determinant of destination competitiveness for the hot springs tourism sector. The mode score was computed to identify the most frequently occurring score in a distribution. The standard deviation was calculated in order to show the degree of dispersion of panel expert opinions. The inter-quartile range, frequency counts and percentages were computed in order to indicate the level of agreement or consensus amongst the panellists. Consensus on each determinant of destination competitiveness was assumed to have been reached when an inter-quartile range was less than 1 and 80 per cent of the responses fall within two rating points on a five-point Likert scale. Rowe and Wright (1999) report that consensus is determined empirically by measuring the variance in response of Delphi panellists over several rounds, with a reduction in variance being taken to indicate that greater consensus has been achieved. Dajani et al. (1979) argue that in most Delphi studies, group consensus is assumed to have been reached when a certain percentage of the responses fall within a prescribed range for the value being estimated. Ulschak (1983) for example, proposes that "consensus is reached when 80 per cent of the votes fall within two rating categories on the seven-point Likert-type scale" (p122). From another point of view, Raskin (1994) suggests that the degree of consensus is assessed by calculating

the inter-quartile range of the participants' importance ratings. He refers to a semi inter-quartile range of 1 or less as indicating consensus. Building on their experience, these latter two criteria were employed.

Apart from descriptive statistics, content analysis was conducted. Content analysis has been defined as a highly flexible approach that seeks to quantify unstructured information in terms of predetermined categories and in a systematic and replicable manner (Bryman, 2001). With a view to improving the quality of the next round's questionnaire, all written responses of support or disagreement with items on each round were analyzed qualitatively. The data analysis process was undertaken as follows:

1. To ensure the anonymity of respondents, each of the respondents was assigned a number between 1 and 36.
2. For analytical purposes, the responses on the Likert-type scale were converted to numerical values.
3. Descriptive statistical methods including mean, inter-quartile range and frequency distribution (counts and percentages) were used to determine the degree of importance and level of agreement or consensus for each item.
4. The mean, median and mode scores were attached with the new questionnaire and provided to participants for reference purposes.
5. Items failing to meet the predetermined level of consensus were edited as deemed appropriate from feedback and re-examined in the following rounds.
6. Additional comments and written reasons for support or disagreement with items on each round were analyzed qualitatively with a view to generalizing the number of new determinants of destination competitiveness to be submitted to the panel for reconsideration in subsequent rounds.

5.7 Reliability and Validity

Validity is concerned with the integrity of the conclusions that are generated from a piece of research (Bryman, 2001). According to Cavana et al. (2001), there are four main types of validity: face validity, content validity, criterion-related validity and construct validity. Face validity addresses the concern of whether the items being presented on the questionnaire are clear and understandable. Content validity is concerned with whether the questionnaire includes an adequate and representative set of items that tap the concept. Criterion validity is established when the measure differentiates individuals on a criterion it is expected to predict. Construct validity testifies to how well the results obtained from the use of the measure fit the theories around which the test was designed.

In the present study, face and content validity were applied and assured through the use of a preliminary panel of experts. In their role as evaluators the pilot participants were advised of the study objectives and the purpose of the pilot questionnaire. Each was asked to review and refine the stated alternatives, and to identify additional important items pertaining to the study. Comments and suggestions relating to clarity and content were solicited. Significant revisions were made to the pilot questionnaire on the basis of the content validity panel recommendations. Given the scope of the present study, neither construct validity nor criterion-related validity were a consideration. However, further studies may be valuable utilising direct interaction, unstructured judgement methods (e.g. focus groups) to gather the opinions of those who have participated in the present study. In doing so, the proposed model of destination competitiveness could be validated through the comparison of the results between different approaches.

Reliability is concerned with the question of whether the results of a study are repeatable (Bryman, 2001). Reliability estimation procedures look at stability in measurement over time or across forms. This means that, apart from delivery of accurate results, the instrument must deliver similar results consistently. In the case of the present study, reliability was unable to be determined by conventional means in a Delphi study. Changing responses from one round to the next was encouraged as the Delphi panel moved towards consensus and the questionnaire was modified in

each round based on panel member inputs. This is supported by Woudenberg (1991) who states that the reliability of the Delphi method can hardly be expected to exist. Nevertheless, this limitation in the scope of the present study may be overcome by comparing and contrasting the varying opinions of different expert panels. It is suggested that future studies explore a broader range of perspectives, both international and local, to test the reliability of this proposed model of destination competitiveness.

5.8 Chapter Summary

The objective of the present study is the refinement and testing of the proposed destination competitiveness model in the context of hot springs tourism. It is intended to provide an indicative picture of the competitiveness of Taiwan's hot springs tourism. The Delphi technique was chosen as the most appropriate research method to gather the specific data required. A three-round, modified Delphi survey was undertaken to generate responses and achieve consensus amongst a panel of experts from the government, industry and academia. This research method took advantage of the talent, experience and knowledge of a number of experts in a structured manner that allowed an exchange of divergent views without direct confrontation. The traditional 'post, pen and paper' methods were used due to the constraint that some respondents were unfamiliar with computers. The Delphi instrument was initially developed based on a literature review, and then pre-tested with a small number of experts to further evaluate its content and face validity. All comments and feedback received were analyzed qualitatively and quantitatively, and later incorporated into the design and construction of subsequent survey instruments. The use of the modified Delphi method has proven to be cost effective in exploring, identifying and prioritizing key influences on the competitiveness of the hot springs tourism sector in Taiwan.

CHAPTER 6. DATA ANALYSIS AND FINDINGS

This chapter presents the analyses of the data collected and the discussion of the findings. The present study utilizes a three-round, modified Delphi technique to collect a large amount of qualitative and quantitative information of relative depth. A panel of experts was selected from government, industry and academia to identify and reach a consensus on the key determinants of destination competitiveness in the case of Taiwan's hot springs tourism sector. The results reported in this chapter are presented in chronological order. All three rounds of the Delphi surveys are discussed as well as the pilot testing. Each round is discussed below under the headings of Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environments.

6.1 Results from the Pilot Testing

A list of 57 literature-based determinants of destination competitiveness was used to construct the pilot questionnaire. Feedback from the pilot participants was analyzed in order to cover all possible determinants of destination competitiveness for the hot springs tourism sector generally, and the case of Taiwan in particular. It is understandable that these participants had different opinions or ways of interpreting the meaning of each single item. Their responses to a single item varied substantially. For the purposes of this study, the researcher included all revisions, alternations and additions using a decision rule of 'at least three responses by different participants'. The following describes the major changes that were made to the contents of the pilot questionnaire.

Identification of the determinants of destination competitiveness

Tourism destination resources and attractors

Part one which addressed issues of Tourism Destination Resources and Attractors consisted of seven components: natural resources, cultural assets, special attractions, accommodation, cuisine, transportation, and safety and security. As a result of the pilot testing, 10 of the original 21 items were modified. They were:

- Beautiful natural scenery;
- Water quality of springs;

- Water quantity of springs;
- Attractive on-site course offerings;
- Quality of accommodation;
- Well-organized access transportation to a hot springs area;
- Comprehensive local transportation network;
- Public transport system;
- Safety and security of hot springs related tourism activities and facilities; and
- Safety and security of tourists.

Three items were eliminated, including:

- Completely preserved old streets;
- Local museums and galleries; and
- Variety in foods.

Eight new items were added:

- Various local cultural traditions and specialities;
- Comfortable accommodation in a natural setting;
- Health-oriented gourmet utilizing seasonal produce;
- Authentic recipes using ethnic ingredients and cooking styles;
- Comprehensive network of international routes to and from Taiwan;
- Emergency medical care and the availability of ambulance services;
- Safety of the bathing environment; and
- Hygiene standards for hot springs spa equipment.

Item 20, ‘Safety and security of hot springs related tourism activities and facilities’, contains more than one imbedded concept and was considered difficult to answer, so was split into two separate, new items, ‘Safety of the bathing environment’ and ‘Hygiene standards for hot springs spa equipment’ (see Table 7 for the complete listing).

Table 7 Summary Results of the Tourism Destination Resources and Attractors

Components	Determinant of Destination Competitiveness	Applicable	Deleted	Modified	Editing Comments
Natural resources	1. Beautiful natural scenery			×	'Abundant' natural scenery
	2. Comfortable climate	×			
	3. Water quality of springs			×	High grade 'natural' hot springs
	4. Water quantity of springs			×	Plentiful 'natural' hot springs
Cultural assets	5. Attractive on-site course offerings			×	Interesting guided cultural tours
	6. Notable historical landmarks nearby	×			
	7. Completely preserved old streets		×		
	8. Local museums and galleries		×		
Items to be added					
<ul style="list-style-type: none"> Various local cultural traditions and specialties (e.g. crafts, foods, produce, flowers, and animals) 					
Special attractions	9. Year-round recreational activities	×			
	10. Special events and festivals held on a regular basis	×			
Accommodation	11. Sufficient availability accommodation	×			
	12. Quality of accommodation			×	High quality and 'international standard' accommodation
	13. Authentic accommodation experiences	×			
Items to be added:					
<ul style="list-style-type: none"> * Comfortable accommodation in a natural setting 					
Cuisine	14. Variety in foods		×		Too broad, need to be more specific
Items to be added:					
<ul style="list-style-type: none"> Health-oriented gourmet utilizing seasonal produce Authentic recipes using ethnic ingredients and cooking styles 					
Transportation	15. Well-organized access transportation to a hot springs area			×	Convenient access to a hot springs area
	16. Comprehensive local transportation network			×	Sound local transportation network
	17. Ample parking space	×			
	18. Public transport system			×	Reliable public transport services
Items to be added:					
<ul style="list-style-type: none"> Comprehensive network of international routes to and from Taiwan 					

Components	Determinant of Destination Competitiveness	Applicable	Deleted	Modified	Editing Comments
Safety and security	19. Safety of the overall destination	×			
	20. Safety and security of hot springs related tourism activities and facilities			×	Double-barrelled, need to be separated
	21. Safety and security of tourists			×	Personal safety and hygiene-basic rules and responsibility
Items to be added: <ul style="list-style-type: none"> • Safety of the bathing environment (e.g. governing construction materials for spa pools); • Hygiene standards for hot springs spa equipment (e.g. pool water must be sanitized and balanced regularly) • Emergency medical care and the availability of ambulance services 					

Source: Pilot test.

The following is a summary of the main comments that were made in response to the theme of Tourism Destination Resources and Attractors. Firstly, great importance was attached to the role of food experiences in relation to providing extra support to a hot springs tourist location. The majority opinion assumed and expected that tourists with the original motivation of visiting hot springs may find local foods so attractive that they seek out a variety of cuisine with authentic ingredients and organic seasonal produce to enrich their hot springs tourism experience. In this sense, food consumption during the course of a hot springs trip could be regarded as a ‘peak’ tourist experience. As explained by Quan and Wang (2004), food consumption in tourism can be either the peak tourist experience or the supporting consumer experience, depending upon special circumstances. The provision of food services can provide alternative opportunities for hot springs proprietors to add value to the hot springs experiences they offer, especially in rural areas.

Secondly, the pilot panel suggested that hot springs baths should be built in a more natural setting because more and more people are looking to ‘get back to nature’ in their travels. Hot springs in Taiwan are physically situated in spectacular natural settings and against a backdrop of mountains and lakes. It would be beneficial if accommodation facilities could take advantage of an area’s rich natural resource base.

Thirdly, the pilot panel assigned greater importance to the maintenance of a safer bathing environment and a higher standard of cleanliness of on-site hot springs spa facilities and equipment. This view was strongly supported by one respondent [2, indicating the number assigned to each panel member] who wrote that “the security

and safety risks associated with hot springs related activities have been greatly magnified by the news reports recently. As a result, greater efforts should be made to reduce tourist fear of participating in hot springs spa related activities”. While written comments repeatedly addressed the need for effective management of safety and sanitation in the hot springs tourism sector, one respondent [29] particularly noted that “they are not the same thing and should be separately addressed and implemented”. An issue of concern raised within this theme was the availability of emergency first aid, ambulance and paramedic assistance for hot springs visitors. Medical and emergency services have been reported in Ritchie and Crouch’s study (2003) as a typical infrastructure that provides the foundation for managing tourism successfully.

Another prerequisite for effective tourism is transportation infrastructure. This enables the movement of people from one place to another. Written responses were concerned about expanding more international flight routes to support the development of all types of tourism in Taiwan. One respondent [8] who had a broad vision for the future cautioned that “for Taiwan to be a competitive international destination, the comprehensive network of international routes to and from Taiwan should be developed and implemented”. This idea was supported by Cooper et al. (1993) who state that appropriate forms of transportation infrastructure are one of the most important prerequisites for the development of a tourism destination. While the road, rail, and sea transportation services provide important modes for access to sites within the destination, only air transport could enable a tourism destination to be speedily accessed internationally.

The underlying rationale for deleting Item 7 (‘Completely preserved old streets’) and Item 8 (‘Local museums and galleries’) was recognition that in reality not every hot springs area is blessed with an abundance of cultural assets. One respondent [14] wrote that “preserved old streets and purpose-built museums, as culture in nature, may enhance the overall appeal of Taiwan as a hot springs tourism destination, but may not always be available”. Other respondents [2, 13, 35] considered that the primary function of museums is to tell the history of the place. They are one kind of notable historical landmark.

Tourism destination strategies

The category of Tourism Destination Strategies dealt with seven components: destination marketing management, human resource development, capabilities of destination management organizations, destination planning and development, service quality management, environmental management, and pricing. The pilot testing resulted in minor re-wording of 3 items:

- Reinforcing the image of Taiwan as a holiday destination;
- Educational institutions offering tourism courses customized to the hot springs tourism sector; and
- Setting destination prices based on a cost plus basis.

Four items were deleted:

- Defining service quality dimensions;
- Conducting periodic tourist satisfaction surveys;
- Formulating environmental protection legislation and regulations; and
- Enforcing industry self-regulation towards environmental protection and preservation.

10 items were added:

- Designing professional qualification system for certified managing or non-managing personnel;
- Tourism enterprises providing in-house training programs;
- Developing a uniform grading and classification system for the sector;
- Creating and maintaining a hot springs database;
- Ensuring the professionalism, technical competence and good interpersonal skills of service staff;
- Maintaining high quality hot springs spa related facilities and equipment;
- Building sewage system infrastructure and wastewater treatment facilities;
- Assuring the proper construction of pipe and pumping systems;
- Controlling the total amount of hot springs water used; and

- Setting destination prices based on demand elasticity (see Table 8 for the complete listing).

Table 8 Summary Results of the Tourism Destination Strategies

Components	Determinant of Destination Competitiveness	Applicable	Deleted	Modified	Editing Comments
Destination marketing management	22. Reinforcing the image of Taiwan as a holiday destination			×	Insert 'hot springs' before 'a holiday destination'
	23. Establishing a brand name of a hot springs tourism destination	×			
	24. Developing cross-marketing programs for destination tourism products	×			
	25. Forming public-private marketing alliance	×			
Human resource development	26. Educational institutions offering tourism courses customized to the hot springs tourism sector			×	Tourism 'management' courses
	27. Facilitating industry-education co-operation programs	×			
<i>Items to be added:</i> <ul style="list-style-type: none"> • Designing professional qualification system for certified managing or non-managing personnel • Tourism enterprises providing in-house training programs 					
Capabilities of destination management organizations	28. Providing leadership for coordination within the sector	×			
	29. Assisting hot springs properties in licensing matters	×			
	30. Undertaking domestic and international marketing campaigns	×			
	31. Encouraging industry innovation of hot springs spa products, services and facilities	×			
	32. Conducting regular surveys on tourist behaviour	×			
<i>Items to be added:</i> <ul style="list-style-type: none"> • Developing a uniform grading and classification system for the sector • Creating and maintaining a hot springs database 					
Destination planning and development	33. Regulating the optimal use of lands and hot springs water resources	×			
	34. Creating incentives for entrepreneurial investment in the hot springs tourism sector	×			
	35. Properly designing and constructing new and existing hot springs areas	×			

Components	Determinant of Destination Competitiveness	Applicable	Deleted	Modified	Editing Comments
Service quality management	36. Defining service quality dimensions		×		Unclear, should be more specific
	37. Establishing service quality standards	×			
	38. Conducting periodic tourist satisfaction surveys		×		To be integrated into Item 30
Items to be added: <ul style="list-style-type: none"> Ensuring the professionalism, technical competence and good interpersonal skills of service staff Maintaining high quality hot springs spa related facilities and equipment 					
Environmental management	39. Developing a third party environmental certificate and accreditation schemes	×			
	40. Formulating environmental protection legislation and regulations		×		More focus on sustainable use of natural resource and development of an area
	41. Enforcing industry self-regulation towards environmental protection and preservation		×		Ideal not practical
Items to be added: <ul style="list-style-type: none"> Building sewage system infrastructure and wastewater treatment facilities Assuring the proper construction of pipe and pumping systems Controlling the total amount of hot springs water used 					
Pricing	42. Setting destination prices based on a cost plus basis			×	Based on the 'costs invested'
	43. Determining destination prices against competing destinations	×			
	44. Ensuring value for money in destination experience	×			
Items to be added: <ul style="list-style-type: none"> Setting destination prices based on demand elasticity (e.g. peak and off-peak; weekday and weekend) 					

Source: Pilot test.

A re-ordering of the sequence of the seven major components as displayed in the questionnaire was suggested. One respondent [31] stated that “it would be more clear if the tasks of public and private sectors are listed separately”. Another respondent [36] expressing agreement, wrote that “the reordering helps differentiate between the responsibility of the public authorities and the responsibility of the private sector”. Thus, the seven components were listed in the following order, with the most relevant to the public authorities displayed first: capabilities of destination management organizations, destination planning and development, destination marketing management, human resource development, service quality management, environmental management, and pricing.

The main points made for the theme of Tourism Destination Strategies are outlined below. Firstly, respondents urged that particular attention should be paid to the continuing development of human capital. Written responses indicated that in addition to tertiary educational institutions offering tourism and hospitality management courses, tourism enterprises have to develop a series of in-house training programs. The primary purpose of sector-specific education and training is to ensure a supply of highly qualified managing and non-managing personnel whose skills and knowledge best meet the particular requirements of the hot springs tourism sector.

Written comments also represented a range of thoughts and interpretations of the need or benefit of making a high level commitment to all aspects of environmental management. One respondent [28] stated that “hot springs are a special natural resource that has aided the development of the hot springs tourism sector in Taiwan. In order to preserve this valuable water resource and achieve sustainable growth for the hot springs tourism sector, the public sector should make efforts to address the environmental responsibility of all stakeholders, to increase environmental awareness, and to create political support for environment activities”. Another respondent [15] supported this view indicating that “although industry self-regulation is acknowledged as one of the best alternatives to formal government regulation, the role of the government in the development and management of a tourism destination remains irreplaceable, standing behind industry ready to take statutory action”. Written comments proposed several possible alternatives for the government to advance sustainable development, to help avoid repeating previous costly mistakes, and to protect and promote the environment. They mainly focused on regulating the activities of industry enterprises extracting hot springs resources, building sewage system infrastructure and wastewater treatment facilities, and reconstructing pipe and pumping systems. The latter two, identified in the Crouch-Ritchie model as elements of supporting factors and resources, are now recognized by the pilot panel as part of best practice of tourism destination environmental management.

Various written comments also acknowledged the principle of differential pricing as an aggressive pricing strategy for stimulating visits to hot springs and for enhancing the sector’s competitiveness. One respondent [2] contributed that “differential

pricing could be established according to demand elasticity”. Another respondent [29] expressed a similar thought: “if the accommodation rate, for example, is typically less expensive in such off-peak periods as weekdays, a lower price for off-peak travel may be encouraging greater utilization during these periods”. Given the sensitivity of tourists towards prices, demand for tourism is very elastic to price. Thus, charging different rates according to whether the trip is taken at peak time or off peak can be an effective strategy leading to an increase in the number of trips.

Item 36, ‘Defining service quality dimensions’, was suggested by a number of panel members as being too broad and unclear. Derived from written comments, two other items representing the tangible and intangible dimensions of quality service delivery were suggested by the panel, and then incorporated into subsequent questionnaires. They are ‘Ensuring the professionalism, technical competence and good interpersonal relationship skills of service staff’ and ‘Maintaining high quality hot springs spa related facilities and equipment’. Finally, some written comments argued that it is not the duty of industry enterprises to conduct periodic tourist satisfaction surveys. One respondent [15] suggested that “a tourist satisfaction survey can be conducted either by central or local government, by a destination management organization, or by individual tourism enterprises. But from a cost-effective perspective, it is best implemented by the public sector from the start”. Another respondent [14] cautioned that “it is essential to conduct periodic tourist surveys for the purposes of improving quality in tourism destinations” and suggested “it could be one of the managerial tasks of a destination management organization”. Accordingly, Item 38, ‘Conducting periodic tourist satisfaction surveys’, was deleted and integrated into the component of capabilities of destination management organization.

Tourism destination environments

The category of Tourism Destination Environments was made up of five integral components: economic growth, socio-cultural changes, intra-industry interactions, demand conditions, and community participation and attitudes. Based on the panel’s suggestions and comments, four new items were added:

- The changes in industry structure/economic structure;
- The rapid increase of ageing population;

- The media reporting of (hot springs) travel and tourism sector; and
- The opportunities for (overseas) commercial visits, trips, and exchanges.

One item (‘The growing middle class population’) was deleted. Item 50 (‘The tough competition between hot springs enterprises’) and Item 51 (‘The good co-operation between hot springs enterprises’) that individually represent either the co-operative or the competitive relationship between hot springs enterprises were to be combined into one. Table 9 summarizes the results and amendments made to this part.

Table 9 Summary Results of the Tourism Destination Environments

Components	Determinant of Destination Competitiveness	Applicable	Deleted	Modified	Editing Comments
Economic growth	45. The increasing disposable income	×			
	46. The growing middle class population		×		Ambiguous and vague
<i>Items to be added:</i> <ul style="list-style-type: none"> • The changes in industry structure/economic structure 					
Socio-cultural changes	47. The implementation of two-day weekend	×			
	48. The public interest in health-leisure activities	×			
	49. The emergence of health-conscious consumers	×			
<i>Items to be added:</i> <ul style="list-style-type: none"> • The rapid increase of ageing population • The media reporting of (hot springs) travel and tourism sector 					
Intra-industry interactions	50. The tough competition between hot springs enterprises			×	Combined with item 51 into one
	51. The good co-operation between hot springs enterprises			×	Combined with item 50 into one
<i>Items to be added:</i> <ul style="list-style-type: none"> • The opportunities for (overseas) commercial visits, trips and exchanges 					
Demand conditions	52. The expansion of leisure and domestic tourism market	×			
	53. The growth of international tourism market	×			
	54. The more demanding travellers	×			
Community participation and attitudes	55. The active participation in hot springs tourism planning process	×			
	56. The positive attitudes towards the (re)development of hot springs tourism	×			
	57. The hospitality and friendliness of residents towards tourists	×			

Source: Pilot test.

The summary of comments and responses regarding Tourism Destination Environments is provided below. Written comments firstly evidenced that leisure time, attitudes and activities have been changing dramatically since Taiwan moved from being a rural-agrarian to being an urban-industrial society. The industrial structure transformation in combination with the changing socio-cultural beliefs and values are leading to increasing demand for leisure and tourism opportunities. Prospects for growth in hot springs tourism in Taiwan are very promising. Secondly, the ageing of the population in Taiwan will also have an effect on the tourism sector. It is anticipated that senior travellers are likely to constitute a significant and growing segment of Taiwan's tourism market. The significant impact of senior travellers on the tourism market is attributable to seniors having more time to travel and spending a large proportion of their discretionary income on travel and leisure activities (Teaff and Turpin, 1996).

Thirdly, as a unique feature of modern society, the mass media is considered the most powerful tool in raising public awareness and understanding, and can be employed to promote the diversity and abundance of hot springs in Taiwan. One respondent [2] commented that "people who receive the information through mass media may take a trip to experience the power of these springs". Finally, commercial exchange activities and mutual visits between hot springs enterprises were thought of as learning experiences. The economic value of these business activities is that they allow businesses to gauge the level of competitiveness within Taiwan's hot springs tourism sector. Comments from the pilot test recommended that Item 46 'The growing middle-class population' be eliminated. One respondent [14] raised the questions by asking "what does middle-class population mean? How do you define it?" Some pilot test participants cautioned that the meaning of 'middle-class population' is both ambiguous and vague, whereas others commented that the terms increasing disposable income and growing middle-class population express similar potentials. A precise definition of the 'middle-class population' needs to be clarified and further study in examining its potential influence on destination competitiveness would be fruitful.

Discussion of the pilot testing

The purpose of the pilot test was not to reach definitive conclusions but to clarify each of the determinants of destination competitiveness on the original list as well as to obtain additions to the list. Though 57 determinants of destination competitiveness were initially listed in the pilot questionnaire, it resulted in a total of 69 items being identified as essential for enhancing the level of competitiveness of Taiwan's hot springs tourism sector. The category of Tourism Destination Resources and Attractors increased from 21 to 25, the number of Tourism Destination Strategies increased from 23 to 29, and the list of Tourism Destination Environments was expanded from 13 to 15. Generally speaking, the pilot questionnaire was clearly understood and was considered relevant. The panel's suggestions and comments provided valuable input into the refining of the questionnaire and the main survey.

It is worth mentioning that most of the discussion centred on what tourism resources and nearby attractions are available in hot springs areas and how best to utilize them to achieve sustainability and destination competitiveness. Two issues stood out as receiving a lot of attention from the pilot test participants: tourist safety and security while visiting hot springs; and the responsibility of government and industry towards environmental management. The seriousness of these issues is highlighted by the fact that many hot springs proprietors focus solely on maximizing short-term profits. They appear to ignore the effects of their actions on local communities and the environment, and their responsibility to their customers. In addition, there is no direct regulation governing the operations of hot springs spa properties. These are major problems that need to be solved urgently, otherwise the hot springs tourism sector as a whole will not make significant progress.

6.2 Results from the First Round Questionnaire

A list of 69 determinants of destination competitiveness addressing the three major themes of the proposed model was examined, with a view to identifying and prioritizing their importance in determining the competitiveness of the hot springs tourism sector. Feedback from the first round participants was analyzed quantitatively and qualitatively.

Socio-demographic profile of the panel

The first round panel was composed of 31 persons, 29 male and 2 female, of whom 14 panel members (45.2%) were from the central or local government sector, 11 (35.5%) were from the hot springs industry sector, and the remaining six (19.4%) were from academia. Nearly 60 per cent of the panel were over 50 years of age and the largest grouping had 35.5 per cent of the participants between 56 and 60 years of age. Panel members were well educated with over 60 per cent having a postgraduate degree. The length of working experience was concentrated in the two groups ranging between 11 and 30 years, which accounted for nearly 70 per cent of the sample (see Table 10 below).

Table 10 Demographic Characteristics of the Panel Experts

Socio-demographic factors	Classification	Number	Percentage
Gender	Male	29	93.5
	Female	2	6.5
Age	Less than 40 years (inclusive)	5	16.4
	41-50 years	8	25.8
	51-55 years	3	9.7
	56-60 years	11	35.5
	61-65 years	2	6.5
	More than 66 years (inclusive)	2	6.5
Qualification	Senior secondary (or vocational) school	1	3.2
	College and university degree	11	35.5
	Post-graduate degree (Master or Doctorate)	19	61.3
Working experience	5-10 years	6	19.4
	11-20 years	12	38.7
	21-30 years	9	29.0
	More than 31 years	4	12.9
Organization type	Government officer	14	45.2
	Hot springs proprietor	11	35.5
	Academic scholar	6	19.4

Source: Round 1 survey.

Importance ratings of the determinants of destination competitiveness

The ratings of each determinant of destination competitiveness were statistically processed to get the mean, median, mode, standard deviation, inter-quartile range and agreement percentage. The panel’s comments and suggestions were analyzed qualitatively. For analytical purposes, the highest mean scores given by the panel to the respective determinants of destination competitiveness indicated that those items

were collectively given the highest priority and critical success factors. Conversely, the lowest mean scores indicated areas neither relevant nor important in enhancing the competitiveness of the hot springs tourism sector.

The results for the three main groups of determinants of destination competitiveness, namely Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environment, are discussed below and supported, where possible, by the written comments made by the panel during the first survey round. Tables 11-13 contain the descriptive statistics (mean, median, mode, inter-quartile range and agreement percentage) for each item.

Tourism destination resources and attractors

Items 1-25 were categorized as Tourism Destination Resources and Attractors.

Nature resources

Items 1-4 related to the relevance of natural endowments in determining destination competitiveness. Three items had an agreement rate above 90 per cent:

- High grade natural hot springs (mean = 4.65);
- Plentiful natural hot springs (mean = 4.55); and
- Abundant natural scenery (mean = 4.13).

Only one of the four items failed to achieve consensus: 'Comfortable climate'. Written comments generally supported the importance of natural resources in enhancing the competitiveness of the hot springs tourism sector. One respondent [13] noted that "with the highest concentration and greatest variety of natural hot springs, Taiwan enjoys exceptional advantages for the development of a hot springs tourism sector". Another respondent [17] stated "Taiwan is very fortunate to have ideal year round climate and beautiful mountain and lake scenery, which offer a range of experiences for visitors interested in nature". However, several written responses raised the question about the association of comfortable climate with destination competitiveness and one respondent [6] cautioned that "the comfortable climate might be appealing in some cases, but not in the case of hot springs tourism". This is because it is unknown whether winter has been the best season for hot springs

soaking in Taiwan. As a result, consensus was not reached on this item. Basically, the results highlighted that, as integral components of the development in the hot springs tourism sector, the diversity and availability of quality natural resources make Taiwan, as a tourist destination, more attractive to visitors and investors alike.

Cultural assets

Items 5-7 were designed to obtain the panel's attitudes and opinions regarding the effect of cultural assets on the competitiveness of hot springs tourism sector. Two of these items achieved mild consensus; they were 'Various local cultural traditions and specialities' with a mean value of 3.93 and 'Notable historical landmarks nearby' with a mean value of 3.60. The third item was rejected: 'Interesting guided cultural tours'. The results implied that developing and promoting hot springs tourism through the use of cultural and historical resources of an area do not directly contribute to the sector's competitiveness potential, although they are vital to people's awareness of historical cultural identity, and a sense of place and community. The panel recommended one item pertaining to the availability of a community shopping district to be included. A community shopping district which features a mix of souvenir and tourist shops can be seen as an attempt to create a balance between sharing cultural assets with the tourists and preservation. It functions as a place for tourists not only to buy a gift or souvenir, but also to enjoy a diverse cultural experience during their stay at the destination. A review of the literature has confirmed that tourism and shopping are inseparable. A tour without shopping is not a complete travel experience (Hudman and Hawkins, 1989). Local tourist gift and souvenir shops have been reported as one tourism-related services and specialized infrastructure to support tourism development (Mill and Morrison, 1992; Ritchie and Crouch, 2004). One respondent [6] proposed that "tourist gift and souvenir shops selling local products and specialities best reflect the values and experience of local communities and cultures". In recognition to the development of a community shopping district as a vehicle for the enhancement of a hot springs tourism experience, the researcher then decided to add this item to the list for examination in round two of the Delphi study.

Special attractions

In response to the significance of items 8-9 as key determinants of destination competitiveness, both items ‘Year-round recreational activities’ and ‘Special events and festivals held on a regular basis’ achieved mild consensus and received a mean importance rating of 4.16. One written comment suggested that “the hosting of annual events and festivals in a community setting is a really good way to promote hot springs nationwide given its potential to generate a vast amount of tourism” [14]. Another written comment pointed out “the hot springs tourism experience would be further enhanced if a wide range of physical and social activities is offered” [2]. The results indicated that special attractions are important resources for a hot springs tourism destination that offers a unique experience for visitors. Because of their perceived contributions to the sector from a supply-side perspective, special attractions should be expanded to become an integral part of destination development and marketing.

Accommodation

Items 10-13 asked participants to rate the degree of importance of accommodation in strengthening destination competitiveness. All four items achieved consensus, three obtained a high level of agreement:

- High quality and international standard accommodation (mean = 4.35);
- Comfortable accommodation in a natural setting (mean = 4.29);
- Authentic accommodation experience (mean = 4.26);
- Sufficient availability of accommodation (mean = 4.00)

There was general agreement amongst panel members that accommodation facilities help to attract overnight and longer-staying visitors to a relatively remote area. One respondent [5] emphasized that, in order to underpin the future and long-term development of the hot springs tourism sector, “it is a prerequisite to renovate and upgrade hotels into an international standard of accommodation in order to attract as many international tourists as possible”. Another respondent [17] who expressed a concern about the possible difficulty for the accommodation sector in achieving the required quality standard commented that “it is still a long way to bring Taiwan’s hotels to international standards”. The issue of the availability of sufficient

accommodation for the visiting tourists was another area of concern. One respondent [5] argued that “there are large differences between weekday and weekend occupancy rates at an accommodation establishment”. Despite considerable fluctuation in accommodation demand, another respondent [2] wrote that “a hot springs tourism destination should commit to provide ‘adequate’ rather than ‘sufficient’ amount of accommodation facilities”. According to the results, the accommodation sector constitutes a key component of the hot springs tourism destination and aims to provide an authentic and high quality lodging experience away from home.

Cuisine

In reply to items 14-15 concerning the primary significance of cuisine, a fairly high consensus was reached on ‘Authentic recipes using ethnic ingredients and cooking styles’, but not on ‘Health-oriented gourmet utilizing seasonal produce’. The mean importance rating for ‘Authentic recipes using ethnic ingredients and cooking styles’ was 4.26. Written comments of agreement such as: “there is absolutely no question that local cuisine plays a critical role in supplementing and enriching hot springs tourism destination experience. Tourists will most certainly be amazed at the wide diversity of Taiwanese cuisines offered” [14]; and “local Taiwanese cuisines have the power to attract people” [2], indicated strong support. Based on the above findings, it could be concluded that the authenticity and uniqueness of local cuisine are always appealing to tourists in spite of their original motivation for visiting. The role of food in the context of hot springs tourism remains significant.

Transportation

Items 16-20 related to the role transportation plays in the context of hot springs tourism. Four of five items achieved moderate consensus:

- Convenient access to a hot springs area (mean = 4.27);
- Ample parking spaces (mean = 4.13);
- Sound local transportation network (mean = 4.03); and
- Comprehensive network of international routes to and from Taiwan (mean = 3.50).

One item was rejected: 'Reliable public transport services'. Written comments were mainly concerned with the need for a truly comprehensive and efficient transportation network which enhances the accessibility of a hot springs area. One respondent [13] contributed that "an effective integrated transportation system makes the hot springs located in outlying rural or semi-rural areas accessible". The same person added "the public transport services help alleviate the critical parking problem". Written comments represented a split in thinking about whether the hot springs areas should provide public transport services. One respondent [2] offered "the availability of public transportation in the area provides visitors with easier mobility to get around without a car". In contrast, another respondent [5] argued that "the drawbacks must outweigh the advantages. People prefer to travelling in cars, rather than catching public transport". The opinions were varied amongst the respondents and a rough consensus was not reached on this item.

In recognizing the role of road signs to help visitors find their way to the hot springs sites, written comments suggested this new item be added to the list of determinants of destination competitiveness for examination in the second round of the Delphi survey. One respondent [33] supported this addition by writing "providing road signs is one of the ways to enhance the transportation system". Another respondent [2] stressed that "road signs and guideposts provide clear directions and accessible information to encourage and welcome tourists. Good signs, as one of the key elements of tourism transportation infrastructure, help visitors find their way to hot springs sites". These comments were consistent with those of Findlay and Southwell (2004) that good signs help travellers overcome most problems of finding their way to tourist destinations. Generally speaking, transportation infrastructure should be well constructed and designed to allow tourists easier access to remote and poorly connected areas.

Safety and security

Items 21-25 focused the discussion on safety and security issues of hot springs visits. A strong consensus was achieved on all five items:

- Hygiene standards for hot springs spa equipment (mean = 4.84);
- Safety of the bathing environment (mean = 4.71);

- Safety of the overall destination (mean = 4.57);
- Personal safety and hygiene-basic rules and responsibility (mean = 4.55); and
- Emergency medical care and the availability of ambulance service (mean = 4.39).

Concerning hot springs tourism as a type of activity involving drinking and bathing in mineral waters, one respondent [5] expressed that “it is the top priority to educate the visiting tourists about courteous and safe manners of hot springs bathing”. Another respondent [1] stated that “safety and security are vital to provide quality in tourism and continue to be a key focus for the sustainable development of Taiwan’s hot springs tourism sector”. A third respondent [2] claimed that “safety and security are at the forefront of consumers’ concerns, especially after Taiwan media has heavily reported that a number of well-known hot springs spa establishments failed safety and sanitation inspections”.

It is worth noting that all aspects of safety and security consistently rated higher when compared with other determinants of destination competitiveness. Policy makers and hot springs proprietors must acknowledge that a consumer’s main concern is personal safety and security while visiting hot springs. The above results agreed with the conclusions of Tsaur, Tzeng and Wang’s (1997) that law and order (possibility of criminal attack, political stability), transportation (safety of transportation), hygiene (possibility of contracting infectious diseases) and medical support (completeness of medical service system) are the most important aspects of tourism destination safety and security.

Summary

The significance of the results in this section for both the industry and government sectors was to illustrate what are the critical elements constituting a competitive hot springs tourism destination. As shown in Table 11, mean scores in the group Tourism Destination Resources and Attractors ranged from a high of 4.84 (Item 23 ‘Hygiene standards for hot springs spa equipment’) to a low of 3.50 (Item 16 ‘Comprehensive network of international routes to and from Taiwan’) on a five-point Likert scale. The five highest rated items all received a mean score greater than 4.50 and were spread amongst natural resources, and safety and security issues. These findings implied that a hot springs destination wishing to remain competitive should

concentrate more on providing a safe and secure environment where visitors can bath in the hot springs and enjoy the natural scenery. It is surprising to note that certain types of cultural assets, such as ‘Interesting guided cultural tours’, ‘Notable historical landmarks nearby’ and ‘Various local cultural traditions and specialities’, were rated relatively low in importance, with scores ranging from 3.60 to 3.93. Also surprising is the fact that the panel considered international routes to and from Taiwan a matter of little importance. The subsequent rounds may look more deeply into the issue of whether a hot springs tourism destination without cultural assets and an international transportation network could remain competitive.

Table 11 Expert Panel Importance Ratings of Tourism Destination Resources and Attractors – Round One

Component	Determinants of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Tourism Destination Resources and Attractors											
Natural resources	1. High grade natural hot springs	0 (0%)	1 (3.2%)	0 (0%)	8(25.8%)	22 (71.0%)	4.65	5	5	0.661	1
	2. Plentiful natural hot springs	0 (0%)	1 (3.2%)	0 (0%)	11 (35.5%)	19 (61.3%)	4.55	5	5	0.675	1
	3. Abundant natural scenery	0 (0%)	0 (0%)	3 (9.7%)	21 (67.7%)	7 (22.6%)	4.13	4	4	0.562	0
	4. Comfortable climate	0 (0%)	2 (6.5%)	11 (36.5%)	13 (41.9%)	4 (12.9%)	3.63	4	4	0.809	1
Cultural assets	5. Interesting guided cultural tours	0 (0%)	0 (0%)	10 (32.3%)	11 (35.5%)	8 (29.0%)	3.97	4	4	0.809	2
	6. Notable historical landmarks nearby	0 (0%)	2 (0.5%)	11 (35.5%)	14 (45.2%)	3 (9.7%)	3.60	4	4	0.770	1
	7. Various local cultural traditions and specialities	0 (0%)	0 (0%)	7 (22.6%)	18 (58.1%)	5 (16.1%)	3.93	4	4	0.640	0.25
Special attractions	8. Year-round recreational activities	0 (0%)	1 (3.2%)	4 (12.9%)	15 (48.4%)	11 (35.5%)	4.16	4	4	0.779	1
	9. Special events and festivals held on a regular basis	0 (0%)	1 (3.3%)	4 (12.9%)	15 (48.4%)	11 (35.5%)	4.16	4	4	0.779	1
Accommodation	10. Sufficient availability of accommodation	0 (0%)	2(6.5%)	4 (12.9%)	17 (54.8%)	8 (25.8%)	4.00	4	4	0.816	1
	11. High quality and international standard accommodation	0 (0%)	0(0%)	2 (6.5%)	16 (51.6%)	13 (41.9%)	4.35	4	4	0.608	1
	12. Authentic accommodation experiences	0 (0%)	0(0%)	3 (9.7%)	17 (51.8%)	11 (35.5%)	4.26	4	4	0.631	1
	13. Comfortable accommodation in a natural setting	0 (0%)	0 (0%)	3 (9.7%)	19 (51.6%)	12 (38.7%)	4.29	4	4	0.643	1

Table11 (continued)

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Cuisine	12. Authentic recipes using ethnic ingredients and cooking styles	0 (0%)	0 (0%)	3 (9.7%)	17(54.8%)	11 (35.5%)	4.26	4	4	0.631	1
	13. Health-oriented gourmet utilizing seasonal produce	0 (0%)	3 (9.7%)	8 (25.8%)	16 (51.6%)	4 (12.9%)	3.68	4	4	0.832	1
	Transportation	14. Comprehensive network of international routes to and from Taiwan	0 (0%)	2 (6.5%)	12 (38.7%)	15 (48.4%)	1 (3.2%)	3.50	4	4	0.700
15. Convenient access to a hot springs area		0 (0%)	1 (3.2%)	1 (3.2%)	17 (54.8%)	11 (35.5%)	4.27	4	4	0.701	1
16. Sound local transportation network		0 (0%)	2 (6.5%)	2 (6.7%)	20 (64.5%)	7 (22.6%)	4.03	4	4	0.778	0
17. Reliable public transport services		0 (0%)	2 (6.5%)	6 (19.4%)	16 (51.6%)	6 (19.4%)	3.87	4	4	0.848	1
18. Ample parking spaces		0 (0%)	1 (3.2%)	3 (9.7%)	18 (58.1%)	9 (29.0%)	4.13	4	4	0.724	1
Safety and security	19. Safety of the overall destination	0 (0%)	0 (0%)	1 (3.2%)	11 (35.5%)	18 (58.1%)	4.57	5	5	0.576	1
	20. Safety of the bathing environment	0 (0%)	0 (0%)	0 (0%)	9 (29%)	22 (71%)	4.71	5	5	0.471	1
	21. Hygiene standards for hot springs spa equipment	0 (0%)	0 (0%)	0 (0%)	5 (16.1%)	26 (83.9%)	4.84	5	5	0.384	0
	22. Personal safety and hygiene-basic rules and responsibility	0 (0%)	0 (0%)	2 (6.5%)	10 (32.3%)	19 (61.3%)	4.55	5	5	0.634	1
	23. Emergency medical care and the availability of ambulance services	0 (0%)	0 (0%)	2 (6.5%)	15 (48.4%)	14 (45.2%)	4.39	4	4	0.614	1

Source: round 1 survey.

Tourism destination strategies

The next group of items 26-54 dealt with Tourism Destination Strategies.

Capabilities of destination management organizations

Items 26-32 asked participants to rate the importance of seven administrative capabilities of a DMO relating to the development and enhancement of the hot springs tourism sector. Six of the seven items achieved moderate to high level agreement in descending order of importance:

- Assisting hot springs properties in licensing matters (mean = 4.47);
- Providing leadership for coordination within the sector (mean = 4.45);
- Creating and maintaining a hot springs database (mean = 4.37);
- Undertaking domestic and international marketing campaigns (mean = 4.34);
- Encouraging industry innovation of hot springs spa products and services (mean = 4.10); and
- Conducting regular surveys on tourist behaviour (mean = 3.97).

One item was rejected: ‘Developing a uniform grading and classification system for the sector’. The results supported the previous study of Choy (1993) which indicates that a high level of involvement of destination management organization should occur in such activities as coordination, legislation, promotion, research and providing tourist information.

Panel members generally agreed that a DMO, on behalf of the government, should make an effort to provide necessary assistance, services and resources to the industry. A number of written comments received from the panel experts specifically noted the needs for designing, creating and maintaining a hot springs database. The reason was given by one respondent [28] who said “the development of a hot springs database helps people better understand the mineral content of the hot springs water and their therapeutic benefits. This may lead to a shift away from viewing hot springs activities as being leisure-oriented towards health and therapy-oriented”. Another respondent [1] pointed out that “the value of hot springs bathing in promoting health and in stimulating mental action should be spread out so that the problem of seasonal fluctuation in tourism demand can be solved”. The issue of hot springs spa property

management and operation was raised as a concern by one respondent [2] “the DMO should also be responsible for designing and conducting specialized springs water quality monitoring and compliance inspections”. Water inspection as a system for control of spring quality is essential for strengthening and sustaining the public’s confidence in the safety and security of the hot springs spa properties. Accordingly, a new item ‘Implementing hot springs water quality inspection’ was identified and included in the list of determinants of destination competitiveness for examination in round two of the Delphi survey.

Destination planning and development

In reply to items 33-35 which asked respondents to evaluate the importance of destination planning and development in sustaining the competitiveness of the hot springs tourism sector, a moderate to high level consensus was achieved on all three items:

- Properly designing and constructing new and existing hot springs areas (mean = 4.50);
- Regulating the optimal use of lands and hot springs water resources (mean = 4.37); and
- Creating incentives for entrepreneurial investment in the hot springs tourism sector (mean = 3.69)

Written comments referred to the necessity and rationality of establishing hot springs demonstration sites. One respondent [6] stressed that “the purpose of designating hot springs sites is to provide for the effective long-term management and protection of the wide array of significant, limited and irreplaceable natural, cultural, scenic and recreational resources for the future”. Another respondent [6] wrote that “the establishment of hot springs demonstration sites allows a wide range of feasible destination management alternatives to be explored consistently”.

The above results firstly confirmed the nature of destination planning and development as a macro level and long-term decision-making process of achieving tourism sustainability. They set the agenda and provide guidance on the overall direction of the hot springs tourism sector. Secondly, the exact impact of

governmental financial incentives for local businesses to enter the hot springs tourism sector remains to be ascertained. From a government point of view, the use of financial incentives is neither an appropriate policy nor a long-term tourism development strategy. The sector which relies heavily on this mechanism may lessen its own ability to compete with other destinations. In addition, government funding is not a reliable source and not easily obtained from an industry perspective.

Destination marketing management

Items 36-39 discussed the potential impact of destination marketing management on destination competitiveness. Three of the four items achieved moderate consensus:

- Establishing a brand name of a hot springs tourism destination (mean = 4.19);
- Reinforcing the image of Taiwan as a hot springs holiday destination (mean = 4.13); and
- Forming public-private marketing alliances (mean = 4.03).

One item was rejected: 'Developing cross-marketing programs for destination tourism products'. Written comments generally supported the necessity of active, not passive, destination marketing management. One respondent [2] noted that "Tourism images and branding are designed to create expectations of a particular sort about a destination, and the tourist experience is dominated by the meanings these expectations give to a destination". The same person went on to claim that "hot springs in Taiwan have a list of unique features which help clearly differentiate its destination experience from the competition and create the powerful travel destination brand. Famous examples include German Kurhaus, France Vichy and Japan Onsen". As already noted, there has been a common misperception about Taiwan's tourism offerings. In order to rectify this problem, one respondent [15] reported that "the international tourism marketing campaign is of particular importance to destination competitiveness as it provides the opportunity to alter the impression of Taiwan and further increase international awareness of Taiwan as a tourism destination".

In addition to the above written comments, special consideration should be given to the phenomenon that an increasing number of people are looking for health benefits

associated with their physical leisure and tourism activities. One respondent [1] noted that “hot springs waters have long been believed to have medical and therapeutic qualities. Advocating the use of hot springs bathing as therapy for various ailments helps broaden the recreational use of hot springs”. This view was supported by another respondent [2] who contributed that “a variety of health-care facilities and services related to the use of hot springs waters, such as hydrotherapy, springs massage pools, springs sauna, springs pools, indoor bathing houses or fitness centres should be offered and marketed in the hot springs tourism context”. These findings shed some light on the development trend of the hot springs tourism market in Taiwan, taking on more of a health-care and therapeutic focus. It might well be concluded that destination marketing management is not only an important part of the tourism destination strategy, but it also plays an important role in positioning Taiwan’s hot springs amongst the most popular tourist spots for domestic and international tourists.

Human resource development

In response to items 40-43 concerning the significance of human resource development as a major determinant of destination competitiveness, general agreement seemed to have been reached on two of the four items: ‘Tourism enterprises providing in-house training programs’ (mean = 4.33) and ‘Facilitating industry-education co-operation programs’ (mean = 4.00). Two items failing to achieve consensus were: ‘Educational institutions offering tourism management courses customized to the hot springs tourism sector’ and ‘Designing professional qualification system for certified managing or non-managing personnel’. The results reveal that, from the industry point of view, job-related training is more important than ever, and on-the-job training appears to be a lot more important than a formal education. As noted by Go (1994), job training differs from formal education in terms of intent and procedure. The former is to bring a person to an agreed standard of skills proficiency through instruction, whereas the latter is an intellectual development of a person without particular concern for specific jobs or responsibilities. The results confirmed that the improvement of skills and knowledge of the workforce could assist in increasing destination competitiveness. The traditional short-term, operationally oriented approach to human resource planning and development in hot springs tourism remains considerably favourable.

It is worth noting that a few comments examined the critical role of the public sector within the tourism destination context. One respondent [10] suggested that “it is the responsibility of the public sector to provide educational institutions with extra funding for delivering continuous education programs and individual consulting services to hot springs tourism enterprises”. This was consistent with Baum (1995) who verifies that the tourism industry presents particular challenges in human resource development because of the fragmentation of ownership and the lack of coordination between the public and private sector. In order to achieve more integration, there is the need for public sector involvement in tourism education and human resource development. The issue of whether the government should financially support the development of life-long learning and continuing education courses for the industry sector was therefore rephrased, and added to the list of determinants of destination competitiveness for examination.

Service quality management

Items 44-46 examined the importance of service quality management in improving the level of competitiveness of Taiwan as a hot springs tourism destination. A high degree of consensus was reached on all of the three items. The items ranked by the mean score in descending order were:

- Ensuring the professionalism, technical competence and good interpersonal skills of service staff (mean = 4.52);
- Maintaining high quality hot springs spa related facilities and equipment (mean = 4.42); and
- Setting industry standards in service quality management (mean = 4.13).

One written comment supporting the need of having service quality standards in the hot springs tourism sector indicated “the service quality measures are critical to ensuring that consumers’ interests are protected on an ongoing basis” [2]. It is worth noting that the panel of experts placed a higher importance on the intangible rather than the tangible aspects of service management. This high rating can be supported by Ferguson et al. (1999) who claim that the service personnel, in the mind of the customer, are the service because they encompasses the skills, knowledge and

attitudes required to deliver service to customers. This is especially so in ‘high contact’ service business areas, such as tourism, and the quality of the service is inseparable from the quality of the service personnel.

Environmental management

Items 47-50 asked the panel to respond to four items relating to the importance of environmental management for the competitiveness of the hot springs tourism sector. Once again, all four items achieved high consensus. The four items for which consensus was attained and listed in descending order of importance were:

- Controlling the total amount of hot springs water used (mean = 4.55);
- Developing a third party certificate and accreditation schemes (mean = 4.39);
- Assuring the proper construction of pipe and pumping system (mean = 4.32); and
- Building sewage system infrastructure and wastewater treatment facilities (mean = 4.29).

Written comments also affirmed the importance of environmental management in contributing to ecological sustainability. One respondent [13] cautioned that “the over-exploitation of such natural resources as hot springs has been a major environmental issue and to some extent has hindered the sustainable development of the hot springs tourism sector in Taiwan”. Another respondent [28] added that “the concept of sustainable development should be immediately applied to the hot springs tourism sector in Taiwan. This is because the hot springs tourism experience both depends on and affects the quality of destination environment”.

In order to create and manage a sustainable destination environment, one respondent [6] placed a strong emphasis on the development of a third party certificate and accreditation schemes, and wrote that “adequate environmental accreditation schemes offer criteria for managerial action and a well-known marketing logo. The adoption of environmental accreditation schemes helps create the strong environmental image of the destination, strengthening its competitiveness”. Based upon the foregoing findings, environmental management has been proven to sustain the overall development of the hot springs tourism sector in Taiwan. According to Inskip (1991), tourism could generate either positive or negative environmental

impacts depending on how its development is planned and managed. Proper management of environmental quality can minimize negative impact on, and maximize respect for assets in the area.

Pricing

In reply to items 51-54 which asked respondents to rate the effect of pricing on destination competitiveness, three of four items achieved consensus and were identified as having the least importance in strengthening the competitiveness of Taiwan's hot springs tourism sector:

- Setting destination prices based on demand elasticity (mean = 3.74);
- Setting destination prices based on the costs invested (mean = 3.52); and
- Setting destination prices against competing destinations (mean = 3.35).

Though no rough consensus was achieved on 'Ensuring value for money in destination tourism experience', it was rated in relation to its importance with a mean score of 4.03. Written comments represented a diverse range of thoughts on the exact role pricing plays in achieving destination competitiveness. This is particularly the case while developing a pricing strategy taking into account demand and market conditions. One respondent [34] noted that "prices are determined purely by the forces of supply and demand without interference from an outside source". Another respondent [1] supported this view stating that "it is unnecessary to set peak-time and off-peak charges, if the use of hot springs resources could be extended into the health and medical field". It may be concluded that, from a supply-side perspective, pricing is not a single factor in stimulating consumer demand for hot springs tourism. There are other factors that may be more important than price affecting a tourist's decision to visit hot springs. Although pricing was not highly rated as a crucial component of a competitive strategy, the issue related to ensuring that visitors who have a high sensitivity to price, are getting a good value-for-money tourism experience, had a mean score rating of 4.03. Its importance is reflected in Ritchie and Crouch's (2003) statement that a tourism destination seeking to be competitive on a sustainable basis must offer value for money.

Summary

The results in this section indicated what tourism policies and strategies should be applied at national, regional and local level to enhance the competitiveness of the hot springs tourism sector by government authorities and industry enterprises. As shown in Table 12, mean scores in the group Tourism Destination Strategies ranged from a high of 4.55 (Item 48 ‘Controlling the total amount of hot springs water used’) to a low of 3.35 (Item 52 ‘Setting destination prices against competing destinations’). The top five highest rated items all received a mean score greater than 4.40 and were relevant to capabilities of DMOs, destination planning and development, service quality, and environmental management. These findings indicated that hot springs proprietors should adhere to sustainable principles in their business practices. The government sector has an important role to play in assisting hot springs proprietors by providing guidance on legal issues in the sustainable development of hot springs tourism. It is interesting to note that the three lowest rated items were associated with pricing strategy. Further investigation is needed to understand the extent to which tourism enterprises can exert a powerful influence on prices.

Table 12 Expert Panel Importance Ratings of Tourism Destination Strategies –Round One

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Tourism Destination Strategies											
Capabilities of destination management organizations	26. Providing leadership for coordination within the sector	0(0%)	0(0%)	1(3.2%)	15(48.4%)	14(45.2%)	4.45	4	4	0.568	1
	27. Encouraging industry innovation of hot springs spa products and services	0(0%)	0(0%)	4(12.9%)	20(64.5%)	7(22.6%)	4.10	4	4	0.597	0
	28. Undertaking domestic and international marketing campaigns	0(0%)	0(0%)	3(9.7%)	14(45.2%)	13(41.9%)	4.34	4	4	0.661	1
	29. Conducting regular surveys on tourist behaviour	0(0%)	0(0%)	7(22.6%)	18(58.1%)	5(16.1%)	3.97	4	4	0.640	0.25
	30. Assisting hot springs properties in licensing matters	0(0%)	0(0%)	3(9.7%)	10(32.3%)	18(58.1%)	4.47	5	5	0.677	1
Destination planning and development	31. Developing a uniform grading and classification system for the sector	0(0%)	2(6.5%)	8(25.8%)	16(51.6%)	5(16.7%)	3.77	4	4	0.805	1
	32. Creating and maintaining a hot springs database	0(0%)	0(0%)	3(9.7%)	13(41.9%)	15(48.4%)	4.37	4	5	0.667	1
	33. Regulating the optimal use of lands and hot springs water resources	0(0%)	0(0%)	2(6.5%)	16(51.6%)	13(41.9%)	4.37	4	4	0.608	1
	34. Creating incentives for entrepreneurial investment in the hot springs tourism sector	0(0%)	2(6.5%)	10(32.3%)	14(48.4%)	4(12.9%)	3.69	4	4	0.791	1
	35. Properly designing and constructing new and existing hot springs areas	0(0%)	1(3.2%)	1(3.2%)	11(35.5%)	18(58.1%)	4.50	5	5	0.724	1

Table12 (continued)

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Destination marketing management	36. Reinforcing the image of Taiwan as a hot springs holiday destination	0(0%)	1(3.2%)	5(16.1%)	14(45.2%)	11(35.5%)	4.13	4	4	0.806	1
	37. Establishing a brand name of a hot springs tourism destination	0(0%)	1(3.2%)	4(12.9%)	14(45.2%)	12(38.7%)	4.19	4	4	0.792	1
	38. Developing cross-marketing programs for destination tourism products	1(3.2%)	1(3.2%)	5(16.1%)	19(61.3%)	5(16.1%)	3.84	4	4	0.860	0
	39. Forming public-private marketing alliances	0(0%)	2(6.5%)	4(12.9%)	16(51.6%)	9(29.0%)	4.03	4	4	0.836	1
Human resource development	40. Educational institutions offering tourism management courses customized to the sector	0(0%)	2(6.5%)	7(22.6%)	15(48.4%)	7(22.6%)	3.87	4	4	0.846	1
	41. Facilitating industry-education co-operation programs	0(0%)	0(0%)	6(19.4%)	19(61.3%)	6(19.4%)	4.00	4	4	0.632	0
	42. Tourism enterprises providing in-house training programs	0(0%)	0(0%)	1(3.2%)	18(58.1%)	11(35.5%)	4.33	4	4	0.547	1
	43. Designing professional qualification system for certified managing or non-managing personnel	0(0%)	1(3.2%)	7(22.6%)	14(45.2%)	8(25.8%)	3.97	4	4	0.809	2
Service quality management	44. Maintaining high quality hot springs spa related facilities and equipment	0(0%)	0(0%)	1(3.2%)	16(51.6%)	14(45.2%)	4.42	4	4	0.564	1
	45. Ensuring the professional, technical competence and good interpersonal skills of service staff	0(0%)	0(0%)	0(0%)	15(48.4%)	16(51.6%)	4.52	5	5	0.508	1

Table12 (continued)

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Service quality management	46. Setting industry standards in service quality management	0 (0%)	1 (3.2%)	5 (16.1%)	14 (45.2%)	11 (35.5%)	4.13	4	4	0.806	1
	47. Developing a third party certificate and accreditation schemes	0 (0%)	0 (0%)	3 (9.7%)	13 (41.9%)	15 (48.4%)	4.39	4	4	0.667	1
Environment management	48. Controlling the total amount of hot springs water used	0 (0%)	0 (0%)	2 (6.5%)	10 (32.3%)	19 (61.3%)	4.55	5	5	0.624	1
	49. Building sewage system infrastructure and wastewater treatment facilities	0 (0%)	0 (0%)	3 (9.7%)	16 (51.6%)	12 (38.7%)	4.29	4	4	0.643	1
	50. Assuring the proper construction of pipe and pumping systems	0 (0%)	1 (3.2%)	2 (6.5%)	14 (45.2%)	14 (45.2%)	4.32	4	4	0.748	1
	51. Setting destination prices based on the costs invested	0 (0%)	1 (3.2%)	15 (48.4%)	13 (41.9%)	2 (6.5%)	3.52	3	3	0.677	1
Pricing	52. Setting destination prices against competing destinations	0 (0%)	1 (3.2%)	18 (58.1%)	12 (38.7%)	0 (0%)	3.35	3	3	0.551	1
	53. Setting destination prices based on demand elasticity	0 (0%)	1 (3.2%)	11 (35.5%)	14 (45.2%)	5 (16.1%)	3.74	4	4	0.773	1
	54. Ensuring value for money in destination tourism experience	0 (0%)	0 (0%)	7 (22.6%)	16 (51.6%)	8 (25.8%)	4.03	4	4	0.706	1

Source: Round 1 survey.

Tourism destination environments

Items 55 to 69 in the final category dealt with Tourism Destination Environments.

Economic growth

Items 55-56 focused on broader macroeconomic factors that could possibly contribute to the growth of the hot springs tourism sector. Moderate consensus was reached on both items. The importance scores were similar for the two items: 'The changes in industry/economic structure' received 3.87, and 'The increasing disposable income' scored 3.84. The results indicated that the underlying forces of economic growth were less important than expected from the competitiveness point of view. This may be because the Taiwanese prefer overseas travel to domestic trips. The domestic compared to the overseas tourism sector does not share in the recent increase in disposable income to the same extent. Written comments were generally positive and one respondent [17] raised the concern that "the consumption patterns of today's young generation have changed considerably. It doesn't matter whether the economy has recovered or whether the disposable income has increased". This statement was somewhat similar to the findings of Peattie and Moutinho (2000) that there are virtually no limits for a young person with a credit card and sympathetic parents in terms of travel options. The young adult market segment presents good potential for the hot springs tourism sector and is virtually untapped. Accordingly, the perceived effect of the younger generation's consumption patterns led to the creation of one new item to the list of determinants of destination competitiveness.

Social-cultural changes

Items 57-61 asked the panel to examine the extent to which socio-cultural changes might create new business opportunities for the hot springs tourism sector. The panel has reached strong consensus on 'The public interest in health-leisure activities' and 'The emergence of health-conscious consumers' receiving the same mean score of 4.32. The status of the remaining three items, namely 'The implementation of two-day weekend', 'The rapid increase in ageing population' and 'The media reporting of (hot springs) travel and tourism sector', is somewhat debatable. Written comments did not give a clear explanation for their disagreement, except one respondent [30] who questioned 'what could possibly motivate people to go on vacation on weekdays? That's the key issue to be further investigated. Would

the media reporting on the therapeutic benefits of hot springs bathing be effective and efficient?” The above findings shed some light on the future development pattern of the hot springs tourism sector in Taiwan. The sector’s potential is closely tied to a comparatively large group of more health-conscious consumers that continually seek new ways to proactively manage individual well-being and are becoming aware of the great potential of the hot springs therapies in attaining and maintaining their health. This surging demand is anticipated to lead the hot springs tourism sector towards innovating, adapting and increasing productivity and competitiveness.

Intra-industry interactions

In response to items 62-63 which asked the panel to examine the extent to which intra-industry interactions contribute to the competitiveness of the hot springs tourism sector, both items achieved consensus. ‘The relationships between hot springs enterprises’ (mean = 4.03) received a higher mean score than ‘The opportunities for (overseas) commercial visits, trips and exchanges’ (mean = 3.94). From a supply-side perspective, it could be inferred that business exchange visits are based on reciprocity to share experiences between enterprises with positive outcomes for all parties. Co-operative relationships however need increasing mutual trust and cohesion between enterprises. This is supported by Morgan and Hunt (1994) who refer to co-operation as a consequence of trust between parties and relationship commitment. Co-operation promises mutual benefit for the co-operating parties (Anderson and Narus, 1990). One respondent [13] noted that “the relationships between and amongst hot springs enterprises can be formal or informal. A good co-operation rather than an intense competition is certainly a basis of doing business well and would have a number of benefits for both the hot springs tourism enterprises and the destination”. Another respondent [5] added that “the competition within the hot springs tourism sector is not as fierce as the competition between the hot springs sector and other tourism sub-sectors”. A statement of support for commercial visits, trips and exchanges was proposed by one respondent [3] as “a process of learning from the experience of others in order to gain more knowledge about the sector”. The results noted above indicated that destination competitiveness could be strengthened through developing co-operative and interdependent relationships between hot springs tourism enterprises in the early stages and sustaining them with regular interactions.

Demand conditions

In response to items 64-66 concerning the significance of demand conditions as a key determinant of destination competitiveness, two of the three items achieved consensus: 'The expansion of the leisure and domestic tourism market' with a mean score of 4.35, and 'The more demanding travellers' with a mean score of 4.03. Though the panel failed to reach consensus on 'The gradual growth of international tourism market', written comments generally affirmed the increase of international tourist arrivals to Taiwan as a positive indicator for the development of hot springs tourism sector. One respondent [7] stated that 'Taiwan should organize more international promotional campaigns in order to attract more international tourists, who tend to spend more money than domestic visitors'. The findings may suggest that although increasing foreign tourism would be more profitable for a country's economy, the demand for tourism from abroad does not replace the domestic demand for tourism. This was consistent with Porter (1990) who notes domestic demand is more important than foreign demand because proximity makes it easier and faster to observe and understand immediate consumer needs and preferences. From a sector's point of view, the medium to long-term outlook for the hot springs tourism is positive and will be underpinned by a resurgence of tourism demand and a strong domestic market.

Community participation and attitudes

Items 67-69 discussed the community's role in making the hot springs tourism sector more competitive and more sustainable. Consensus was reached on: 'The positive attitudes towards the (re)development of hot springs tourism' (mean = 4.23), and 'The hospitality and friendliness of residents towards tourists' (mean = 4.20), but not reached on 'The active participation in hot springs tourism planning process'. It remains uncertain whether community involvement and participation in all areas of tourism planning and the development process can ensure sustainability and maintain a high quality of life of an area. However, there were some written comments showing strong support for this item. One respondent [25], for example, pointed out that "the primary task of positioning Taiwan as a hot springs tourism destination is to keep its natural resource endowment at an aboriginal level. It should also protect and respect the rights of aboriginals who are upstream stakeholders and have long been overlooked". Another respondent [14] stated that "using the community resources,

often cultural in nature, is the quickest way to develop a tourism product. Community involvement in the hot springs tourism planning process is to ensure the needs and desires of the community are truly reflected”. The results showed that the competitiveness of the hot springs tourism sector depends, at least partly, on local community support for tourism (re)development, as the area’s residents have to cope with a range of social, economical and environmental impacts from tourism activities. In addition, the friendliness and hospitality of community residents plays a more or less important role in improving destination competitiveness. As evidenced by Mill and Morrison (1992), if tourists feel welcome by the local residents, they will have a much more rewarding vacation. Conversely, they are reluctant to visit places where they feel unwelcome.

Summary

The results in this section indicated the extent to which the external environmental factors have potential to impact on the competitiveness of the hot springs tourism sector. As presented in Table 13, mean scores in the category of Tourism Destination Environments ranged from a high of 4.35 (Item 64 ‘The expansion of the leisure and domestic tourism market’) to a low of 3.84 (Item 55 ‘The increasing disposable incomes’ and Item 57 ‘The implementation of two-day weekend’). Top five highest rated items all received a mean score greater than 4.15, with scores ranging from 4.20 to 4.35. These highest rated items have been shown to relate to the socio-cultural changes, and community participation and attitudes. Based on the findings, it may be concluded that the growth of the hot springs tourism sector will come mainly from the domestic market and will be fuelled by health conscious leisure travellers. However, the over-exploitation of hot springs resources and the natural environment has been the biggest obstacle to further tourism development, and the best available solution to this problem would be community involvement and participation in destination planning and development. By doing so, long-term sustainability can be ensured. It is worth noting that over half of the external environmental factors were rated lower than 4.00. Further investigation is needed to discover the main reasons behind these low ratings.

Table 13 Expert Panel Importance Ratings of Tourism Destination Environments –Round One

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Tourism Destination Environment											
Economic growth	55. The increasing disposable incomes	0(0%)	0(0%)	10(32.3%)	16(51.6%)	5(16.1%)	3.84	4	4	0.688	1
	56. The changes in industry/economic structure	0(0%)	0(0%)	9(29.0%)	16(51.6%)	5(16.1%)	3.87	4	4	0.670	1
Social-cultural changes	57. The implementation of two-day weekend	0(0%)	2(6.5%)	6(19.4%)	18(58.1%)	5(16.1%)	3.84	4	4	0.779	1
	58. The public interest in health-leisure activities	0(0%)	0(0%)	2(6.5%)	17(54.8%)	12(38.7%)	4.32	4	4	0.599	1
	59. The emergence of health-conscious consumers	0(0%)	0(0%)	1(3.2%)	19(61.3%)	11(35.5%)	4.32	4	4	0.541	1
Intra-industry interactions	60. The rapid increase in ageing population	0(0%)	1(3.2%)	7(22.6%)	15(48.4%)	8(25.8%)	3.97	4	4	0.795	2
	61. The media reporting of (hot springs) travel and tourism sector	0(0%)	0(0%)	8(25.8%)	16(51.6%)	7(22.6%)	3.97	4	4	0.706	1
	62. The relationships between hot springs enterprises	0(0%)	1(3.2%)	4(12.9%)	19(61.3%)	7(22.6%)	4.03	4	4	0.706	0
Demand conditions	63. The opportunities for (overseas) commercial visits, trips and exchanges	0(0%)	0(0%)	6(19.4%)	21(67.7%)	4(12.9%)	3.94	4	4	0.574	0
	64. The expansion of the leisure and domestic tourism market	0(0%)	0(0%)	3(9.7%)	14(45.2%)	14(45.2%)	4.35	4	4	0.661	1
	65. The gradual growth of international tourism market	0(0%)	2(6.5%)	9(29.0%)	10(32.3%)	10(32.3%)	3.90	4	4	0.944	2

Table13-continued

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Demand conditions	66. The more demanding travellers	0(0%)	1 (3.2%)	4(12.9%)	19 (61.3%)	7(22.6%)	4.03	4	4	0.706	0
Community participation and attitudes	67. The active participation in hot springs tourism planning process	0(0%)	2 (6.5%)	6 (19.4%)	15 (48.4%)	8 (25.8%)	3.94	4	4	0.854	2
	68. The positive attitudes towards the (re)development of hot springs tourism	0(0%)	1 (3.2%)	2 (6.5%)	16 (51.6%)	11 (35.5%)	4.23	4	4	0.728	1
	69. The hospitality and friendliness of residents towards tourists	0(0%)	1 (3.2%)	4 (12.9%)	13 (41.9%)	12 (38.7%)	4.20	4	4	0.805	1

Source: Round 1 survey.

Discussion of the first round survey

Fifty-five of the total 69 items met the criteria that an inter-quartile score is less than 1.0 and 80 per cent of the responses fall within two categories on a five-point Likert scale. In this round, mean scores ranged from a high of 4.84 (Item 21 'Hygiene standards for hot springs spa equipment') to a low of 3.35 (Item 52 'Setting destination prices against competition destinations'). The standard deviations ranged from a high of 0.944 (Item 65 'The gradual growth of international tourism market') to a low of 0.384 (Item 21 'Hygiene standards for hot springs equipment'). The remaining 14 items for which consensus was not reached were:

- Comfortable climate;
- Interesting guided cultural tours;
- Health-oriented gourmet utilizing seasonal produce;
- Reliable public transport services;
- Developing a uniform grading and classification system for the sector;
- Developing cross-marketing programs for destination tourism products;
- Educational institutions offering tourism management courses customized to the sector;
- Developing professional qualification system for certified managing or non-managing personnel;
- Ensuring value for money in destination tourism experience;
- The implementation of two-day weekend;
- The rapid increase in ageing population;
- The media reporting of (hot springs) travel and tourism sector;
- The gradual growth of international tourism market; and
- The active participation in hot springs tourism planning and process.

Of the 55 items for which consensus was attained, 8 had mean scores above 4.50; 36 had mean scores between 4.00 and 4.50; and 11 had mean scores below 4.00 on a five-point Likert type scale. These items are listed in Table 14 in descending order of importance from the highest mean rating to the lowest.

**Table 14 Most and Least Important Determinants of Destination Competitiveness –
Round One**

Determinants of destination competitiveness	Mean	Agreement percentage	Component
Determinants of destination competitiveness with highest importance ratings (above 4.50)			
Hygiene standards for hot springs spa equipment	4.84	100%	Safety and security
Safety of the bathing environment	4.71	100%	Safety and security
High grade natural hot springs	4.65	96.8%	Natural resources
Safety of the overall destination	4.57	93.6%	Safety and security
Controlling the total amount of hot springs water used	4.55	93.5%	Environmental management
Personal safety and hygiene-basic rules and responsibility	4.55	93.6%	Safety and security
Plentiful natural hot springs	4.55	96.8%	Natural resources
Ensuring the professionalism, technical competence and good interpersonal skills of service staff	4.52	100%	Service quality management
Determinants of destination competitiveness with lowest importance ratings (below 4.00)			
Conducting regular surveys on tourist behaviour	3.97	80.7%	Capabilities of DMOs
The opportunities for (overseas) commercial visits, trips and exchanges	3.94	87.1%	Intra-industry interactions
Various local cultural traditions and specialities	3.93	80.7%	Cultural assets
The changes in industry structure/economic structure	3.87	83.8%	Economic growth
The increasing disposable incomes	3.84	83.9%	Economic growth
Setting destination prices based on demand elasticity	3.74	80.7%	Pricing
Creating incentives for entrepreneurial investment in the hot springs tourism sector	3.69	80.7%	Destination planning and development
Notable historical landmarks	3.60	80.7%	Cultural assets
Setting destination prices based on the costs invested	3.52	90.3%	Pricing
Comprehensive network of international routes to and from Taiwan	3.50	87.1%	Transportation
Setting destination prices against competing destinations	3.35	96.8%	Pricing

Source: Round 1 survey.

According to Table 14, agreement tended to be higher amongst the items that had a higher mean rating. The eight rated as having the highest importance were spread amongst natural resources, safety and security, service quality management, and environmental management. The component of safety and security contained four of the top eight importance ratings. This confirmed that the overriding requirement of hot springs tourism is to create a safe and secure destination experience for visitors. Besides this, a well-educated, highly skilled workforce plays an important role in ensuring the quality of the hot springs experiences offered to visitors. The importance of natural resources is another theme that links some of the highly rated items. The presence of natural attractions, particular hot springs, makes Taiwan a desirable tourism destination. To sustain these unique natural endowments, while retaining the distinctive nature of the hot springs tourism experience, it is of the

greatest urgency to establish a sustainable water use mechanism which also serves as a powerful destination environmental management tool.

On the other hand, the eleven rated as having the lowest importance were concentrated in the three components of cultural assets, pricing and economic growth. Three of the eleven lowest ranked items were related to the pricing issue. The effectiveness of using pricing to achieve destination competitiveness has failed to receive strong support, as illustrated by earlier written comments that prices are determined by the market forces of supply and demand. The supply side of the industry has little power to influence the price. It is surprising to note the low level of importance of cultural assets attached to the competitiveness of the hot springs tourism sector. This implied that cultural assets are preferred but not critical to further enhance the sector's competitiveness. A destination without cultural assets can still be competitive. Finally, Taiwan's economic growth is not considered critical in facilitating the growth and expansion of hot springs tourism sector. This may be attributed to people's preference to travel abroad for vacations.

In order to further analyze the results of this round, each component of destination competitiveness was considered separately. Table 15 presented the average mean scores of the nineteen components under the three main themes of destination competitiveness. As a whole, Tourism Destination Resources and Attractors received an average mean score of 4.14 only slightly higher than 4.12 for Tourism Destination Strategies. Tourism Destination Environments had the lowest average mean score of 4.05. The results illustrated that, from a competitiveness perspective, a destination's resources and attractors, and the strategies it adopts are of equal importance, whereas the external environment in which it operates is reported to be of least importance.

Table 15 Comparison of First Round Rating Results amongst the Three Categories of Determinants of Destination Competitiveness

Category	Mean
Tourism Destination Resources and Attractors	
Natural resources	4.23
Cultural assets	3.83
Special attractions	4.16
Accommodation	4.23
Cuisine	3.97
Transportation	3.96
Safety and security	4.62
Average	4.14
Tourism Destination Strategies	
Capabilities of destination management organizations	4.21
Destination planning and development	4.17
Destination marketing management	4.05
Human resource development	4.04
Service quality management	4.35
Environmental management	4.39
Pricing	3.66
Average	4.12
Tourism Destination Environments	
Economic growth	3.85
Socio-cultural changes	4.08
Intra-industry interactions	3.98
Demand conditions	4.20
Community participation and attitudes	4.12
Average	4.05

Source: Round 1 survey.

In the category of Tourism Destination Resources and Attractors, four of the seven components received a mean score of 4.00 or higher and the highest score was given to safety and security. From a supply-side perspective, tourism resources and attractors are the unique and irreplaceable attributes that draw people to the site. People will be attracted to experience hot springs if a variety of natural scenery is available, a diversity of special activities and festivals is held, and a range of good quality accommodation facilities built in the authentic style or in the natural setting is offered. Finally, the safety and security of all tourists at the property, community and destination level should be maintained effectively and accurately at all times.

The formulation and implementation of key policies and strategies are crucial to make Taiwan a prominent hot springs tourism destination. In the category of Tourism Destination Strategies, six of the seven components had a mean score of

4.00 or higher. Not surprisingly, both service quality management and environmental management were scored higher than other components. The former reflects the fact that the tourism industry is essentially a service-oriented sector and relies heavily on intensive interactions between travellers and service personnel. Greater importance attached to the latter (environmental management) revealed that immediate action and ongoing efforts should be taken to protect and restore hot springs water resources, and to prevent additional damage to the physical as well as social and cultural environments. The application of sustainability principles to destination environmental management is one of the most important and urgent issues the hot springs tourism sector is facing at the present time. Finally, particular emphasis was given to the capabilities of DMOs associated with developing and managing the hot springs tourism sector. A DMO acting on behalf of the government authorities should be in a decisive rather than instructive position, leading the hot springs tourism sector to gain competitiveness in both the domestic and international tourism arenas.

When compared to the other two groups of destination competitiveness, the group Tourism Destination Environments was rated least important. Of the five major components of tourism destination environments, three received a mean score of 4.00 or higher, two of which were related to industry-level influences. This suggests that the industry environment tends to have a more direct impact on the destination than does the macro environment. Demand conditions, particularly domestic demand for tourism, appear to be more influential in maximizing hot springs tourism potential than other external factors. The propensity of Taiwanese citizens for domestic travel is a positive indicator and potential contributor to the development of hot springs tourism in Taiwan.

Finally, written comments led to the slight rewording of twelve items and the creation of seven additional items. The average ratings from all panellists and individual panellist's previous ratings for each determinant of destination competitiveness were summarized and fed back to panel experts for further re-examination in a second round questionnaire along with new items developed from annotations written by the participants in the first round.

6.3 Results from the Second Round Questionnaire

The second round questionnaire was developed based on the collective input from the first round and then sent out to all those who participated in the first round for re-examination. Twenty-eight of the 31 panel members responded to the second round survey: 13 were government officers, 10 were industry leaders and 5 were academic scholars. The data collected in this round was analyzed quantitatively and qualitatively.

Importance ratings of the determinants of destination competitiveness

Tables 16-18 contain the descriptive statistics (mean, median, mode, inter-quartile range and agreement percentage) for each item. Following is a descriptive analysis of the panel's responses to the second round survey. Besides statistical data, the written comments were analyzed in order to better understand and capture how the supply side of the industry perceives possible ways to improve the competitiveness of the hot springs tourism sector in Taiwan. A priority of this second round survey was that panel members be asked to give more specific reasons for why they kept or changed their responses.

Tourism destination resources and attractors

Items 1-27 were included in the category of Tourism Destination Resources and Attractors.

Natural resources

In response to the importance of items 1-4 as a key determinant of destination competitiveness, all four items achieved high consensus, indicating considerable agreement amongst the panel. The expert panel reached strong consensus on Item 4 'Comfortable climate' that had no consensus in the first round. 'High grade natural hot springs' and 'Plentiful natural hot springs' were rated higher in importance, with the mean scores of 4.71 and 4.68 respectively. 'Abundant natural scenery' received a mean score of 4.18, whilst the mean score for 'Comfortable climate' was only 3.68. One respondent [6] attributed the low rating of comfortable climate to its uncontrollable nature and stated that "comfortable climate is desirable, but not always available. The sector's competitiveness is derived from its ability to

overcome a relatively strong constraint on natural climate”. In recognizing the value of sustaining these non-renewable resources, another respondent [5] cautioned “natural hot springs are not unlimited. The over-exploitation has been a serious problem to all hot springs areas. The sustainable use and management of this unique natural endowment is the most urgent task”. Both statistical and written responses affirmed the essential value of natural hot springs as the first and foremost element that constitutes the overall attractiveness of the hot springs tourism sector.

Cultural assets

Items 5-8 related to the importance of cultural assets in determining the competitiveness of the hot springs tourism sector. Moderate consensus was obtained on all four items. Item 5 ‘Guided tours of local art and culture’ for which no consensus had been reached in the first round received adequate support in the second round. In this section, ‘Community shopping districts featuring a mix of souvenir and tourist shops’ was rated the most important with a mean score of 4.29. The panel gave the mean score of 4.07 to both ‘Guided tour of local art and culture’ and ‘Various local cultural traditions and specialities’, whereas the mean score of ‘Notable historical landmarks nearby’ was 3.50 only. One respondent [2] stated that “cultural assets, particularly notable historical landmarks, add an extra dimension to the whole hot springs tourism experience. However, this power of attractiveness does not directly contribute to the sector’s competitiveness”. The result showed that cultural assets are strongly supportive of the process of developing hot springs tourism in Taiwan. In particular, shopping is an inseparable part of a hot springs tourism experience providing the greatest opportunities for community-based tourism development.

Special attractions

Items 9-10 were designed to assess expert opinions on the significance of special attractions for establishing Taiwan as a competitive hot springs tourism destination. The panel reached a strong consensus on both ‘Year-round recreational activities’ and ‘Special events and festivals held on a regular basis’. The former (mean = 4.29) was rated relatively higher by the panel than the latter (mean = 4.18) as an excellent cost effective means of luring potential tourists to the destination. From a supply-side perspective, the potential value of special attractions is that they need not rely upon

expensive physical developments, rather upon the support of the local community for their success (Kim, Uysal and Chen, 2002). In written comments, one respondent [29] felt that “special events and festivals would not be of much help in enhancing destination competitiveness because of a lower frequency of such activities. But it might be appropriate if they can be incorporated and linked to hot springs related activities”. According to the panel, special attractions, serving a similar role as cultural assets but with a possibly higher importance being attached to destination competitiveness, enable the sector to maximize its tourism potential. From a supplier’s point of view, special attractions provide the best possible solution to help overcome seasonal patterns of hot springs tourism activities in Taiwan.

Accommodation

Items 11-14 were used to examine how the accommodation sector helps improve the competitiveness of the hot springs tourism destination. A fairly high agreement was reached across the panel on all four items, three of which received the same mean score of 4.32. They were:

- High quality and international standard accommodation;
- Authentic accommodation experiences; and
- Comfortable accommodation in a natural setting.

The mean score of 4.21 for ‘Adequate capacity of accommodation establishments’ was relatively low. It is understandable that greater emphasis needs to be placed on both the quantity and quality of accommodation facilities. An adequate quantity without good quality is fatal, whereas good quality without the adequate quantity is only inhibiting. One respondent [29] expressed that “a short supply of accommodation is not a big matter, as the most desirable outcome is that lodging demand exceeding available supply”. The results confirmed that the accommodation sector attempts to provide high quality accommodation in adequate quantity. In addition, the supply side perceives the integration of the natural or cultural values of the place into accommodation settings as a value-added experience for hot springs visitors. While hot springs tourism is one of the growing sectors of the tourism industry in Taiwan, the accommodation sector has moved to the forefront of the development of hot springs areas.

Cuisine

Items 15-16 asked the panel members to respond whether cuisine is a necessity for maintaining the competitiveness of the hot springs tourism destination. Strong consensus was achieved on the two items, indicating a high level of agreement amongst panellists on the importance of these features. Item 16 'Health-oriented gourmet utilizing seasonal produce' received no consensus in the previous round but had a moderate consensus in the current round. The evidence shows that 'Authentic recipes using ethnic ingredients and cooking styles' (mean = 4.29) was more important than 'Health-oriented gourmet utilizing seasonal produce' (mean = 3.82) based on the mean scores. Although there was a perceived low importance of health-oriented cuisine for enhancing destination competitiveness, one respondent [15] explained his insistence stating that "the offering of healthy and notorious food enables the hot springs tourism sector to be parallel with the growth in average incomes, living standards and ageing population". As the above results showed, local authentic cuisine has an important function to perform in the context of hot springs tourism and provides unique experiences for visitors.

Transportation

Items 17-22 focused on an examination of the importance of transportation infrastructure in determining the competitiveness of a hot springs tourism destination. Five of the six items achieved high consensus, the exception being 'Reliable public transport services'. It is worth noting that this item also failed to achieve consensus in previous survey rounds. The relative effects of the transportation factors on destination competitiveness were ranked in the following order:

- Convenient access to a hot springs area (mean = 4.32);
- Clear guidance signs (mean = 4.21);
- Ample parking spaces (mean = 4.21);
- Sound local transportation network (mean = 4.11); and
- Comprehensive network of international routes to and from Taiwan (mean = 3.57).

The results highlighted that a well functioning transportation infrastructure is made up of three major components: well-connected transport routes between major cities and hot springs scenic spots in the regions, navigational information on guidance

signs on the various transport routes, and the availability of parking facilities. All of them are of equal importance and the infrastructure will not be effective if one of them should break down. The low importance of the operation of international routes could be possibly attributed to the burgeoning domestic tourism market. Continued efforts should be concentrated on improving transportation infrastructure in order to meet local preferences and demands.

The various written comments indicated a split in thinking about whether the hot springs area should provide public transport services. One respondent [6] indicated that “the lack of parking spaces is a common problem for hot springs scenic areas. Thus, public transportation provides people with easy access to various places in the region and plays an increasingly important role in linking one place to another”. A contrasting view was contributed by another respondent [14] who wrote “some form of public transportation should be provided to allow tourists to travel in the area locality. However, the condition of most roads in the hot springs area is considerably poor; the current medium-size shuttle bus service should be replaced by a minibus service which is considered the most appropriate in preventing air and noise pollutions”. No doubt the role of transportation infrastructure in the context of tourism destination is highly significant and necessary if people are to have full access to almost every hot springs.

Safety and security

Items 23-27 were designed to address the safety and security issues at the commercial property, community and destination levels. The panel reached a very strong consensus that the maintenance of a safe, secure and hygienic environment is the top priority for all hot springs properties within the destination. ‘Hygiene standards for hot springs spa equipment’ and ‘Safety of the bathing environment’ were identified as the most two important features of competitiveness for the hot springs tourism sector, receiving the highest mean score of 4.93 and 4.79 respectively. This was followed by the mean score of 4.68 for ‘Safety of the overall destination’ and 4.64 for ‘Personal safety and hygiene-basic rules and responsibility’. ‘Emergency medical care and the availability of ambulance service’ was rated slightly lower with a mean score of 4.36.

The results revealed that, at the property level, all hot springs proprietors are responsible for creating the conditions for the guest to exercise his or her personal responsibility to the fullest by providing a healthy, safe, secure and suitable environment for the delivery of services. At the community level, the hot springs tourism sector should seek the co-operation of the nearest local hospitals for emergency medical services and, at the national level it should look to the police force for protecting visitors against potential risks and threats. Safety and security are a necessary condition for the hot springs tourism sector in Taiwan to achieve competitiveness. The rationale for this is that tourists often select their destination not only on the basis of price and destination image, but most importantly, on personal safety and security (Pizam, Tarlow and Bloom, 1997). Any form of harm to them can adversely affect the entire sector. Consequently, all aspects of safety and security were consistently rated very highly when compared with other determinants of destination competitiveness.

Summary

According to Table 16, two-thirds of the tourism resources and attractors were rated relatively high in importance. Mean scores in this group ranged from a high of 4.93 (Item 25 'Hygiene standards for hot springs spa equipment') to a low of 3.50 (Item 6 'Notable historical landmarks nearby'). Safety and security, and natural resources were two critical elements that stood out as keys to enhancing the competitiveness of the hot springs tourism sector. Great importance was also attached to the provision of accommodation. It was felt that high quality accommodation facilities with a combination of stunning natural scenery and a rich indigenous culture could stimulate the desire of hot springs visitors to stay longer and to engage in outdoor activities.

Table 16 Expert Panel Importance Ratios of Tourism Destination Resources and Attractors –Round Two

Component	Determinants of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Tourism Destination Resources and Attractors											
Natural resources	1. High grade natural hot springs	0(0%)	0(0%)	0(0%)	8(28.6%)	20(71.4%)	4.71	5	5	0.460	1
	2. Plentiful natural hot springs	0(0%)	3(9.7%)	0(0%)	9(32.1%)	19(67.9%)	4.68	5	5	0.476	1
	3. Abundant natural scenery	0(0%)	2(6.5%)	2(7.1%)	19(67.9%)	7(25.0%)	4.18	4	4	0.548	0.25
	4. Comfortable climate	0(0%)	1(3.6%)	9(32.1%)	16(57.1%)	2(7.1%)	3.68	4	4	0.670	1
Cultural assets	5. Guided tours of local art and culture	0(0%)	0(0%)	4(14.3%)	18(64.3%)	6(21.4%)	4.07	4	4	0.604	0
	6. Notable historical landmarks nearby	0(0%)	2(7.1%)	12(42.9%)	12(42.9%)	2(7.1%)	3.50	3.50	3	0.745	1
	7. Various local cultural traditions and specialities	0(0%)	0(0%)	3(10.7%)	20(71.4%)	5(17.9%)	4.07	4	4	0.539	0
	8. Community shopping districts featuring a mix of souvenir and tourist shops	0(0%)	0(0%)	2(7.1%)	16(57.1%)	10(35.7%)	4.29	4	4	0.600	1
Special attractions	9. Year-round recreational activities	0(0%)	0(0%)	1(3.6%)	18(64.3%)	9(32.1%)	4.29	4	4	0.535	1
	10. Special events and festivals held on a regular basis	0(0%)	0(0%)	3(10.7%)	17(60.7%)	8(28.6%)	4.18	4	4	0.612	1
Accommodation	11. Adequate capacity of accommodation establishments	0(0%)	0(0%)	2(7.1%)	18(64.3%)	8(28.6%)	4.21	4	4	0.568	1
	12. High quality and international standard accommodation	0(0%)	0(0%)	2(7.1%)	15(53.6%)	11(39.3%)	4.32	4	4	0.612	1
	13. Authentic accommodation experiences	0(0%)	0(0%)	1(3.6%)	17(60.7%)	10(35.7%)	4.32	4	4	0.548	1
	14. Comfortable accommodation in a natural setting	0(0%)	0(0%)	1(3.6%)	17(60.7%)	10(35.7%)	4.32	4	4	0.548	1

Table 16 (continued)

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Cuisine	15. Authentic recipes using ethnic ingredients and cooking styles	0(0%)	0(0%)	3(10.7%)	14(50.0%)	11(39.3%)	4.29	4	4	0.659	1
	16. Health-oriented gourmet utilizing seasonal produce	0(0%)	0(0%)	8(28.6%)	17(60.7%)	3(10.7%)	3.82	4	4	0.612	1
	17. Comprehensive network of international routes to and from Taiwan	0(0%)	0(0%)	12(42.9%)	16(57.1%)	0(0%)	3.57	4	4	0.504	1
Transportation	18. Convenient access to a hot springs area	0(0%)	0(0%)	2(7.1%)	15(53.6%)	11(39.3%)	4.32	4	4	0.612	1
	19. Sound local transportation network	0(0%)	0(0%)	2(7.1%)	21(75.0%)	5(17.9%)	4.11	4	4	0.497	0
	20. Reliable public transport services	0(0%)	1(3.6%)	7(25.0%)	15(53.6%)	5(17.9%)	3.86	4	4	0.756	1
Safety and security	21. Ample parking spaces	0(0%)	0(0%)	2(7.1%)	18(64.3%)	7(28.6%)	4.21	4	4	0.568	1
	22. Clear guidance signs	0(0%)	0(0%)	3(10.7%)	16(57.1%)	9(32.1%)	4.21	4	4	0.630	1
	23. Safety of the overall destination	0(0%)	0(0%)	1(3.6%)	7(25.0%)	20(71.4%)	4.68	5	5	0.548	1
	24. Safety of the bathing environment	0(0%)	0(0%)	0(0%)	6(21.4%)	22(78.6%)	4.79	5	5	0.418	0
	25. Hygiene standards for hot springs spa equipment	0(0%)	0(0%)	0(0%)	2(7.1%)	26(92.9%)	4.93	5	5	0.262	0
	26. Personal safety and hygiene-basic rules and responsibility	0(0%)	0(0%)	2(6.5%)	10(35.7%)	18(64.3%)	4.64	5	5	0.488	1
	27. Emergency medical care and the availability of ambulance services	0(0%)	0(0%)	2(7.1%)	14(50.0%)	12(42.9%)	4.36	4	4	0.621	1

Source: Round 2 survey.

Items 28-56 were categorized as Tourism Destination Strategies.

Capabilities of destination management organizations

Items 28-35 were designed to ask the panel for opinions on a number of administrative tasks a DMO should carry out in order to lead the hot springs tourism sector towards a sustainable position of competitiveness. Seven of the eight multiple tasks achieved consensus, demonstrating a wide assortment of capabilities required for a DMO to work at a professional level in the field of hot springs tourism. No consensus was reached again on Item 33 'Developing a uniform grading and classification system for the sector'. The seven items for which consensus was attained, ranked in priority by their mean scores are:

- Implementing hot springs water quality inspection (mean = 4.61);
- Assisting hot springs properties in licensing matters (mean = 4.61);
- Creating and maintaining a hot springs database (mean= 4.43);
- Undertaking domestic and international marketing campaigns (mean = 4.39);
- Providing leadership for coordination within the sector (mean = 4.32);
- Encouraging industry innovation of hot springs spa products and services (mean = 4.21); and
- Conducting regular surveys on tourists behaviour and satisfaction (mean = 4.11).

A review of the written comments showed that the opinions within the panel varied on such issues as the leadership of DMO, the necessity of conducting tourist surveys and the development of a sector-specific grading system. One respondent [2] referred to self-interest as a constraint on leadership performance, stating that "the ability of DMO to coordinate the actions of the industry as whole is likely to be conditioned by the pursuit of self-interest of an individual tourism enterprise. The conflict between self-interest and group-interest remains a serious problem and could negatively influence the overall development of the hot springs tourism sector". The same person went on to indicate "if the classification system is often under unfair pressure and influence, and unable to provide an accurate objective measurement, it exists without any real value." Another respondent [15] stressed the need for conducting regular surveys on consumer satisfaction and monitoring trends in travel behaviour,

explaining that “consumer surveys provide the sector with the most useful information to make changes in response to tourists’ needs given its dynamic and complex nature”. Based on the panel’s responses, it was clear that the DMO, on behalf of the government authorities, is urged to serve as an important bridge between the public and industry sectors involved in tourism. It gathers and uses information on tourist behaviour and satisfaction effectively to improve the destination’s competitive position. Furthermore, the DMO allocates appropriate funding resources to sustain destination marketing operations at all levels. Besides these aforementioned tasks, such sector-specific responsibilities as the establishment of a water quality inspection mechanism, the creation of a hot springs database and the issuance of property licenses are of particular importance and relevance.

Destination planning and development

Items 36-38 assessed the possible impact of destination planning and development policies on the competitiveness of the hot springs tourism sector. The panel reached consensus on all three issues, with varying degrees of importance attached:

- Properly designing and constructing new and existing hot springs areas (mean = 4.61);
- Regulating the optimal use of lands and hot springs water resources (mean = 4.21); and
- Providing financial aids for assisting the sector’s development (mean = 3.79).

The only written comment was the attempt to affirm industrial policy as a means of promoting more direct investment and ensure the health of the sector. The findings implied that passive regulations and laws are more effective and efficient than aggressive industrial policies and incentives in reaching future goals. In addition, it was clear that the application of sustainability principles to destination planning and development policies is an important priority across governments at all levels in order to deliver quality of life to all stakeholders.

Destination marketing management

Items 39-44 were designed to examine to what extent destination marketing management activities can improve the competitiveness of the hot springs tourism

sector. All six items achieved consensus and were ranked in the following order according to their relative effects on destination competitiveness:

- Promoting the health and medical benefits of hot springs (mean = 4.29);
- Providing a diverse range of leisure and health-oriented facilities (mean = 4.21);
- Establishing a brand name of a hot springs tourism destination (mean = 4.18);
- Forming public-private marketing alliances (mean = 4.04);
- Developing cross-marketing programs for destination tourism products (mean = 4.04); and
- Reinforcing the image of Taiwan as a hot springs holiday destination (mean = 4.00).

It is worth noting that Item 41 ‘Developing cross-marketing programs for destination tourism products’ that failed to achieve consensus in the first round received a fairly high consensus in the second round. The results informed the curative and preventive aspects of hot springs applications as an untapped market opportunity for the future development. Greater attention should be given to innovative product development. To be successful, destination marketing management should be connected to product and market development. This idea was consistent with Poon (1993) who suggests that product development should be linked to marketing to ensure that the product reflects as closely as possible the needs of the people using them. It is of utmost importance that the attractions of a destination are constantly improved and expanded in accordance with new trends and developments in the marketplace.

From a destination marketing perspective, building a country’s image is like building a brand. As already indicated, Taiwan has been facing a number of problems and constraints that hinder the development of its international tourism market. The wrong image that people have about Taiwan makes the task at hand more challenging. In order to reinforce Taiwan as a holiday destination, it is critically important that effective destination marketing management should be composed of the following two major elements: fostering public-private partnership and forming strategic alliances with either direct competitors or with other related businesses. These serve as a powerful tool not only for developing a consistent brand image, but also ensuring a high level of mutual benefits for all parties involved. Fundamental to

building a brand of 'hot springs tourism destination' is an understanding that a successful destination brand is able to clearly differentiate Taiwan from its competition.

Human resource development

Items 45-49 were used to measure the importance of human resource development as a critical element in building the competitiveness of Taiwan as a hot springs tourism destination. Consensus was reached on three of the five items. For those items on which consensus was achieved, in-house training programs were highlighted as an important critical factor, receiving a mean score of 4.29. 'Facilitating industry-education co-operation programs' and 'Funding life-long learning and continuing education programs for the sector' were viewed as essential but not important. They had mean scores of only 3.96 and 3.93 respectively. Items illustrating the largest difference in opinions and failing to achieve consensus were: 'Educational institutions offering tourism management courses customized to the sector', and 'Designing a certified qualification system for managers and professional personnel'. One respondent [28] expressed concern about the lack of qualified and experienced teaching staff as a major problem. The same person went on to indicate that "tourism enterprises should comply with governmental regulations employing a qualified individual who holds a certificate or license and is able to practice independently. Otherwise, this piece of paper will mean nothing".

The results re-confirmed that informal on-the-job training is much more cost-effective than formal education in terms of total return on investment. This is because the nature of training is the act or process of providing and receiving instruction in a particular skill, profession or occupation. The hot springs tourism sector, like other types of tourism, is a service-oriented industry. The quality of a hot springs tourism experience is highly dependent on having a workforce that is skilled and capable of delivering excellent service. As such, designing, organizing and conducting training programs are considered the most cost-effective way to facilitate human resource development from a supply-side perspective. It is somewhat surprising that there is a wide variation on attitudes to the level of importance attached to formal tourism education. The exact role of formal education in the human resource development field needs to be further ascertained.

Service quality management

Item 50-52 asked the panel to respond to the importance of service quality management practices in the hot springs tourism destination context. Consensus on all three items was attained, showing that the majority of panel members agreed service quality management is a critical means of achieving the sector's competitiveness. 'Ensuring the professionalism, technical competence and good interpersonal skills of service staff' (mean = 4.50) was scored higher than 'Maintaining high quality hot springs spa related facilities and equipment' (mean = 4.46). It was evident that, while a tourism experience is composed of both tangible and intangible aspects to satisfy tourists, the latter appears to be even more important and complex than the former. The findings were consistent with the previous study of Schneider and Bowen (1995) who have found the delivery of service occurs during the interaction between personnel and customers so that the attitudes and behaviors of contact personnel can largely influence customers' perceptions of the service. Meanwhile, special emphasis was given to the need for setting appropriate quality standards that could be followed by hot springs and tourism related enterprises. A moderate level of importance was assigned to the ratings of 'Setting industry standards in service quality management' (mean = 4.14). From a supply-side perspective, the quality of a tourism experience at the destination could definitely be improved through the development of measurement methods and analyzing tools. This is considered an appropriate and ongoing approach to raise destination competitiveness.

Environmental management

In reply to items 53-56 which asked panel members to rate the importance of destination environmental management in improving the competitiveness of the hot springs tourism sector, all four items achieved consensus and were identified as vital in building sustained competitiveness. The top two priority tasks were 'Controlling the total amount of hot springs water used' (mean = 4.64) and 'Developing a third party certificate and accreditation schemes' (mean = 4.54). In their attempt to comply with the sustainable development of a destination environment, hot springs proprietors should take into consideration the optimal use of springs and apply, as a minimum, nationally recognized standards, and participate in a labelling scheme of good standing where applicable. Furthermore, due to the overuse and misuse of land

and natural resources, fundamental solutions of these environmental problems call for the proper construction of pipe and pumping systems as well as sewage system infrastructure and wastewater treatment facilities. ‘Assuring the proper construction of pipe and pumping system’ (mean = 4.32) and ‘Building sewage system infrastructure and wastewater treatment facilities’ (mean = 4.29) rated moderately high in importance and are perceived by the supply side as the only realistic solution to the problems of prior overuse and misuse.

Pricing

Items 57-60 asked the panel to examine the impact of pricing strategy on destination competitiveness in the hot springs tourism context. All four items achieved strong consensus, but were rated low in importance:

- Ensuring value for money in destination tourism experience (mean = 4.18);
- Setting destination prices based on market demand elasticity (3.71);
- Setting destination prices based on competitor’s prices (mean = 3.36); and
- Setting destination prices according to the level of investment cost (mean = 3.32).

One respondent [28] explained “hot springs proprietors alone are unable to influence the price of the product”. Despite the relative low importance of pricing strategy attached to the sector’s competitiveness, the panel still underscored the importance of creating and maintaining value for money for visitors. From a supply-side perspective, a tourism experience should be offered at an affordable price without compromising quality. The above findings proved that an important aspect of pricing is to ensure a critical balance between price and perceived value is met.

Summary

As shown in Table 17, mean scores in the category of Tourism Destination Strategies ranged from a high of 4.64 (Item 54 ‘Controlling the total amount of hot springs water used’) to a low of 3.32 (Item 57 ‘Setting destination prices according to the level of investment cost’). The top five highest rated items clearly demonstrated that a competitive strategy within the context of hot springs tourism should be composed of at least four critical components, including environmental management, service quality management, capabilities of DMOs, and destination planning and

development. The findings indicated that while the tourism industry increasingly markets hot springs as ‘consumable products’, hot springs proprietors have to work, collectively or individually, towards environmental sustainability and maintaining the quality of the hot springs tourism experience. The role of the government sector is significant in guiding and overseeing the operation of hot springs businesses. A set of rules and regulations at the government level must comply with the long-term goals of destination planning and development. Not surprisingly, the three lowest rated items remained the same and were in the pricing dimension. It seemed evident that tourism enterprises have less influence on price setting due to the rising bargaining power of consumers.

Table 17 Expert Panel Importance Ratios of Tourism Destination Strategies –Round Two

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Capabilities of Destination management organizations	Tourism Destination Strategies										
	28. Providing leadership for coordination within the sector	0 (0%)	0 (0%)	1 (3.6%)	17 (60.7%)	10 (35.7%)	4.32	4	4	0.548	1
	29. Encouraging industry innovation of hot springs spa products and services	0 (0%)	0 (0%)	1 (3.6%)	20 (71.4%)	7 (25.0%)	4.21	4	4	0.499	0
	30. Undertaking domestic and international marketing campaigns	0 (0%)	0 (0%)	0 (0%)	17 (60.7%)	10 (39.3%)	4.39	4	4	0.497	1
	31. Conducting regular surveys on tourist behaviour and satisfaction	0 (0%)	0 (0%)	1 (3.6%)	23 (82.1%)	4 (14.3%)	4.11	4	4	0.416	0
	32. Assisting hot springs properties in licensing matters	0 (0%)	0 (0%)	1 (3.6%)	9 (32.1%)	18 (64.3%)	4.61	5	5	0.567	1
	33. Developing a uniform grading and classification system	0 (0%)	1 (3.6%)	7 (25.0%)	15 (53.6%)	5 (17.9%)	3.86	4	4	0.756	1
	34. Creating and maintaining a hot springs database	0 (0%)	0 (0%)	1 (3.6%)	14 (50.0%)	13 (46.4%)	4.43	4	4	0.573	1
Destination planning and development	35. Implementing hot springs water quality inspections	0 (0%)	0 (0%)	0 (0%)	11 (39.3%)	17 (60.7%)	4.61	5	5	0.497	1
	36. Regulating the optimal use of lands and hot springs water resources	0 (0%)	1 (3.6%)	2 (7.1%)	15 (53.6%)	10 (35.7%)	4.21	4	4	0.738	1
	37. Providing financial aids for assisting the sector's development	0 (0%)	0 (0%)	8 (28.6%)	18 (64.3%)	2 (7.1%)	3.79	4	4	0.568	1

Table17 (continued)

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Destination planning and development	38. Properly designing and constructing new and existing hot springs areas	0(0%)	0(0%)	0(0%)	8(28.6%)	20(71.4%)	4.61	5	5	0.497	1
	39. Reinforcing the image of Taiwan as a hot springs holiday destination	0(0%)	2(7.1%)	3(10.7%)	16(57.1%)	7(25.0%)	4.00	4	4	0.816	0.25
Destination marketing management	40. Establishing a brand name of a hot springs tourism destination	0(0%)	0(0%)	4(14.3%)	15(53.6%)	9(32.1%)	4.18	4	4	0.670	1
	41. Developing cross-marketing programs for destination tourism products	0(0%)	0(0%)	3(10.7%)	21(75.0%)	4(14.3%)	4.04	4	4	0.508	0.75
	42. Forming public-private marketing alliances	0(0%)	1(3.6%)	4(14.3%)	16(57.1%)	7(25.0%)	4.04	4	4	0.744	1
	43. Promoting the health and medical benefits of hot springs	0(0%)	0(0%)	2(7.1%)	16(57.1%)	10(35.7%)	4.29	4	4	0.600	1
	44. Providing a diverse range of leisure and health-oriented facilities	0(0%)	1(3.6%)	2(7.1%)	15(53.6%)	10(35.7%)	4.21	4	4	0.738	1
Human resource development	45. Educational institutions offering tourism management courses customized to the sector	0(0%)	1(3.6%)	6(21.4%)	16(57.1%)	5(17.9%)	3.89	4	4	0.737	1
	46. Facilitating industry-education co-operation programs	0(0%)	1(3.6%)	2(7.1%)	22(78.6%)	3(10.7%)	3.96	4	4	0.576	0.75
	47. Tourism enterprises providing in-house training programs	0(0%)	0(0%)	1(3.6%)	18(64.3%)	9(32.1%)	4.29	4	4	0.535	1

Table 17-continued

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Tourism Destination Strategies											
Human resource development	48. Designing a certified qualification system for managers and professional	0 (0%)	0 (0%)	8 (28.6%)	14 (50.5%)	6 (21.4%)	3.93	4	4	0.716	1
	49. Funding long-life learning and continuing education programs for the sector	0 (0%)	0 (0%)	7 (25.0%)	16 (57.1%)	5 (17.9%)	3.93	4	4	0.663	0
Service quality management	50. Maintaining high quality hot springs spa related facilities and equipment	0 (0%)	0 (0%)	0 (0%)	15 (53.6%)	13 (46.4%)	4.46	4	4	0.508	1
	51. Ensuring the professional, technical competence and good interpersonal skills of service staff	0 (0%)	0 (0%)	0 (0%)	14 (50.0%)	14 (50.0%)	4.50	4.50	4.50	0.509	1
Environment management	52. Setting industry standards in service quality management	0 (0%)	0 (0%)	3 (10.7%)	18 (64.3%)	7 (25.0%)	4.14	4	4	0.591	1
	53. Developing a third party certificate and accreditation schemes	0 (0%)	0 (0%)	1 (3.6%)	11 (39.3%)	16 (57.1%)	4.54	5	5	0.576	1
	54. Controlling the total amount of hot springs water used	0 (0%)	0 (0%)	1 (3.6%)	6 (21.4%)	20 (71.4%)	4.64	5	5	0.621	1
	55. Building sewage system infrastructure and wastewater treatment facilities	0 (0%)	0 (0%)	2 (7.1%)	16 (57.1%)	10 (35.7%)	4.29	4	4	0.600	1
	56. Assuring the proper construction of pipe and pumping systems	0 (0%)	0 (0%)	2 (7.1%)	15 (53.6%)	11 (39.3%)	4.32	4	4	0.612	1

Table17-continued

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Tourism Destination Strategies											
Pricing	57. Setting destination prices according to the level of investment cost	0(0%)	1(3.6%)	19(67.9%)	6(21.4%)	2(7.1%)	3.32	3	3	0.670	1
	58. Setting destination prices based on competitor's prices	0(0%)	0(0%)	19(67.9%)	8(28.6%)	1(3.6%)	3.36	3	3	0.559	1
	59. Setting destination prices based on market demand elasticity	0(0%)	0(0%)	9(32.1%)	18(64.3%)	1(3.6%)	3.71	4	4	0.535	1
	60. Ensuring value for money in destination tourism experience	0(0%)	0(0%)	2(7.1%)	19(67.9%)	7(25.0%)	4.18	4	4	0.548	0.75

Source: Round 2 survey.

Tourism destination environments

Items 61-76 in the final category dealt with Tourism Destination Environments.

Economic growth

Items 61-63 attempted to assess the extent to which macro aspects of economic growth contribute to the competitiveness of the hot springs tourism sector. All three items received high consensus, but low ratings on the importance scale:

- The increasing disposable income (mean = 3.89)
- The changes in industry structure/economic structure (mean = 3.86); and
- The potential consumption power of young generation (mean = 3.64).

The results reflected the industry's concern that people on a high disposable income tend to travel abroad for holidays. The increased spending on outbound trips leads to little or no development of domestic tourism in Taiwan. One respondent [6] however was optimistic about the growth prospects of the tourism sector and noted that "the greater interest in tourism may well be the outcome of an increase in real disposable income in recent years. Growth in hot springs tourism can therefore also be anticipated in the expansion of disposable incomes".

Social-cultural changes

Items 64-68 were asked in an attempt to gain some insights on how socio-cultural changes affect the competitiveness the hot springs tourism sector. All five items achieved consensus, indicating the general recognition that socio-cultural factors and changes have a major influence on the structure of the tourism market. The two items that were ranked highest by the panel were 'The public interest in health-leisure activities' (mean = 4.36), and 'The emergence of more health conscious consumers' (mean = 4.32). The remaining three items rating substantially lower in importance were:

- The ageing population with strong desire to travel (mean = 4.14);
- The media reporting of (hot springs) travel and tourism sector (mean = 4.14); and
- The positive effect of two-day weekend policy (mean = 3.89).

A few written comments were provided with particular reference to the critical role of the mass media. One respondent [28] argued that “the mass media includes all forms of information communicated to large groups of people. It is the most convenient way for people to get information and know about things which happen in the society”. Another respondent [29] noted that “the mass media campaign can generate high publicity awareness through the use of high-frequency messaging”. A similar view was expressed by one respondent [2] “the hot springs tourism has been quickly upgraded and modernized since the year 1999 designated as ‘Hot Springs Tourism Year’. Such achievement was due to the use of mass media with regular reports on topics in hot springs tourism”.

Based on the above findings, it is anticipated that the future growth in tourism will continue to be closely linked to the pursuit of an active and healthy lifestyle, the increasing proportion of an ageing and health-conscious population, and the growth of mass media. The power of the latter has even been widely accepted as the primary informer of public opinion. The socio-cultural changes, when compared to macroeconomic forces, are considered more critical in affecting the desires and needs of prospective travellers and the corresponding supply of tourism leisure and tourism services available. In this unstable and rapidly evolving socio-cultural environment, the industry sector should be better placed to respond such changes because of the necessity for constant renewal of the destination offerings to reflect such trends.

Intra-industry interactions

Items 69-70 concern the specific roles and tasks hot springs and related tourism enterprises perform as one of key stakeholders in the destination context. The results confirmed that most of the interactions occurring amongst tourism enterprises, whether formal or informal, co-operative or competitive, are closely related to the success and competitiveness of the hot springs tourism sector. The rationale is based on a firm belief that the fortunes of hot springs proprietors and the destinations are interrelated. Hence, tourism enterprises within the region may compete with each other in certain areas on the basis of their individual strengths, whereas they co-operate with a view to their collective inter-regional competition based on the region’s distinctive features. This conclusion was supported by a moderate mean

rating of the importance of 'The relationships between hot springs enterprises' (mean = 4.04) and 'The opportunities for (overseas) commercial visits, trips and exchanges' (mean = 3.96).

Demand conditions

In response to items 71-73 concerning the significance of demand conditions to the competitiveness of the hot springs tourism sector, all three items achieved consensus. According to the panel, the domestic demand for tourism was, in some ways, more important and probably more appreciated than foreign demand. This is clearly shown in the mean ratings of 'The expansion of the leisure and domestic tourism market', 'The more demanding traveller' and 'The gradual growth of international tourism market', which were 4.36, 4.11 and 3.89 respectively. Written comments also gave high priority to the development of the domestic tourism market and one respondent [28] suggested that "domestic tourism should be enhanced before seeking ways of attracting more foreign tourists to come". A similar concern was offered by another respondent [2] "Taiwan's hot springs are simply not enough to attract foreign tourists so far". Influenced by socio-cultural trends, the demand side of the tourism industry is expected to continue to grow. The future of the hot springs tourism sector is very promising and will largely be dependent on domestic demand. There is no doubt that the steadily increasing number of international visitors presents a great opportunity to the hot springs tourism sector. However, more direct efforts would be needed to ensure the domestic demand is entirely satisfied; particularly since tourists are becoming more demanding, more knowledgeable and more decisive.

Community participation and attitudes

Items 74-76 evaluated the potential effect of community participation and attitudes on the competitiveness of the hot springs tourism sector. The panel reached consensus on all three items. Written comments however showed a split in thinking about whether community residents should be involved in the hot springs tourism planning and development process. On the one hand, one respondent [6] took a very positive view towards the involvement of community residents, stating that "the competitiveness of regional hot springs varies depending on the level of support for community involvement". On the other hand, another respondent [2] presented a contrasting view that "the community often takes an indifferent and passive attitude

towards hot springs planning and (re)development, unless those hot springs tourism-related enterprises are operated by local residents”. Although varying opinions were expressed, the importance of involving local community residents in the planning, decision-making and implementation process was ascertained by the panel, receiving a mean value of 3.93. The other two related items, ‘The positive attitudes towards the (re)development of hot springs tourism’ and ‘The hospitality and friendliness of residents towards tourists’ scored relatively higher, with a mean score of 4.14 and 4.07 respectively. It is understandable that if local residents perceive benefits flowing from tourism development, particularly in the economic and cultural aspects, they would be more willing to support community-based tourism planning and development.

Summary

As shown in Table 18, mean scores in the category of Tourism Destination Environments ranged from a high of 4.36 (Item 65 ‘The public interest in health-leisure activities’ and Item 71 ‘The expansion of the leisure and domestic tourism market’) to a low of 3.64 (Item 63 ‘The potential consumption power of young generation’). Based on these results, it may be concluded that fuelled by a large and increasing number of health conscious leisure travellers, numerous market opportunities exist in the health care/medical field. These recent trends could positively increase the sector’s diversity of hot springs applications. At the industry level, the continuous growth of domestic tourism demand will create a favourable investment climate for government and industry sectors to engage more deeply in the hot springs tourism development. It is interesting to note that economic growth has limited influence on the sector’s future prosperity. Perhaps this is because for Taiwanese people overseas travel has been more attractive and appealing than domestic travel.

Table 18 Expert Panel Importance Ratings of Tourism Destination Environments –Round Two

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Tourism Destination Environments											
Economic growth	61. The increasing disposable incomes	0(0%)	1(3.6%)	4(14.3%)	20(71.4%)	3(10.7%)	3.89	4	4	0.629	0
	62. The changes in industry structure/economic structure	0(0%)	0(0%)	6(21.4%)	20(71.4%)	2(7.1%)	3.86	4	4	0.525	0
	63. The potential consumption power of young generation	0(0%)	0(0%)	10(35.7%)	18(64.3%)	0(0%)	3.64	4	4	0.488	1
Social-cultural changes	64. The positive effect of two-day weekend policy	0(0%)	1(3.6%)	4(14.3%)	20(71.4%)	3(10.7%)	3.89	4	4	0.629	0
	65. The public interest in health-leisure activities	0(0%)	0(0%)	0(0%)	18(64.3%)	10(35.7%)	4.36	4	4	0.488	1
	66. The emergence of health-conscious consumers	0(0%)	0(0%)	0(0%)	19(67.9%)	9(32.1%)	4.32	4	4	0.476	1
	67. The ageing population with a strong desire to travel	0(0%)	1(3.2%)	4(14.3%)	16(57.1%)	8(28.6%)	4.14	4	4	0.651	1
Intra-industry interactions	68. The media reporting of (hot springs) travel and tourism sector	0(0%)	0(0%)	3(10.7%)	18(64.3%)	7(25.0%)	4.14	4	4	0.591	0.75
	69. The relationships between hot springs enterprises	0(0%)	1(3.2%)	3(10.7%)	21(75.0%)	4(14.3%)	4.04	4	4	0.508	0
	70. The opportunities for (overseas) commercial visits, trips and exchanges	0(0%)	0(0%)	4(14.3%)	21(75.0%)	3(10.7%)	3.96	4	4	0.508	0
Demand conditions	71. The expansion of the leisure and domestic tourism market	0(0%)	0(0%)	1(3.6%)	16(57.1%)	11(39.3%)	4.36	4	4	0.559	1

Table18-continued

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)					Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range
Demand conditions	72. The gradual growth of international tourism market	0 (0%)	1 (3.6%)	5 (17.9%)	18 (64.3%)	4 (14.3%)	3.89	4	4	0.685	0
	73. The more demanding travellers	0 (0%)	1 (3.6%)	1 (3.6%)	20 (71.4%)	6 (21.4%)	4.11	4	4	0.629	0
Community participation and attitudes	74. The active participation in hot springs tourism (re)planning and (re)engineering process	0 (0%)	2 (7.1%)	3 (10.7%)	18 (64.3%)	5 (17.9%)	3.93	4	4	0.766	0
	75. The positive attitudes towards the (re)development of hot springs tourism	0 (0%)	1 (3.6%)	2 (7.1%)	17 (60.7%)	8 (28.6%)	4.14	4	4	0.408	1
	76. The hospitality and friendliness of residents towards tourists	0 (0%)	1 (3.6%)	4 (14.3%)	15 (53.6%)	8 (28.6%)	4.07	4	4	0.766	1

Source: Round 2 survey.

Discussion of the second round survey

Seventy-two of the total 76 items achieved consensus in this round using a priori criteria that an inter-quartile range must be less than 1 and 80 per cent of the responses fall within two rating points on a five-point Likert scale. While there were high levels of agreement in most items, the largest difference of opinion occurred with the four items:

- Reliable public transport service;
- Developing a uniform grading and classification system for the sector;
- Educational institutions offering tourism management courses customized to the sector; and
- Designing a certified qualification system for managers and professional personnel.

Mean scores in this round ranged from a high of 4.93 (Item 25 ‘Hygiene standards for hot springs spa equipment’, which had previously received a 4.84 mean score) to a low of 3.32 (Item 57, ‘Setting destination prices according to the level of investment cost’, previously scoring a 3.52). The standard deviations ranged from a high of 0.816 (Item 39 ‘Reinforcing the image of Taiwan as a hot springs holiday destination’) to a low of 0.262 (Item 25 ‘Hygiene standards for hot springs spa equipment’). Of the 72 items for which consensus was attained, 11 were considered as very important with a mean score above 4.50; 44 were identified as important with a mean score between 4.00 and 4.50; and 17 were considered as essential but not important with a mean score below 4.00 on a five-point Likert type scale. These items are listed in Table 19 in descending order of importance from the highest mean rating to the lowest. As shown in Table 19, the eleven highest determinants of destination competitiveness were mostly distributed across the following four components: natural resources, safety and security, capabilities of DMOs, and environmental management. In contrast, the seventeen items rated as having the lowest importance fell into three components: human resource development, pricing and economic growth.

Table 19 Most and Least Importance Determinants of Destination Competitiveness – Round Two

	Mean	Destination Competitiveness Component
Determinants of Destination Competitiveness with the Highest Importance Ratings (above 4.50)		
Hygiene standards for hot springs spa equipment	4.93	Safety and security
Safety of the bathing environment	4.79	Safety and security
High grade natural hot springs	4.71	Natural resources
Plentiful natural hot springs	4.68	Natural resources
Safety of the overall destination	4.68	Safety and security
Controlling the total amount of hot springs water used	4.64	Environmental management
Personal safety and hygiene-basic rules and responsibility	4.64	Safety and security
Properly designing and constructing new and existing hot springs areas	4.61	Destination planning and development
Implementing hot springs water quality inspection	4.61	Capabilities of DMOs
Assisting hot springs properties in licensing matters	4.61	Capabilities of DMOs
Developing a third party certificate and accreditation schemes	4.54	Environmental management
	Mean	Destination Competitiveness Component
Determinants of Destination Competitiveness with the Lowest Importance Ratings (below 4.00)		
The opportunities for (overseas) commercial visits, trips and exchanges	3.96	Intra-industry interactions
Facilitating industry-education co-operation programs	3.96	Human resource development
Funding life-long learning and continuing education programs for the sector	3.93	Human resource development
The active participation in hot springs tourism (re)planning and (re)engineering process	3.93	Community participation and attitudes
The increasing disposable incomes	3.89	Economic growth
The positive effect of two-day weekend policy	3.89	Socio-cultural changes
The gradual growth of international tourism market	3.89	Demand conditions
The changes in industry structure/economic structure	3.86	Economic growth
Health-oriented gourmet utilizing seasonal produce	3.82	Cuisine
Providing financial aids for assisting the sector's development	3.79	Destination planning and development
Setting destination prices based on market demand elasticity	3.71	Pricing
Comfortable climate	3.68	Natural resources
The potential consumption power of young generation	3.64	Economic growth
Comprehensive network of international routes to and from Taiwan	3.57	Transportation
Notable historical landmarks nearby	3.50	Cultural assets
Setting destination prices based on competitor's prices	3.36	Pricing
Setting destination prices according to the level of investment cost	3.32	Pricing

Source: Round 2 survey.

The results of the second round generally concurred with the major findings of the first round. Firstly, personal safety and security during travel remained at the top of the list of industry concerns. Secondly, natural hot springs are unique, rare and irreplaceable assets that provide Taiwan with significant economic value. Thirdly, while the tourism industry increasingly markets hot springs as ‘consumable products’, a set of environmental rules and regulations must be imposed at the

government level to manage tourism-related use and the protection of springs resources. Finally, pricing and macroeconomic forces are assessed again by the expert panel as the least important components of destination competitiveness. The detailed explanations can be captured from the panel's written comments such as "the price, in a free competitive market, is adjusted to supply and demand conditions", and "the Taiwanese tend to travel abroad exploring new and interesting places in spite of increased disposable income. There is no direct contribution to the growth of domestic tourism market".

Despite the various similarities, there were some notable differences between the first and second rounds. Firstly, the capabilities of DMOs in the second round stand out as one of the most important determinants of the sector's competitiveness. It is a major responsibility of the DMO to strengthen the management and marketing functions of its members by developing good operational practices and standards throughout the industry. Secondly, an unexpected finding that emerged from the second round survey and required close examination is the exact role human resource development plays in sustaining the competitiveness of the hot springs tourism sector. One of the possible reasons for its low rating could be that formal education in Taiwan is often theory-oriented, not tailor-made to match specific industry needs and requirements. Also, formal education calls for a pool of qualified expertise to make long-term efforts to ensure students are well-prepared to contribute readily and productively to the industry. The absence of qualified teaching staff has been cited as the most serious weakness by the panel.

An examination of the relative importance of the nineteen components under the three major themes of destination competitiveness is presented in Table 20. Not surprisingly, the quality, range and volume of tourism destination resources and attractors are still perceived as the most important supply-side features that form the basis for the development of hot springs tourism in Taiwan. The role of tourism resources and attractors in determining destination competitiveness has become more apparent in the case of hot springs tourism, as reflected in the average mean score increasing from 4.14 to 4.22 between the first and second rounds.

Table 20 Comparison of Second Round Rating Results amongst the Three Categories of Determinants of Destination Competitiveness

Category	Mean
Tourism Destination Resources and Attractors	
Natural resources	4.31
Cultural assets	3.98
Special attractions	4.23
Accommodation	4.29
Cuisine	4.05
Transportation	4.05
Safety and security	4.68
Average	4.22
Tourism Destination Strategies	
Capabilities of destination management organizations	4.32
Destination planning and development	4.24
Destination marketing management	4.13
Human resource development	4.00
Service quality management	4.37
Environmental management	4.45
Pricing	3.64
Average	4.16
Tourism Destination Environments	
Economic growth	3.80
Socio-cultural changes	4.17
Intra-industry interactions	4.00
Demand conditions	4.12
Community participation and attitudes	4.05
Average	4.02

Source: Round 2 survey.

Natural resources, special activities, accommodation facilities, and safety and security issues remain to be the four integral and necessary parts of the hot springs tourism destination as indicated by the relatively high mean scores. Besides these, two other components that were rated important within this theme are transportation and cuisine. The importance of well-functioning transportation is increasingly recognized as a core infrastructure component that allows hot springs to be easily accessed. By incorporating local cuisine in the hot springs tourism experience enhances the sector’s competitive advantage.

The formulation and implementation of tourism destination strategies is another theme that contains many highly rated components. There was a slight shift in the average mean from 4.12 to 4.16 between the first and second rounds. Tourism Destination Strategies was rated higher than Tourism Destination Environment, but lower than Tourism Destination Resources and Attractors on average. Defined as

enhancing the appeal of core resources and attractions and adapting best to changes in the external environment, a strategy for the strategic management of a hot springs tourism destination should be composed of at least the following four basic components inclusive of DMO capabilities, destination planning and development, service quality management, and destination environmental management. The former two directly related to the responsibilities of the public sector, whereas the latter two were viewed as the top priority tasks assigned to the industry sector.

The category of Tourism Destination Environments was rated lowest in importance and the least relevant to the competitiveness of the hot springs tourism. Interestingly, the average score decreased slightly from 4.50 to 4.02 between the first and second rounds. Amongst the five components relating to the external environment in which the hot springs tourism sector operates, socio-cultural changes and demand conditions were identified as the two main areas showing clear growth potential. The future growth of the hot springs tourism would be closely tied to the intensity of the relationship between socio-cultural changes and demand conditions. The rationale is based on the fact the socio-cultural patterns and trends will fuel more demand for leisure and travel. The ongoing rise in tourism demand will certainly provide opportunity for strong and continuous growth of the hot springs tourism sector.

Based on the outcomes of the second round, it was clear that the expert panel reached consensus on most determinants of destination competitiveness. The achievement of group consensus may be attributed to the careful manner in which the pilot study was conducted. However, a significant number of individuals dropped out in the second round. Taking into account that an additional round might increase the non-response rate due to fatigue and boredom, a decision was made to exclude from the third round survey those items for which consensus was already attained at the end of the second round. Consequently, only the four items that failed to reach consensus were maintained in the third round questionnaire for re-examination. A short summary report was also provided with a view to obtaining more feedback and extra comments from the panel.

6.4 Results from the Third Round Questionnaire

A total of 26 people, including 4 academic scholars, 9 hot springs proprietors and 13 government officials responded to the survey. Panel members' written comments were analyzed qualitatively and are summarized below.

Importance ratings of the determinants of destination competitiveness

Transportation

In examining the role and needs of public transportation in enhancing destination competitiveness, the panel reached a moderate level of agreement and gave it a mean score of only 3.65. The majority of written responses believed that the provision of public transport is the best solution to solving parking and traffic congestion problems. One respondent [30], for example, wrote that "the roads in hot springs areas are often narrow and winding. Driving one's privately-owned vehicle would increase the level of road congestion". Another respondent [13] went on to indicate that "public transportation could reduce demands for parking spaces and transport-related air pollution and noise". From a competitiveness point of view, one respondent [6] commented "public transportation is a cost-effective means of connecting scenic areas, accommodations, public recreational facilities and shopping districts within a region". Finally, one statement recognizing the significant benefits public transportation delivers suggested "a shuttle bus can be creatively designed using local hot springs as a main design theme to capture and stimulate the visitor's interest" [21]. A few panel members however held the opposing view arguing that people tend to drive their own cars instead of taking public buses even in areas where there are reliable and convenient transit systems. Part of the reason is because most hot springs, although located in rural areas, are within a two-hour drive of a major city. This point was later contradicted by one respondent [25] who argued "a lot of young and old people who do have a car or travel from other regions may need public transport". Another respondent [26] summarized, regardless of the availability of alternative public transportation services, "people would visit the place with an abundance of unique resources and attractions no matter how long it takes to arrive and how difficult it is to be accessed".

Capabilities of destination management organizations

Another item receiving a mean score of 3.75 and a mild level of agreement was 'Developing a uniform grading and classification system'. The majority of written responses, from the standpoint of destination competitiveness, were strongly supportive of the grading and classification systems as a tool to ensure the sector be developed strategically and healthily. One respondent [32] considered these systems as having the added virtue of helping to motivate industry practitioners. Another respondent [13], from a more practical point of view, indicated that these systems function "to get rid of those performing poorly with a view to maintaining a consistent level of quality across the sector". From a tourist's standpoint, one respondent [30] considered grading and classification systems might be helpful in "providing guidance and recommendations on selection of an appropriate destination". Another respondent [6] showed a similar thought and added that "based on the classification system, different types and levels of facilities are clearly distinguished in order to match different patterns of demands and levels of needs, and to set a reasonable price". Finally, one statement expressed that one reason for setting up grading and classification systems is to "categorize hot springs related facilities into groups based on their recreational, therapeutic and curative purposes" [1]. A contrasting view was contributed by one respondent [2] who wrote that "the grading and classification systems are a mere formality".

Human resource development

A rough consensus on the issue of 'Educational institutions offering tourism management courses customized to the sector' was achieved amongst the panel members, with a mean score of 3.81. Written comments represented a range of thoughts and interpretations of the need or benefit of offering sector-specific tourism management courses. One respondent [18] cautioned that "professional competence and knowledge are acquired mainly through practical experience and implementation". Another respondent [13] showing agreement wrote that "developing and maintaining standards of professional knowledge and skills depend more on practical experience than formal education". In considering the necessity of customizing the tourism course content, one respondent [14] claimed that "there exists no significant difference in the concept of destination management between general tourism and hot springs tourism". In contrast to this view, another respondent

[30] argued that “the curriculum, due to the unique characteristic of the hot springs tourism sector, should be designed to ensure sector-specific knowledge is delivered and a range of skills are fostered which contribute to the development of highly skilled and employable workforce”. Another respondent [1] noted that “the lack of qualified teaching staff needs to be addressed as a matter of urgency”. Finally, a statement from one respondent [10] summarized most of the responses “that’s why the combination of theoretical knowledge and practical experience through the tourism curriculum is so important”.

The final item ‘Designing a certified qualification system for managers and professional personnel’ reached moderate agreement and a mean score of 3.85. Written comments generally stressed the importance of qualification and certification systems in enhancing the quality of human capital and, through it, the competitiveness of the hot springs tourism sector. One respondent [21] expressed strong support with the statement that “the qualification system is the best way of ensuring high quality human capital”. Another respondent [1] was concerned with the qualification requirements particularly for emergency response, water quality control, and safety and sanitation management. A final comment showing a similar thought proposed that “the management of hot springs often involves safety and sanitation issues, and curative and therapeutic treatments. The need for a fully skilled and qualified workforce is of particular importance and urgency. Establishing the qualification and certificate systems could help keep within the sector the most highly qualified professionals which will greatly contribute to further enhancement of the sector’s competitiveness” [30].

Discussion of the third round survey

The third round was conducted for the purpose of pursuing the maximum degree of convergence of opinion amongst the expert panel. The items included in this questionnaire were the ones in which consensus had not been reached by panel members in the previous rounds as determined by a priori criteria. Table 21 details the descriptive statistics of these items. Upon the completion of the third round, the expert panel reached consensus on all items and attached varying degrees of importance on all items.

Table 21 Expert Panel Importance Ratios –Round Three

Component	Determinant of Destination Competitiveness	Frequency Counts and Percentage (%)						Descriptive Statistics				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)	Mean	Medium	Mode	Standard deviation	Inter-quartile range	
Transportation	1. Reliable public transport services	0(0%)	2(7.7%)	7(26.9%)	15(57.7%)	2(7.7%)	3.65	4	4	0.745	1	
Capabilities of destination management organizations	2. Developing a uniform grading and classification system	0(0%)	2(7.7%)	6(23.1%)	15(57.7%)	3(11.5%)	3.75	4	4	0.778	1	
Human resource development	3. Educational institutions offering tourism management courses customized to the sector	0(0%)	1(3.8%)	7(26.9%)	14(53.8%)	4(15.4%)	3.81	4	4	0.749	1	
	4. Designing a certified qualification system for managers and professional personnel	0(0%)	1(3.8%)	6(23.1%)	15(57.7%)	4(15.4%)	3.85	4	4	0.732	1	

Source: Round 3 survey.

The results of this survey round can be summarized in three points. Firstly, most of the panellists believed that public transport services could be a quick, cost effective, and flexible way to solve parking and traffic congestion problems. Although some respondents were concerned that the Taiwanese tend to drive their own cars more frequently than use public transportation when taking a trip, others see that there remains a small number of people who have no car or travel from other regions and rely on public transport services. Secondly, the majority of respondents agreed that a comprehensive uniform grading and classification system not only enables industry practitioners to maintain a high level of hot springs tourism experiences, but also guides customers to choose the destination that is most appropriate for them. A similar situation was found when examining the necessity of designing a professional qualification system for certified management or non-management personnel. Amongst those who believe that the establishment of a systematic certified qualification system would be necessary, many point to potential positive benefits experienced by staff members, individual property owners and the whole sector as justification for its existence. Although the aforementioned systems can ensure both a positive destination experience and personnel who can deliver these experiences, several respondents cautioned that they were a mere formality.

Finally, specially designed instruction and education programs were seen by most panel members as a requirement for the delivery of sector-specific knowledge and skills, however, some argued there should be no sector-specific difference in the approach of developing and managing hot springs tourism. No matter how specific the tourism education curriculum, the urgency of enhancing the theoretical-practical link has already been highlighted in this survey. Where no significant changes occurred in the third round indicated that a certain level of stability has been achieved. With a high degree of consensus and stability achieved, the collection of data was concluded.

6.5 Changes in Consensus Level between Rounds

Table 22 shows how the Delphi technique worked between rounds and changes in the panel members' opinions between rounds. The percentage of agreement indicates the extent to which the panel agreed with the proposed list of determinants of

destination competitiveness as they apply in Taiwan's hot springs tourism sector. The mean score represents the relative importance of each of the determinants in improving the competitiveness of the hot springs tourism sector. The standard deviation expresses the stability of consensus and convergence of agreement between the rounds. N/A is used to indicate that the particular item is not included on that questionnaire and therefore does not receive any responses.

Firstly, concerning changes in mean scores, there was no noticeable pattern in the way in which they changed between rounds. Fifty-three out of the 76 scores went up slightly, 20 scores went down slightly and three stayed the same. None of the changes in mean scores were significant. Consistency in the mean scores between rounds demonstrated the stability of opinion within the panel. Secondly, there was a slight shift in standard deviation between rounds. The standard deviation generally decreased or stayed the same for all but eight items. None of these shifts in standard deviation were significant, indicating a satisfactory degree of convergence of opinions. Thirdly, there was also a shift in the percentage of agreement and consensus. The level of agreement rose significantly overall as well, with only seven items experiencing a decrease in level of agreement. This substantial increase in the percentages of agreement showed that the strongest consensus had been obtained after three rounds. In particular, there was evidence that the second round of the survey significantly reduced the variance of panel members' opinions by increasing the degree of consensus and reducing disagreement between panel members. Such information reassured the researcher of the quality and reliability of the results, and guided the decision to reduce the number of items for re-examination while implementing the third survey round.

Table 22 Changes in Consensus Level between Rounds

Determinant of Destination Competitiveness	Agreement (frequency)			Mean			Standard Deviation		
	R1	R2	R3	R1	R2	R3	R1	R2	R3
High grade natural hot springs ^a	96.8%	100%	N/A	4.65	4.71	N/A	0.661	0.460	N/A
Plentiful natural hot springs ^a	96.8%	100%	N/A	4.55	4.68	N/A	0.675	0.476	N/A
Abundant natural scenery ^a	90.3%	92.9%	N/A	4.13	4.18	N/A	0.562	0.548	N/A
Comfortable climate ^b	77.4%	89.2%	N/A	3.63	3.68	N/A	0.809	0.670	N/A
Guided tours of local art and culture ^b	67.8%	85.7%	N/A	3.97	4.07	N/A	0.809	0.604	N/A
Notable historical landmarks nearby ^a	80.7%	85.8%	N/A	3.60	3.50	N/A	0.770	0.745	N/A
Various local cultural traditions and specialities ^a	80.7%	89.3%	N/A	3.93	4.07	N/A	0.640	0.539	N/A
Community shopping districts featuring a mix of souvenir and tourist shops ^b	N/A	92.8%	N/A	N/A	4.29	N/A	N/A	0.600	N/A
Year-round recreational activities ^a	83.9%	96.4%	N/A	4.16	4.29	N/A	0.779	0.535	N/A
Special events and festivals held on a regular basis ^a	83.9%	89.3%	N/A	4.16	4.18	N/A	0.779	0.612	N/A
Adequate capacity of accommodation establishments ^a	80.7%	92.9%	N/A	4.00	4.21	N/A	0816	0.568	N/A
High quality and international standard accommodation ^a	93.5%	92.9%	N/A	4.35	4.32	N/A	0.608	0.612	N/A
Authentic accommodation experiences ^a	90.3%	96.4%	N/A	4.26	4.32	N/A	0.631	0.548	N/A
Comfortable accommodation in a natural setting ^a	90.3%	96.4%	N/A	4.29	4.32	N/A	0.643	0.548	N/A
Authentic recipes using ethnic ingredients and cooking styles ^a	90.3%	89.3%	N/A	4.26	4.29	N/A	0.631	0.659	N/A
Health-oriented gourmet utilizing seasonal produce ^b	77.4%	89.3%	N/A	3.68	3.82	N/A	0.832	0.612	N/A
Comprehensive network of international routes to and from Taiwan ^a	87.1%	100%	N/A	3.50	3.57	N/A	0.682	0.504	N/A
Convenient access to a hot springs area ^a	90.3%	92.9%	N/A	4.27	4.32	N/A	0.691	0.612	N/A
Sound local transportation network ^a	87.1%	92.9%	N/A	4.03	4.11	N/A	0.752	0.497	N/A
Reliable public transport services ^c	70%	78.6%	84.6%	3.87	3.86	3.65	0.819	0.756	0.745
Ample parking spaces ^a	88.1%	92.9%	N/A	4.13	4.21	N/A	0.718	0.568	N/A
Clear guidance signs ^b	N/A	89.2%	N/A	N/A	4.21	N/A	N/A	0.630	N/A
Safety of the overall destination ^a	93.6%	96.4%	N/A	4.57	4.68	N/A	0.568	0.548	N/A
Safety of the bathing environment ^a	100%	100%	N/A	4.71	4.79	N/A	0.461	0.418	N/A
Hygiene standards for hot springs spa equipment ^a	100%	100%	N/A	4.84	4.93	N/A	0.374	0.262	N/A
Personal safety and hygiene-basic rules and responsibility ^a	93.6%	100%	N/A	4.55	4.64	N/A	0.624	0.488	N/A
Emergency medical care and the availability of ambulance services ^a	93.6%	92.9%	N/A	4.39	4.36	N/A	0.615	0.621	N/A
Providing leadership for coordination within the sector ^a	93.6%	96.4%	N/A	4.45	4.32	N/A	0.568	0.548	N/A
Encouraging industry innovation of hot springs spa products and services ^a	87.1%	96.4%	N/A	4.10	4.21	N/A	0.597	0.499	N/A
Undertaking domestic and international marketing campaigns ^a	87.1%	100%	N/A	4.34	4.39	N/A	0.661	0.497	N/A

Determinant of Destination Competitiveness	Agreement (frequency)			Mean			Standard Deviation		
	R1	R2	R3	R1	R2	R3	R1	R2	R3
Developing a uniform grading and classification system for the sector ^c	77.4%	78.6%	80.8%	3.77	3.86	3.75	0.805	0.756	0.778
Conducting regular surveys on tourist behaviour and satisfaction ^a	80.7%	96.4%	N/A	3.97	4.11	N/A	0.640	0.416	N/A
Assisting hot springs properties in licensing matters ^a	90.4%	96.4%	N/A	4.47	4.61	N/A	0.677	0.567	N/A
Creating and maintaining a hot springs database ^a	90.3%	96.4%	N/A	4.37	4.43	N/A	0.667	0.573	N/A
Implementing hot springs water quality inspection ^b	N/A	100%	N/A	N/A	4.61	N/A	N/A	0.497	N/A
Regulating the optimal use of lands and hot springs water resources ^a	93.5%	89.3%	N/A	4.37	4.21	N/A	0.608	0.738	N/A
Providing financial aids for assisting the sector's development ^a	80.7%	92.9%	N/A	3.69	3.79	N/A	0.791	0.568	N/A
Properly designing and constructing new and existing hot springs areas ^a	93.6%	100%	N/A	4.50	4.61	N/A	0.724	0.497	N/A
Reinforcing the image of Taiwan as a hot springs holiday destination ^a	80.7%	82.1%	N/A	4.13	4.00	N/A	0.806	0.816	N/A
Establishing a brand name of a hot springs tourism destination ^a	83.9%	85.7%	N/A	4.19	4.18	N/A	0.792	0.670	N/A
Developing cross-marketing programs for destination tourism products ^b	77.4%	89.3%	N/A	3.84	4.04	N/A	0.860	0.508	N/A
Forming public-private marketing alliances ^a	80.6%	82.1%	N/A	4.03	4.04	N/A	0.836	0.744	N/A
Promoting the health and medical benefits of hot springs ^b	N/A	92.8%	N/A	N/A	4.29	N/A	N/A	0.600	N/A
Providing a diverse range of leisure and health-oriented facilities ^b	N/A	89.3%	N/A	N/A	4.21	N/A	N/A	0.738	N/A
Educational institutions offering tourism management courses customized to the sector ^c	71.0%	78.5%	80.7%	3.87	3.89	3.81	0.846	0.737	0.749
Facilitating industry-education co-operation programs ^a	80.7%	89.3%	N/A	4.00	3.96	N/A	0.632	0.576	N/A
Tourism enterprises providing in-house training programs ^a	93.6%	96.4%	N/A	4.33	4.29	N/A	0.547	0.535	N/A
Designing a certified qualification system for managers and professional personnel ^c	71.0%	78.6%	80.8%	3.97	3.93	3.85	0.809	0.716	0.732
Funding long-life learning and continuing education programs for the sector ^b	N/A	82.1%	N/A	N/A	3.93	N/A	N/A	0.663	N/A
Maintaining high quality hot springs spa related facilities and equipment ^a	96.8%	100%	N/A	4.42	4.46	N/A	0.564	0.508	N/A
Ensuring the professionalism, technical competence and good interpersonal skills of service staff ^a	100%	100%	N/A	4.52	4.50	N/A	0.508	0.509	N/A
Setting industry standards in service quality management ^a	80.7%	89.3%	N/A	4.13	4.14	N/A	0.806	0.591	N/A
Developing a third party certificate and accreditation schemes ^a	90.3%	96.4%	N/A	4.39	4.54	N/A	0.667	0.576	N/A
Controlling the total amount of hot springs water used ^a	93.5%	92.8%	N/A	4.55	4.64	N/A	0.624	0.621	N/A
Building sewage system infrastructure and wastewater treatment facilities ^a	90.3%	92.8%	N/A	4.29	4.29	N/A	0.643	0.600	N/A

Determinant of Destination Competitiveness	Agreement (frequency)			Mean			Standard Deviation		
	R1	R2	R3	R1	R2	R3	R1	R2	R3
Assuring the proper construction of pipe and pumping systems ^a	90.4%	92.9%	N/A	4.32	4.32	N/A	0.748	0.612	N/A
Setting destination prices according to the level of investment cost ^a	90.3%	89.3%	N/A	3.52	3.32	N/A	0.677	0.670	N/A
Setting destination prices based on competitor's prices ^a	96.8%	96.5%	N/A	3.35	3.36	N/A	0.551	0.559	N/A
Setting destination prices based on market demand elasticity ^a	80.7%	96.4%	N/A	3.74	3.71	N/A	0.773	0.535	N/A
Ensuring value for money in destination tourism experience ^b	77.4%	92.9%	N/A	4.03	4.18	N/A	0.706	0.548	N/A
The increasing disposable incomes ^a	83.9%	85.7%	N/A	3.84	3.89	N/A	0.688	0.629	N/A
The changes in industry structure/economic structure ^a	83.8%	92.8%	N/A	3.87	3.86	N/A	0.670	0.525	N/A
The potential consumption power of young generation ^b	N/A	100%	N/A	N/A	3.64	N/A	N/A	0.488	N/A
The positive effect of two-day weekend policy ^b	77.5%	82.1%	N/A	3.84	3.89	N/A	0.779	0.629	N/A
The increasing public interest in health-leisure activities ^a	93.5%	100%	N/A	4.32	4.36	N/A	0.599	0.488	N/A
The emergence of health-conscious consumers ^a	96.8%	100%	N/A	4.32	4.32	N/A	0.541	0.476	N/A
The ageing population with a strong desire to travel ^b	74.2%	85.7%	N/A	3.97	4.14	N/A	0.795	0.651	N/A
The media reporting of (hot springs) travel and tourism sector ^b	77.4%	89.3%	N/A	3.97	4.14	N/A	0.706	0.591	N/A
The relationships between hot springs enterprises ^a	83.9%	89.3%	N/A	4.03	4.04	N/A	0.706	0.508	N/A
The opportunities for (overseas) commercial visits, trips and exchanges ^a	87.1%	85.7%	N/A	3.94	3.96	N/A	0.574	0.508	N/A
The expansion of the leisure and domestic tourism market ^a	90.4%	96.4%	N/A	4.35	4.36	N/A	0.661	0.559	N/A
The gradual growth of international tourism market ^b	64.6%	82.2%	N/A	3.90	3.89	N/A	0.944	0.685	N/A
The more demanding travellers ^a	83.9%	92.8%	N/A	4.03	4.11	N/A	0.706	0.629	N/A
The active participation in hot springs tourism (re)planning and (re)engineering process ^b	74.2%	81.2%	N/A	3.94	3.93	N/A	0.854	0.766	N/A
The positive attitudes towards the (re)development of hot springs tourism ^a	87.1%	89.3%	N/A	4.23	4.14	N/A	0.728	0.408	N/A
The hospitality and friendliness of residents towards tourists ^a	80.6%	82.2%	N/A	4.20	4.07	N/A	0.805	0.766	N/A

Note: ^a=reached consensus in Round 1

^b=reached consensus in Round 2

^c=reached consensus in Round 3

6.6 Chapter Summary

The purpose of conducting this three-round, modified Delphi study was threefold: one, to identify the sector-specific determinants of destination competitiveness; two, to ascertain the relative importance of these determinants in enhancing the competitiveness of the hot springs tourism sector; and three, to demonstrate the unique areas of strength which will add value to the overall hot springs tourism sector and the primary areas of weakness that are in need of further improvement and attention. The panel experts, through three rounds of questionnaire surveys, reached consensus on all 76 determinants of destination competitiveness and attached the utmost importance to the following five issues (in descending order of importance): safety and security, environmental management, service quality management, natural resources, and capabilities of DMOs. The survey results also suggested that the formulation and implementation of tourism destination strategies should be closely tied to a careful assessment of tourism resources and attractions, although competitive strategies are somewhat linked with the positive trends and changes in the external environment. The future success and competitiveness of Taiwan's hot springs tourism sector relies on the industry's overall efforts, in conjunction with the relevant regulatory agencies, to deliver a safe, secure and high quality destination experience, and to adhere to sustainable practices of non-renewable natural resources. The possible implications of developing Taiwan as a desirable and competitive hot springs tourism destination based on the major findings of this study will be further discussed in the following chapter.

CHAPTER 7. CONCLUSIONS AND IMPLICATIONS

This concluding chapter reviews the research objectives and questions as originally stated. It also summarizes the main findings of the Delphi survey, the contributions to theory and methods, and the managerial implications. Finally, the limitations of the research are outlined and some suggestions are offered for future research in this area.

7.1 Summary of the Study

For the purposes of the present study, the point of departure was the need to understand the competitiveness of Taiwan's hot springs tourism sector, which is considered to be of emerging importance. The available management guidelines for boosting destination competitiveness are limited in their application to the hot springs tourism sector and required substantial revision. The proposed study attempts to develop a model identifying and prioritizing the major factors determining the competitiveness of Taiwan's hot springs tourism sector from a supply-side perspective. The study has investigated the following questions: (1) What does a panel of experts identify as being fundamental to achieving destination competitiveness in the context of hot springs tourism? (2) What are the determinants of destination competitiveness that a panel of experts consider to be the most relevant to Taiwan's hot springs tourism sector? (3) What level of importance does a panel of experts attach to each of the identified determinants of destination competitiveness? (4) In what areas do the panel of experts agree that Taiwan should concentrate as a hot springs tourism destination in order to maintain competitiveness and sustainability?

A conceptual framework was developed in Chapter 4 (refer to Figure 1, p. 60) to identify areas in need of special attention, to set task priorities and to plan the most effective means for improving the quality of a hot springs tourism experience. Based on the literature review in Chapter 3, this framework brought together two bodies of theory, industrial organization theory and resource-based view theory. The framework is intended to provide a more complete explanation of tourism destination

competitiveness. The proposition underlying this model was that a competitive destination will be able to both attract and satisfy potential tourists. Such competitiveness is achieved through a mixture of policy formulation and strategy development best matched to the unique and distinctive features of the area with market opportunities. The main determinants of destination competitiveness captured in the framework were drawn from earlier models of destination competitiveness proposed by Dwyer and Kim (2003), Enright and Newton (2004), and Ritchie and Crouch (2000). The determinants focused on three major domains: Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environments. The previous studies provided a basis for determining the competitiveness of an entire country as a tourism destination. However, they failed to either highlight the sector-specific determinants of destination competitiveness or convey consensus about the importance of these determinants. The model of destination competitiveness developed in this study is comprehensive in scope and aims to fill this gap.

The proposed framework provided a basis for Chapters 5 and 6, and was subsequently tested using a three-round, modified Delphi technique. The task of identifying and prioritizing the sector-specific determinants of destination competitiveness was accomplished through the solicitation of responses from respective panels of 20 participants in pilot round, 31 in the first round, 28 in the second round and finally 26 in the third round. The expert panel consisted of representatives from government, industry and academia, each of whom possessed extensive applied and theoretical knowledge and expertise about Taiwan's hot springs tourism sector. Data was collected via written questionnaires which were distributed and collected through the mail. The traditional paper and pencil mail survey method proved to be effective in achieving and maintaining a high response rate, although the entire process extended over a period of approximately 4 months from start to finish. Throughout three survey rounds, panel members remained anonymous and communication took place only directly with the researcher. At the end of each round, responses were processed statistically to calculate the mean, median, mode, standard deviation, inter-qualities range and frequency percentage distribution for importance and consensus. The panel members received feedback following each round in order to help achieve a convergence of opinion.

In the present study the expert panel identified 76 determinants of destination competitiveness as being critical to the sustainable development of hot springs tourism in Taiwan and arrived at a consensus on all items in terms of importance. The survey found that many destination attributes were rated higher than macro and industry-related factors, suggesting that a tourism destination strategy should take particular account of and link into destination resources and attractors. More specifically, priority should be given to the quality of the natural hot springs, the maintenance of all aspects of safety and security, the development of distinctive DMO capabilities, the continuous improvement of service delivery, and the application of sustainability principles to environmental management. It has been concluded that the competitiveness of Taiwan's hot springs tourism sector relies on the ability of the sector to adhere to sustainable development practices while utilizing hot springs resources to create economic benefits, and to extend operations into the health-care and medical fields while remaining focused on the leisure market and product development.

The present study should be of value to both industry practitioners and to policy makers. Firstly, the results have identified a set of in-depth and comprehensive determinants of destination competitiveness specific to the hot springs tourism sector. Secondly, they show the relative importance of these determinants with reference to the achievement of destination competitiveness. Thirdly, they highlight specific areas on which the sector may focus in order to ensure a seamless hot springs experience for visitors. Finally, they illustrate possible development patterns for the hot springs tourism sector.

7.2 Key Findings

The present study developed and empirically tested a competitiveness model of hot springs tourism destinations from a supply-side perspective in Taiwan. In an attempt to investigate the factors determining the competitiveness of the hot springs tourism sector, the model developed for this study focuses mainly on three aspects: Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environments. These three aspects have provided an integrated framework for synthesizing the key findings of the present study.

Taiwan's hot springs tourism assets

The greater the variety and uniqueness of the available natural resources, the more appealing the tourism destination becomes (Hudman and Hawkins, 1989). Endowed with a substantial range of high quality natural hot springs, Taiwan has a tremendous comparative advantage in terms of tourism potential. Many of the hot springs are located outside 'urbanized' areas and in some of the most pristine and beautiful scenery and landscapes settings. With its combination of stunning natural scenery and mineral-rich hot springs, Taiwan offers visitors an authentic 'back to nature' hot springs tourism experience. Taking into account the prevailing seasonality of hot springs tourism in Taiwan, there would be considerable merit in developing a variety of outdoor recreational activities and staging annual events and special festivals, particularly during the off-season. If such value-adding dimensions are provided, hot springs visitors may extend their stay at the destination. These special attractions could potentially generate regional economic benefits, assist the development of local communities and businesses and maximize the potential of hot springs tourism, in addition to overcoming seasonality problems. Furthermore, cultural heritage resources are often very distinctive within hot springs regions because each region has a its own socio-cultural foundation and background. Of those various cultural attributes, shopping stands out as an indivisible part of the hot springs tourism experience unique to each different region and culture. The relative importance of the shopping experience is perceived as a major tourism activity, accounting for a substantial share of tourist expenditure (Ritchie and Crouch, 2003).

Taiwan's hot springs tourism sector has an abundance of natural resources and special attractions. However, supporting services and facilities are very limited and this may impede the sector from fulfilling its potential. In the absence of supporting infrastructure and resources, possible outcomes for the destination can range from performing below visitor expectations to major failure, thereby damaging the long-term fortunes of the destination (Ritchie and Crouch, 2003). Three basic elements have the potential for increasing the length of stay, amount of tourist spending and ease of travel movement. These are accommodation facilities, food services and transportation systems. Although largely located in rural areas, Taiwan's springs generally have access to major cities within a two-hour drive. Day excursions are the most popular type of trip. The development of key elements may stimulate the desire

of hot springs visitors to stay longer, spend more money and participate in a wider range of activities. Murphy et al. (2000, p. 444) found that “service infrastructure” (e.g. transportation, food and lodging services) affects tourist experiences and is an important predictor of both destination quality and perceived trip value. A well-established tourism infrastructure can contribute to making the destination area more attractive on the one hand, while tourist satisfaction will also grow owing to the increased quality of the infrastructure base. Finally and perhaps most importantly, tourist safety and security at commercial establishments and within wider regional areas are key issues and have always been important prerequisites for the success of the overall hot springs tourism sector. This is because hot springs tourism activity involves drinking and bathing in mineral waters. Any incidents encountered over the course of a trip are likely to have an adverse effect on foreign tourist arrivals and on domestic tourist movements. Previous studies have indicated that safety and security concerns are strong predictors of travel intention and influence tourist destination choices (Floyd et al., 2003; George, 2003; Sonmez and Graefe, 1998).

Key findings of the research in relation to the role of tourism destination resources and attractors lead us to the following conclusions. Firstly, there is a clear distinction between ‘core attractions’ and ‘supporting infrastructure’ in the context of hot springs tourism. The former signify the fundamental reasons for visiting and experiencing the destination and include natural resources and special attractions. The latter comprise various commercial services offered to visitors to satisfy their accommodation, catering and transportation needs. Secondly, there is evidence that not all tourism resources and attractors are equally important in the context of hot springs tourism. ‘Core attractions’ appear to be more important than ‘supporting infrastructure’. This indicates that a hot springs destination wishing to remain competitive should concentrate more on providing a unique natural setting where visitors can enjoy bathing in the hot springs and participate in a wider range of outdoor recreational activities. Finally, hot springs tourism is an activity that involves the use of natural springs to rejuvenate body and spirit. A special emphasis should be placed on maintaining a safe, clean and secure environment at the national, regional and enterprise levels for every hot springs visitor. The issue of tourism safety and security is a collective responsibility, though more particularly of government and

industry. These parties will need to co-operate more actively if this goal is to be achieved.

A development strategy for the hot springs tourism sector

The wide array of tourism resources and attractors forms a foundation for the potential development of hot springs tourism in Taiwan. To further enhance the sector's competitiveness, destination policies and strategies based on tourism resources and attractors will need to be formulated and implemented. These strategies should enable the hot springs tourism sector to improve its competitive position and to achieve a more holistic form of development over the longer term. The study has examined the relative importance of industry actions and government efforts in improving the competitiveness of the sector. Industry was found to have the greater influence. The industry sector plays the main role in providing visitors with an opportunity to experience hot springs, whereas governments are responsible for guiding and overseeing the operations of the various hot springs businesses and providing targeted assistance. As mentioned previously, past and present land practices and use of natural hot springs have badly damaged the environment. Cleaner production and preventive environmental management will become important in the transition towards sustainability. A strategic approach to environmental management by industry practitioners has been categorized into four groups: third-party certificate and accreditation schemes, hot springs water rights (hot springs allocation system), reconstruction of pipe and pumping systems, and upgrading sewage system infrastructure and wastewater treatment facilities. The role of the government sector is to act as a controlling agent and take responsibility for the strategic planning of the development of hot springs destination areas, in particular the sustainable use of lands and natural hot springs. Macro level destination planning and development focuses on a systematic examination of the resource-based destination attributes (Hassan, 2000). It also aims to ensure that the destination has a clear idea of where it is going and what it needs to become successful in the longer term (Ritchie and Crouch, 2003).

As is common in the case of a number of types of tourism, the hot springs tourism sector comprises many separate service businesses including spa properties, accommodation, catering, transport and retailing. Since the delivery of these services

often occurs when the visitor is at the destination, the visitor perception of the quality of the overall hot springs experience is a consequence of the management of all of these aspects. The more positive a tourist's perception of services, the stronger the sense of quality (Murphy et al., 2000). The functional aspect of service quality management is likely to be more influential than the technical aspect, implying that there is a need for a highly qualified workforce. Human resource development should attach particular importance to staff training, ranging from operations and production to management level. In-house training has been perceived as particularly helpful in terms of cost efficiency, defined focus, time effectiveness, impact and empowerment. From a supply-side perspective, service quality management and human resource development are co-dependent in supporting service excellence. Furthermore, to stand out in an increasingly crowded and competitive marketplace, destination marketing management is critical and needs to focus more closely on new products and on market development. According to Poon (1993), product development should be linked to marketing to ensure that products reflect as closely as possible the needs of those who will use them. Inspired by the collective efforts of government, industry and media, the public have increasingly realized the curative and therapeutic benefits of hot springs soaking. People are looking for more health-oriented facilities and for services to rejuvenate their bodies, minds and spirits. As a niche market, this pursuit of personal health and well-being offers the sector great opportunities for further growth. The incorporation of hot springs tourism should broaden the marketability and appeal of Taiwan as a 'holiday destination', and diversify its tourism product offerings.

The role of the government sector generally and DMOs in particular, in developing and managing hot springs tourism cannot be ignored. Destination competitiveness can be enhanced through the application of public sector capabilities. These capabilities could be categorized into two main groups: general and specialized tasks on the basis of purpose. General tasks are those associated with leadership and innovation in product development and marketing, research into travel patterns, tourist behaviour and satisfaction, and efforts to help industry members complying with laws and regulations. Specialized administrative tasks are more directly related to the sector's particular characteristics including the creation and maintenance of a hot springs database and a hot springs water quality inspection process. For the

purposes of both the general and specialized tasks, it is important to ensure that the expectations of all destination stakeholders are satisfied to the greatest extent possible.

Based on the foregoing discussion, a number of conclusions are proposed. Firstly, a clear distinction should be drawn between the government and industry sectors in terms of their roles in increasing destination competitiveness. The government sector has exclusive responsibility for performing directional and systematic tasks, and for making macro level policies and decisions. In contrast, the managerial tasks of the industry sector are more at the micro level where hot springs proprietors carry out their individual and organizational responsibilities on a daily basis with a view to making themselves more cost-efficient, more competitive and better able to retain market share. It may be concluded that the overall competitiveness of Taiwan's hot springs tourism sector is substantially determined by the ability of each hot springs proprietor to sustain his competitive position in the market. In turn, this will strengthen regional competitiveness. The supportive role of the government sector is significant in creating a healthy environment and in providing clear guidelines that will enable the hot springs tourism sector to grow and prosper.

Secondly, and relative to other types of tourism, hot springs tourism relies heavily on springs water to support its activities. Given this dependence on natural resources, environmental management becomes an integral component of a tourism enterprise's overall operational management. The environmental awareness and consciousness about the issues involved are far more widespread amongst the residents of Taiwan than ever before. People are sensitive to environmental issues and aware of the costs, risks and tradeoffs on which decisions must be based in planning for the future (Hsiao, Stone and Chi, 2002). Because of this level of public awareness, it should be kept in mind that to achieve effective environmental management, it is insufficient to simply manage and lower environmental impacts of tourism activities. It is important to supplement such activity with investments in environmental protection and the reinstatement of already degraded environments (Mihalic, 2000). The importance of environmental management has been acknowledged as an alternative solution which protects the environment in line with sustainable development principles.

Thirdly, given the multiplicity of service businesses involved, every part of the hot springs tourism sector must commit itself to delivering a quality value-for-money visitor experience. To achieve this goal, the sector is exceptionally dependent on a highly qualified workforce capable of delivering services. Particular emphasis should be attached to the functional aspect of service quality management and the necessity of in-house training programs.

Lastly, the incorporation of hot springs into the list of Taiwan's tourism offerings could not only help differentiate Taiwan from competing destinations, but also significantly alter the way people perceive Taiwan as a tourism destination.

Emerging trends affecting Taiwan's hot springs tourism sector

In addition to diversifying tourism resources and carrying out tourism strategies, the sector's continued success depends critically on finding the right niche market. At a macro level, the socio-cultural environment is favourable to further development of hot springs tourism. Economic factors have less apparent direct influence on its future prosperity. This is because for the Taiwanese, overseas travel tends to be more appealing than domestic trips. In acknowledgment of such consumer preferences, domestic tourism consumption is assumed to remain constant, though leisure time and wealth have increased rapidly. At the industry level, the demand for domestic tourism in particular has changed substantially since the implementation of the two-day weekend in 1998. The growth of domestic tourism demand creates favourable conditions for the government and industry sectors to further engage in hot springs tourism development. Strong and substantial local demand has been recognised as being correlated with government financial support for basic infrastructural improvement, the nature and character of the tourism industry, new product and market development and innovation, quality of the tourism experience, and most importantly, successful penetration of foreign markets (Ritchie and Crouch, 2003). Whilst Taiwan's tourism industry is highly imbalanced between inbound and outbound tourists, its inbound tourism has shown signs of improvement. Under pressure to attract more overseas tourists, the Taiwan authorities have launched several initiatives aimed at relaxing certain restrictions on inbound travel. With an anticipated increase in tourist arrivals, a corresponding increase in hot springs tourism is likely to follow.

Significant degradation of the environment is attributable to excessive consumption and misuse of natural resources, and constitutes a real threat to the sustainability of hot springs regions. Resident attitudes towards tourism, and their endorsement and participation in tourism-related activity are often viewed as keys to ensuring and guiding tourism development towards sustainability. The absence of community participation and support in the decision-making process of destination planning may have the effect of: diminishing the level of support of local residents for tourism in their community; eroding the host community's tolerance of tourism; and heightening sensitivity towards further tourism development (Sheldon and Abenoja, 2001). However, the involvement of local residents in the planning of tourism development is not easy in practical terms. Encouraging local residents to participate in the running of tourism service businesses in the host community is one possible approach. Emphasis should also be put on the dynamic structure of tourism, given that many separate service businesses are involved in the delivery of a seamless hot springs experience. Competition and co-operation are assumed to lead to service delivery efficiencies and to product improvements, which in turn strengthen the competitiveness of the sector.

The previous discussion leads to the following conclusions. Firstly, the outlook for hot springs tourism is bright. Prevailing socio-cultural changes are likely to support the continuation of high growth rates well into the next decade. In particular, numerous market opportunities exist in the health-care/medical field which should allow the sector to diversify into hot springs applications. Secondly, the strong growth of domestic tourism will create a more favourable investment climate, thereby stimulating further development of Taiwan as a hot springs tourism destination. Finally, industry efforts are likely to be most successful when they take account of the various related interest groups and stakeholders. It is important that hot springs proprietors are actively involved in prospective collaborations and that they participate in solving problems related to sustainable tourism development. The long-term sustainability of hot springs tourism may also be stimulated by the participation of local residents in the relevant destination areas.

The process of examining tourism resources and attractions, strategies needed, and external environments, has provided many insights into Taiwan's potential as a hot

springs tourism destination. Endowed with rich natural hot springs and beautiful scenery, Taiwan is one of the countries most actively aiming to position itself as a hot springs tourism destination. Changes to social and cultural values and patterns have led many tourists to demand short, frequent, active and health-oriented travel. This phenomenon creates the appropriate conditions and incentives for the further development of hot springs tourism. In this study it has been suggested that both government and industry-led initiatives should be incorporated in order to enhance the appeal of 'core attractions', strengthen the quality of 'supporting infrastructure' and respond to the changing demands of tourists.

A central component of the study has been the development of a model of destination competitiveness for application to the hot springs tourism sector. The model has clearly demonstrated the strengths and opportunities that could contribute to success for the hot springs tourism sector, and also the weaknesses and threats to be remedied or avoided in order to remain competitive. The Delphi method employed in the present study has proven to be an effective tool for gaining insights into the underlying factors that influence the competitiveness of the hot springs tourism sector and for addressing the priority areas requiring attention from industry practitioners and policy makers during the development of the sector.

7.3 Significance of the Research

Theoretical implications

The present study has primarily drawn upon two major streams of the literature; firstly, the tourism destination competitiveness literature; and secondly, the literature on spa and health tourism. The following section presents some theoretical contributions by the study towards tourism destination competitiveness research. The study has also contributed to the literature on spa and health tourism by empirically examining the growth and development patterns of hot springs-related tourism in Taiwan.

Contributions to the existing literature on tourism destination competitiveness

In terms of the knowledge and insights generated by this study, one of the most important has been to develop a competitiveness model applicable to tourism

destinations incorporating hot springs. Various competitiveness models have been proposed in the literature and provide detailed instructions for the development of a country as a tourism destination. Relatively little attention has however focused on the issue of destination competitiveness for a particular component of the tourism sector, such as hot springs tourism. The present study has contributed to this body of knowledge. On the basis of an empirical examination, it has shown that some determinants of destination competitiveness deserve priority attention, while others are less important contributors to the sector's competitiveness. The results can provide industry practitioners and policy makers with a means of prioritizing tasks by taking into account the relative weightings attached to the various determinants.

Another important contribution of this study to the tourism destination competitiveness literature is to synthesize the perspectives surrounding IO theory and RBV theory. As indicated in theoretical discussions, these two major streams of strategic management literature focus respectively on the external and internal environments of the firm. The integration of these two dimensions offers the tourism destination competitiveness literature a more thorough understanding of strategic management concepts and may provide a foundation for developing a multidimensional model of destination competitiveness.

The present study postulates that destination competitiveness is a consequence of three major factors: tourism destination resources, tourism destination strategies and external environmental influences. Results of the study demonstrate the suitability of applying the concept of strategic management of the firm to the context of tourism destinations. In particular, they confirm the importance of adopting a broader and more comprehensive approach as proposed by Crouch and Ritchie (1999), Dwyer and Kim (2003), and Enright and Newton (2004). In evaluating destination competitiveness, these studies take account of tourism destination attributes as well as business-related and industry-level factors.

New insights for spa and health tourism research

This study has investigated the hot springs tourism sector, specifically in the context of Taiwan. In addition to reviewing the growth and development patterns of hot springs tourism in the other parts of the world, the present study has explored and

illustrated various factors determining the competitiveness of Taiwan's hot springs tourism sector through empirical analysis using a supply-side perspective. The results suggest there is a need to apply the principles of sustainable development to hot springs tourism and to extend the application of natural springs into the therapeutic and medical fields in order to achieve greater competitiveness. As a country-specific research work, the present study has contributed to the body of knowledge concerning spa and health tourism by providing an increased understanding of the characteristics and development patterns of Taiwan's hot springs tourism sector. It may also serve as a reference for neighbouring destinations wishing to deploy spring water related resources in order to diversify their tourism businesses and markets, particularly in light of similarities between various destinations.

Methodological implications

The present study makes a methodological contribution by developing a model that has measured the competitiveness of hot springs tourism destinations in a global context. The model builds upon IO theory and RBV theory, and includes three sets of determinants of destination competitiveness: Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environments. The three-dimensional model differs from previous models of destination competitiveness as it confines its focus to those tourism destinations which incorporate hot springs. The resulting model serves three different purposes. Firstly, it is an assessment tool for monitoring changes in destination competitiveness over time. Hot springs proprietors and public policy makers could benefit from this framework as a means of providing feedback about areas in which they have performed well and areas where improvement is needed. Secondly, the model may be applied to issues of competitiveness in the examination of similar and competing destinations. Such research is particularly pressing in light of the growth and increased competition affecting the spa and health tourism markets. The level of destination competitiveness varies substantially because of the uniqueness of destinations, their tourism strategies and distinct external environments. Also, empirical examinations of other similar and competing destinations incorporating hot springs should be undertaken using the model to further test its applicability and validity. Thirdly, the model can be used to examine the competitiveness of the hot springs tourism sector at the enterprise, regional and national levels. As most

destinations are comprised of an amalgam of small and medium-sized tourism enterprises, the overall competitiveness of hot springs tourism destinations is closely linked with their individual and collective performance in a particular region.

The present study has used a modified Delphi technique to identify and prioritize a set of determinants of destination competitiveness for the hot springs tourism sector. It will be of particular benefit during the current period when Taiwan is attempting to position itself as a leading hot springs tourism destination. Capturing the opinions of a pool of experts from diverse backgrounds is particularly useful for indicative purposes. As noted, the primary advantages of using a modified Delphi technique are reducing data collection time and costs. The use of structured questionnaires for successive rounds of the survey minimizes both panelist response time and bother. This was especially important because of the demanding schedules of the various panelists. Costs were also minimized since the technique offers a method of gathering, categorizing, reviewing and revisiting the views of a group of panel experts who are not co-located in a single geographic location. The modified Delphi technique used in the present study has effectively excluded the influence of any group dynamic from participant responses, while still benefiting from a cross-fertilisation of ideas across the group. It is an excellent alternative to face-to-face meetings, and provides a mechanism for participants to share and debate their opinions. With its emphasis on anonymity, this technique has proven to be an extremely cost effective tool in a society such as Taiwan which attaches considerable importance to achieving group consensus and communal levels of decision-making.

Managerial implications

In addition to the various theoretical contributions which have been described, the results have provided new insights into the strategic management of hot springs tourism destinations. The study explores the underlying determinants of destination competitiveness, attaches degrees of importance to each of these determinants and prioritize them with a view to developing a strategic framework and management guidelines for the future development of Taiwan's hot springs tourism sector. As this study was conducted from a supply-side perspective, these results have implications for public policy makers attempting to create a positive investment environment and for the hot springs proprietors achieving long-term sustainability and differentiation

goals. The major implications will be discussed and their importance to industry practitioners and public policy makers examined in light of the findings of the three-round survey.

Ensuring traveler safety and security

Hot springs proprietors need to provide a clean, healthy, safe and crime-free environment within their premises. Bad publicity arising from any crimes and accidents occurring in hot springs spa properties, particularly where guests are victimized, could tarnish the image of an individual property or even a whole destination area and negatively affect tourism. In order to protect hot springs visitors against potential risks and threats at the enterprise level, hot springs proprietors should: provide sufficient natural springs water, sanitation facilities, and a safe and secure bathing environment; practice appropriate safety and sanitation policies and procedures; and conduct regularly scheduled safety and security training programs for all staff members. At the industry level, the DMO should develop and implement inspection programs associated with property security, water safety and sanitation. Aside from this task, it should take an active role in advising and assisting hot springs properties to comply with safety and security rules and regulations. At the national level, the police should provide law enforcement against crime and protect tourists. There should be more regular police patrols in non-metropolitan, regional areas where most of the hot springs in Taiwan are located. Ambulance and medical services should also be available in as close proximity as possible in order to respond to requests for emergency assistance. An effective safety and security system will need an integrated effort involving individual property operators, the hot springs tourism sector as a whole represented by the DMO and the relevant government agencies.

Complying with sustainable development principles

The importance of considering environmental management issues involved in sustainable tourism development has been demonstrated in reference to ensuring the future prospects of hot springs tourism growth in Taiwan. Taiwan's abundant natural hot springs have contributed to the economic development of tourism which has in turn had both positive and negative effects on the natural and physical environment of various areas. In order to protect these treasures and sustain related tourism

development, all stakeholders from the national to the community level should be actively involved with environmental management issues and engage in partnerships.

At the national level, relevant government agencies are responsible for formulating and implementing national, regional and local tourism policies and developing strategies that are consistent with the overall objectives of sustainable use of lands, hot springs and other natural resources. At the industry level, the DMO should work with an independent third-party representative to promote and endorse the implementation of sustainable water resources management and environmental protection practices. At the community level, sustainable development can only be ensured through the active participation of local residents in the planning process. The number of tourism activities and enterprises run by communities and local residents is a measure of the level of resident involvement in sustainable development. At the enterprise level, hot springs proprietors should incorporate sustainability principles into the design and construction of springs water distribution, sewage treatment, wastewater collection, and piping and pumping systems. Sustainable tourism development is predicated upon the acceptance of responsibility by all stakeholders in the hot springs tourism sector, both public and private, to ensure that long-term prosperity and the quality of life of future generations is not placed at risk.

Towards a strong focus on preventative and curative care

The current external micro and macro environments are promising for hot springs tourism in Taiwan. The sector will continue to benefit from favourable demand conditions, and particularly from the rapid growth of domestic tourism. In addition, the spread of public health consciousness indicates a significant latent demand for health-oriented leisure activities and services. The practice of using natural hot springs for the treatment and cure of disease constitutes another distinct and significant market segment with future potential.

With the tourism sector increasingly characterised by health-oriented and 'back to nature' high-value travellers, hot springs proprietors need to commit to innovating and upgrading their health services and facilities at the enterprise level. They also need to extend and diversify their product offerings and tourist activities in order to

respond to this new and emerging market opportunity. At the industry level, the DMO should adopt a supportive role in constructing a database of knowledge about the island's hot springs. The database would inform the public about the location of relevant hot springs, and about the unique attributes of each including associated health benefits. The treatment provided in mineral and hot springs is as varied as the composition of the waters. At the national level, the government could assist the industry by establishing a research institute to explore hot springs applications. In Europe, patients suffering from skin diseases and who receive medical prescriptions paid for by their health insurance are entitled to receive spa treatments. If Taiwan's national health insurance system were to subsidize spa treatments, this would lead Taiwanese people to appropriate hot springs for their therapeutic and curative effects and help extend the use of Taiwan's hot springs resources into the medical field.

Developing qualified human capital to deliver high quality tourism experiences

The provision of a highly qualified and skilled workforce is a paramount requirement for delivering quality hot springs tourism experiences that meet or exceed visitor expectations. Hot springs tourism is a specific type of tourism which may be developed and managed in different ways. In addressing this issue and acknowledging that tourists are demanding increasing service levels, efforts should be taken at the enterprise level to equip service personnel with the knowledge and skills necessary for them to discharge their functions efficiency and effectively. In order to provide a thriving community setting, local residents need to be educated to be hospitable to tourists. At the industry level, the role of the DMO is to serve both as an anchor for partnerships between educational institutions and employers in promoting industry-education co-operative projects, offering internship programs and developing practical-oriented courses. At the national level, the government sector must ensure sufficient funding for continuing education programs and business consulting and support services.

7.4 Suggestions for Further Research

Identifying and prioritizing the key determinants of destination competitiveness has helped to provide an enhanced understanding of developing and managing hot springs tourism destinations in a sustainable manner. The proposed model forms a

theoretical foundation for evaluating the actual and potential competitiveness of hot springs tourism destinations. It suggests that tourism destination resources and attractions, tourism destination strategies, and tourism destination environment (external) serve as ideal predictors of destination competitiveness, with varying degrees of importance. It is expected that this model of destination competitiveness will be applicable worldwide, especially in those emerging Asian destinations whose national characteristics are relatively similar to Taiwan. Future studies should be undertaken to validate the applicability of this framework.

The competitiveness model of hot springs destinations formulated in this study is intended to be generic in scope. Given the limited time and costs involved, it has been restricted to a single destination, Taiwan. Also, it was not possible to carry out a comparative analysis of the level of competitiveness of other similar or competing destinations. This suggests that future cross-cultural studies, particularly between Asian and Western countries could be carried out for comparative purposes.

The present study has adopted a supply-side perspective and has explored managerial views and opinions towards a number of fundamental factors that determine the competitiveness of Taiwan as a hot springs tourism destination. While the present study has offered a suitable framework for the assessment of the competitiveness of hot springs tourism destinations, further study might examine how customers rate each determinant on importance and performance, and compare the similarities and differences between demand and supply-side perspectives. It should be noted that customers have diverse motives (reasons) for visiting hot springs. Future research could be directed to segmenting hot springs visitors using travel motivations. It would be meaningful to understand the customer segments and their requirements so that better managerial decisions could be made for the hot springs tourism market.

The study links the two diverse perspectives of strategy and competitiveness, IO theory and RBV theory, into a unified conceptual framework in order to provide a more complete explanation of tourism destination competitiveness. It integrates the major concepts of tourism destination competitiveness and acknowledges sector-specific strategies, external environmental factors and destination specific attributes as major constructs to examine the competitiveness of the hot springs tourism sector.

Future research could add to this body of knowledge by testing the complex interplay between an array of internal and external factors that will influence the ways in which tourism destination strategies are formulated and implemented with a view to achieving greater competitiveness.

In this study the respondents were key members of government, industry and academia. These key informants were selected because of their specific knowledge about the required area of study. Since this particular sample is both selective and limited in scale, a large-scale survey would have been desirable to yield more valuable insights into the development of Taiwan as a competitive hot springs destination. Future hot springs tourism studies in Taiwan may consider bringing an increased number of better qualified experts from diverse backgrounds and experiences into the discussion, and comparing viewpoints amongst these three groups. The incorporation of overseas perspectives could be particularly useful. Such a study might obtain a more precise identification of determinants of destination competitiveness and a more detailed assessment of the level of competitiveness of Taiwan's hot springs tourism, both locally and internationally.

Using the traditional method of pen and paper mail-based communication with panel members worked extremely well in this Delphi survey. The entire process of receiving, completing and returning the rounds of survey was completed within four months and no major problems were encountered. The study acknowledges that postal mail surveys are slow compared to electronic mail surveys but was not necessary in this case. In addition, electronic mail surveys can be more convenient for panel members and enable those who travel out of town during the survey period to maintain their participation. Future research should take account of the advantages of electronic data collection, improving the ease, speed and convenience of group communication.

Finally, the importance of determinants of destination competitiveness varies from country to country and may vary over time within a country (Enright and Newton, 2005). The most important current issue may be the least important in the future. What is important for one destination is not necessarily important for another. It is recommended that a longitudinal study is undertaken to examine the changes in the

relative effects of each factor on destination competitiveness both within and outside the tourism destination. This suggests there could be new and additional factors considered as key determinants of destination competitiveness.

7.5 Conclusions

The existence of hot springs throughout Taiwan is ideal for the development of hot springs tourism. With the active pursuit of good health by members of contemporary societies, hot springs tourism becomes a niche health activity that has been attracting ever increasing public attention. In an attempt to support the recent resurgence of hot springs tourism, industry and government agencies have already made substantial investments in the sector and more are planned. Despite achieving significant progress, comprehensive development and management guidelines for boosting the competitiveness of Taiwan's hot springs tourism sector have neither been set out nor implemented. It was the need for a clearly defined mechanism to guide the development of hot springs tourism which initially prompted the researcher to develop a synthesis model of destination competitiveness and to test it in Taiwan.

The purposes of the present study were to identify and prioritize the factors that influence the competitiveness of hot springs tourism destinations. To achieve these goals, the conceptual framework has been proposed based on IO theory and RBV theory. Various sector-specific determinants of destination competitiveness captured in the framework have been generated from the models proposed by Dwyer and Kim (2003), Enright and Newton (2004), and Ritchie and Crouch (2000), and concentrate on the three major domains, Tourism Destination Resources and Attractors, Tourism Destination Strategies, and Tourism Destination Environments. The Delphi technique has been used to elicit the opinions of a panel of key informants from government, industry and academia. The expert panel reached consensus on all preselected determinants of destination competitiveness and assigned a level of importance to each. The present study has confirmed the potential usefulness of the model and the suitability of the research method employed. In particular, it reinforces the value of a broader and more comprehensive approach suggested by previous studies (Dwyer and Kim, 2003; Enright and Newton, 2004; Ritchie and Crouch, 2000), indicating tourism destination attributes (resources and attractors), external

environmental factors (micro and macro) and management strategies as key determinants of destination competitiveness.

This study has proposed a sector-specific model and demonstrated a creative application of the modified Delphi technique. Within the nature and scope of the present study, many questions have been raised and many areas have been opened up for further study. It is the researcher's hope that the proposed model of destination competitiveness will assist policy makers in Taiwan to identify challenges and opportunities, and set broad directions and policies in response. It should also assist hot springs proprietors to examine their internal resources, pin-point environmental trends and constantly adjust themselves in line with such trends. The model of destination competitiveness for the hot springs tourism sector in Taiwan is still to be established as a generic model. With a view to verifying its generic application, it is hoped that this model will arouse interest amongst tourism scholars to further test the model in other countries of the world.

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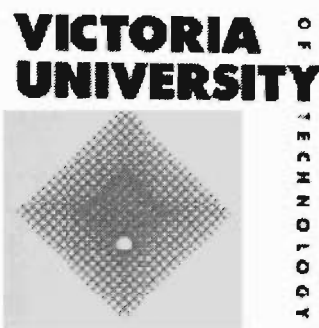
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APPENDICES

Appendix 1. Delphi Participant Profile

No.	Job Title	Pilot Round	Round One	Round Two	Round Three
Industry participants					
1.	President of Hsiao Chuan Yuan Hot Springs	√	√	√	√
2.	Manager of Poolfound Aquascape Engineering Co, Ltd	√	√	√	√
3.	Manager of The Royal Spa Hot Spring Restaurant		√	√	
4.	Manager of Jin-Da	√	√		
5.	Assistant Manager of Marketing Department, Jin-Da	√	√	√	√
6.	Manager of Rainbow Resort	√	√	√	√
7.	General Manager of Hotel Royal Chiao Hsi	√	√	√	√
8.	Manager of Toong Mao Resorts and Hotels	√	√	√	√
9.	Manager of Fun Chen Resort Hotel		√	√	√
10.	President of King's Resort and Spa		√	√	√
11.	Board Chairman of Dragon Valley Hotel & Long Ku Hotel		√	√	√
12.	Assistant Manager of Dong Tair Spa Hotel	√			
Government participants					
13.	Commissioner of Northeast Coast National Scenic Area Administration, Tourism Bureau		√	√	√
14.	Commissioner of Alishan National Scenic Area Administration, Tourism Bureau	√	√	√	√
15.	Technical Division Section Chief, Tourism Bureau	√	√	√	√
16.	Director of Technical Division, Tourism Bureau		√	√	√
17.	Commissioner of East Rift Valley National Scenic Area		√	√	√
18.	Commissioner of Maolin National Scenic Area		√	√	√
19.	Taipei County Government Construction Bureau		√	√	√
20.	Deputy Commissioner of Department of Transportation, Taipei City Government		√		
21.	Commissioner of Bureau of Business and Travel, Yilan County Government		√	√	√
22.	Director of Works and Tourism Bureau, Miaoli County Government		√	√	√

No.	Job Title	Pilot Round	Round One	Round Two	Round Three
23.	Director-general Transportation and Tourism Promotion Bureau, Nantou County Government		√	√	√
24.	Director of Tainan County Government Transportation and Tourism Bureau		√	√	√
25.	Section Chief of Maolin National Scenic Area		√	√	√
26.	Chief Secretary of Southwest Coast National Scenic Area Administration		√	√	√
27.	Guanziling Scenic Area	√			
Academic participants					
28.	Associate Professor and Director of Department of Hospitality Management/Food & Beverage Management, Tajen Institute of Technology	√	√	√	√
29.	Assistant Professor and Director of Tourism and Leisure, Diwan College of Management	√	√	√	√
30.	Associate Professor and Director of Department of Leisure Management, Leader University	√	√	√	√
31.	Assistant Professor of Department of Recreation and Health Care Management, Chia Nan University of Pharmacy and Science	√	√	√	
32.	Associate Professor of Graduate Institute of Recreation, Tourism, and Hospitality Management, National Chiayi University	√	√	√	√
33.	Associate Professor and Head of Graduate Institute of Recreation, Tourism, and Hospitality Management, National Chiayi University	√	√		
34.	Associate Professor of Graduate Institute of Recreation, Tourism and Hospitality Management, National Chiayi University	√			
35.	Assistant Professor and Director of Department of Leisure, Recreation, and Tourism Management, National Kaohsiung Hospitality College	√			
36.	Assistant Professor of Department of Leisure Planning, National Formosa University	√			



Pilot Questionnaire Survey

For the Research Project

**“An Investigation of Factors Determining the Competitiveness of
Taiwan’s Hot Springs Tourism Sector”**

**Victoria Graduate School of Business
Faculty of Business and Law
Victoria University**

 **P.O.Box: 50. 3rd Jen-Ai Street, 600
Chiayi City, Taiwan**
 **Attention: Chengfei Lee**
 **Telephone:(886) 52854922 (Taiwan)
(613) 94818134 (Australia)**

All Survey Information Strictly Confidential

Dear Sir or Madam:

The purpose of this research study “An investigation of Factors Determining the Competitiveness of Taiwan’s Hot Springs Tourism Sector” is to analyze Taiwan’s competitiveness as a hot springs tourism destination in relation to other destination and to investigate opportunities for improving the level of competitiveness. In this five-page pilot questionnaire we will be asking you, what you think of the key determinants of destination competitiveness for Taiwan as a hot springs tourism destination. Please use your professional judgment on assessing the appropriateness of the proposed items, indicating whether any of these items are irrelevant for deletion or unclear for modification, or recommending any item that you feel need to be added in this list.

Part I: Tourism Destination Resources and Attractors					
Component	Determinant of Destination Competitiveness	Appropriateness	Deletion	Modification	Editing Comments
Natural resources	1. Beautiful natural scenery				
	2. Comfortable climate				
	3. Water quality of springs				
	4. Water quantity of springs				
Cultural assets	5. Attractive on-site course offerings (e.g. art, music, dance and folk costume)				
	6. Notable historical landmarks nearby (e.g. monuments, sites)				
	7. Completely preserved old streets				
	8. Local museums and galleries				
Special attractions	9. Year-round recreational activities				
	10. Special events and festivals held on a regular basis				

Component	Determinant of Destination Competitiveness	Appropriateness	Deletion	Modification	Editing Comments
Accommodation	11. Sufficient availability of accommodation				
	12. Quality of accommodation				
	13. Authentic accommodation experiences				
Cuisine	14. Variety in foods				
Transportation	15. Well-organized access transportation to a hot springs area				
	16. Comprehensive local transportation network				
	17. Ample parking space				
Safety and security	18. Public transport system				
	19. Safety of the overall destination (e.g. possibility of criminal attacks)				
	20. Safety and security of hot springs related tourism activities and facilities (e.g. hygiene of spa pools, materials used for the construction of spa facilities)				
	21. Safety and security of tourists (e.g. clear rules of taking hot springs baths)				

Part II. Tourism Destination Strategies					
Component	Determinant of Destination Competitiveness	Appropriateness	Deletion	Modification	Editing Comments
Destination marketing management	22. Reinforcing the image of Taiwan as a holiday destination				
	23. Establishing a brand name of a hot springs tourism destination				
	24. Developing cross-marketing programs for destination tourism products				
	25. Forming public-private marketing alliances				
	26. Providing leadership for coordination within the sector				
Capabilities of destination management organization	27. Assisting hot springs properties in licensing matters				
	28. Undertaking domestic and international marketing campaigns				
	29. Encouraging industry innovation of hot springs spa products, services and facilities				
	30. Conducting regular surveys on tourist behaviour				
	31. Educational institutions offering tourism courses customized to the hot springs tourism sector				
Human resource development	32. Facilitating industry-education co-operation programs				

Component	Determinant of Destination Competitiveness	Appropriateness	Deletion	Modification	Editing Comments
Destination planning and development	33. Regulating the optimal use of lands and hot springs water resources				
	34. Creating incentives for entrepreneurial investment in the hot springs tourism sector				
	35. Properly designing and constructing new and existing hot springs areas				
Service quality management	36. Defining service quality dimensions				
	37. Establishing service quality standards (e.g. the speed of check-in and check-out procedure)				
	38. Conducting periodic tourist satisfaction surveys				
Environmental management	39. Developing a third party environmental certificate and accreditation schemes				
	40. Formulating environmental protection legislation and regulations				
	41. Enforcing industry self-regulation towards environmental protection and preservation				
Pricing	42. Setting destination prices based on a cost plus basis				
	43. Determining destination prices against competing destinations				
	44. Ensuring value for money in destination experience				

Part III. Tourism Destination Environments						
Component	Determinant of Destination Competitiveness	Appropriateness	Deletion	Modification	Editing Comments	
Economic growth	45. The increasing disposable income					
	46. The growing middle class population					
Socio-cultural changes	47. The implementation of two-day weekend					
	48. The public interest in health-leisure activities					
	49. The emergence of health-conscious consumers					
Intra-industry interactions	50. The tough competition between hot springs enterprises					
	51. The good co-operation between hot springs enterprises					
Demand conditions	52. The expansion of leisure and domestic tourism market					
	53. The growth of international tourism market					
	54. The more demanding travellers					
Community participation and attitudes	55. The active participation in hot springs tourism planning process					
	56. The positive attitudes towards the (re)development of hot springs tourism					
	57. The hospitality and friendliness of residents towards tourists					

Appendix 3. First Round Questionnaire



First Round Questionnaire Survey

for the Research Project
“An Investigation of Factors Determining the Competitiveness of
Taiwan’s Hot Springs Tourism Sector”

by Chengfei Lee

Victoria Graduate School of Business
Faculty of Business and Law
Victoria University

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☎ Telephone:(886) 52854922 (Taiwan)
(613) 94818134 (Australia)

All Survey Information Strictly Confidential

Instruction to participants:

1. Based on your expertise, please indicate your level of agreement or disagreement with each of the following statements. For each statement below, please place a circle (O) on the number that best reflects your level of agreement concerning degree of importance.
- Level of Agreement or Disagreement

5 = Strongly Agree

4 = Agree

3 = Neutral

2 = Disagree

1 = Strongly Disagree

For example:

Dimension	Determinant of Destination Competitiveness	Strongly Disagree		Neutral		Strongly Agree
Special attractions	Variety of entertaining performances	1	2	3	4	5

2. Please note any additional comments about your responses or any suggestions or opinions you may have concerning the questionnaire in the space below each part. If you find there is insufficient space for your comments, please use the attached blank page.

Section 1: Identifying the Determinants of Tourism Destination Competitiveness

Part 1. Tourism Destination Resources and Attractors

In your view, how significant are the following *tourism resources and attractors* in complementing the attractiveness of Taiwan as a hot springs tourism destination?

Dimensions	Determinants of Destination Competitiveness	Strongly Disagree		Neutral		Strongly Agree
Natural resources	1. High grade natural hot springs	1	2	3	4	5
	2. Plentiful natural hot springs	1	2	3	4	5
	3. Abundant natural scenery	1	2	3	4	5
	4. Comfortable climate	1	2	3	4	5
Cultural assets	5. Interesting guided cultural tours	1	2	3	4	5
	6. Notable historical landmarks nearby (e.g. monuments, sites, museums and exhibitions)	1	2	3	4	5
	7. Various local cultural traditions and specialities (e.g. craft, foods, produce, flowers, and animals)	1	2	3	4	5

Dimensions	Determinants of Destination Competitiveness		Strongly Disagree		Neutral		Strongly Agree
Special attractions	8.	Year-round recreational activities	1	2	3	4	5
	9.	Special events and festivals held on a regular basis	1	2	3	4	5
Accommodation	10.	Sufficient availability of accommodation	1	2	3	4	5
	11.	High quality and international standard accommodation	1	2	3	4	5
	12.	Authentic accommodation experiences	1	2	3	4	5
	13.	Comfortable accommodation in a natural setting	1	2	3	4	5
	14.	Authentic recipes using ethnic ingredients and cooking styles	1	2	3	4	5
Cuisine	15.	Health-oriented gourmet utilizing seasonal produce	1	2	3	4	5
	16.	Comprehensive network of international routes to and from Taiwan	1	2	3	4	5
Transportation	17.	Convenient access to a hot springs area	1	2	3	4	5
	18.	Sound local transportation network	1	2	3	4	5
	19.	Reliable public transport services	1	2	3	4	5
	20.	Ample packing spaces	1	2	3	4	5
	21.	Safety of the overall destination (e.g. possibility of criminal attacks)	1	2	3	4	5
Safety and security	22.	Safety of the bathing environment (e.g. governing construction materials for spa pools)	1	2	3	4	5
	23.	Hygiene standards for hot springs spa equipment (e.g. pool water must be sanitized and balanced regularly)	1	2	3	4	5
	24.	Personal safety and hygiene-basic rules and responsibility	1	2	3	4	5
	25.	Emergency medical care and the availability of ambulance services	1	2	3	4	5

In the Taiwanese context, are there any other *Tourism Destination Resources and Attractors* which you consider important in contributing to the competitiveness of the hot springs tourism sector?

Part 2. Tourism Destination Strategies

In your view, to what extent would the following *tourism destination strategies* contribute to ensuring the competitiveness of the hot springs tourism sector in Taiwan?

Dimensions	Determinants of Destination Competitiveness		Strongly Disagree		Neutral		Strongly Agree
Capabilities of destination management organizations	26.	Providing leadership for coordination within the sector	1	2	3	4	5
	27.	Encouraging industry innovation of hot springs spa products and services (e.g. making hot springs for medical treatment)	1	2	3	4	5
	28.	Undertaking domestic and international marketing campaigns	1	2	3	4	5
	29.	Conducting regular surveys on tourist behaviour	1	2	3	4	5
	30.	Assisting hot springs properties in licensing matters	1	2	3	4	5
	31.	Developing a uniform grading and classification system for the sector	1	2	3	4	5
	32.	Creating and maintaining a hot springs database	1	2	3	4	5

Dimensions	Determinants of Destination Competitiveness	Strongly Disagree		Neutral		Strongly Agree
Destination planning and development	33. Regulating the optimal use of lands and hot springs water resources	1	2	3	4	5
	34. Creating incentives for entrepreneurial investment in the hot springs tourism sector	1	2	3	4	5
	35. Properly designing and constructing new and existing hot springs areas	1	2	3	4	5
Destination marketing management	36. Reinforcing the image of Taiwan as a hot springs holiday destination	1	2	3	4	5
	37. Establishing a brand name of a hot springs tourism destination	1	2	3	4	5
	38. Developing cross-marketing programs for destination tourism products	1	2	3	4	5
	39. Forming public-private marketing alliances	1	2	3	4	5
Human resource development	40. Educational institutions offering tourism management courses customized to the hot springs tourism sector	1	2	3	4	5
	41. Facilitating industry-education co-operation programs	1	2	3	4	5
	42. Tourism enterprises providing in-house training programs	1	2	3	4	5
	43. Designing professional qualification system for certified managing or non-managing personnel	1	2	3	4	5
Service quality management	44. Maintaining high quality hot springs spa related facilities and equipment	1	2	3	4	5
	45. Ensuring the professionalism, technical competence and good interpersonal skills of service staff	1	2	3	4	5
	46. Setting industry standards in service quality management	1	2	3	4	5

Dimensions	Determinants of Destination Competitiveness	Strongly Disagree		Neutral		Strongly Agree
Environmental management	47. Developing a third party certificate and accreditation schemes	1	2	3	4	5
	48. Controlling the total amount of hot springs water used	1	2	3	4	5
	49. Building sewage system infrastructure and wastewater treatment facilities	1	2	3	4	5
Pricing						
	50. Assuring the proper construction of pipe and pumping systems	1	2	3	4	5
	51. Setting destination prices based on the costs invested	1	2	3	4	5
	52. Setting destination prices against competing destinations	1	2	3	4	5
	53. Setting destination prices based on demand elasticity (e.g. peak and off-peak; weekday and weekend)	1	2	3	4	5
	54. Ensuring value for money in destination tourism experience	1	2	3	4	5

In the Taiwanese context, are there any other *Tourism Destination Strategies* which you suggest to be taken in order to enhance the competitiveness of the hot springs tourism sector?

Part 3. Tourism Destination Environments

In your view, how significant are the following factors that made up the *tourism destination environments* as influences over the competitiveness of Taiwan as a hot springs tourism destination?

Dimensions	Determinants of Destination Competitiveness	Strongly Disagree		Neutral		Strongly Agree
Economic growth	55. The increasing disposable incomes	1	2	3	4	5
	56. The changes in industry structure/economic structure	1	2	3	4	5

Dimensions	Determinants of Destination Competitiveness		Strongly Disagree		Neutral		Strongly Agree
Social-cultural changes	57.	The implementation of two-day weekend	1	2	3	4	5
	58.	The public interest in health-leisure activities	1	2	3	4	5
	59.	The emergence of health-conscious consumers	1	2	3	4	5
Intra-industry interactions	60.	The rapid increase in ageing population	1	2	3	4	5
	61.	The media reporting of (hot springs) travel and tourism sector	1	2	3	4	5
	62.	The relationships between hot springs enterprises (e.g. tough competition or good co-operation)	1	2	3	4	5
Demand conditions	63.	The opportunities for (overseas) commercial visits, trips and exchanges	1	2	3	4	5
	64.	The expansion of the leisure and domestic tourism market	1	2	3	4	5
Community participation and attitudes	65.	The gradual growth of international tourism market	1	2	3	4	5
	66.	The more travellers	1	2	3	4	5
	67.	The active participation in hot springs tourism planning process	1	2	3	4	5
	68.	The positive attitudes towards the (re)development of hot springs tourism	1	2	3	4	5
	69.	The hospitality and friendliness of residents towards tourists	1	2	3	4	5

In the Taiwanese context, are there any other factors of *Tourism Destination Environments* which you feel to have the impact on the competitiveness of the hot springs tourism sector?

Section 2: Demographic Information

Please kindly provide the following information. The information gathered will not be used in any other way and will be kept strictly confidential.

1. Gender: ☐ male ☐ female

2. Your age: ☐ less than 40 ☐ 41-45 ☐ 46-50 ☐ 51-55
☐ 55-60 ☐ 61-65 ☐ more than 66

3. Your educational qualification: ☐ Senior high ☐ Bachelor
☐ Master or above

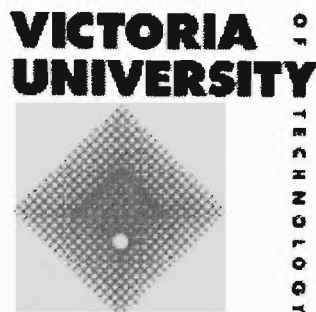
4. Your working experience: ☐ 5-10 ☐ 11-20
☐ 21-30 ☐ more than 31

- End of survey -

Thank you very much for taking the time to complete this questionnaire

Please return the questionnaire in the reply paid envelope to:
Cheng-Fei Lee
50 3-Rd Jen-Ai Street, Chia-yi City 600, Taiwan

Appendix 4. Second Round Questionnaire



Second Round Questionnaire Survey

for the Research Project
“An Investigation of Factors Determining the Competitiveness of
Taiwan’s Hot Springs Tourism Sector”

by Chengfei Lee

Victoria Graduate School of Business
Faculty of Business and Law
Victoria University

📮 P.O.Box: 50. 3-rd Jen-Ai Street, 600
Chiayi City, Taiwan
👉 Attention: Chengfei Lee
☎ Telephone: (886) 52854922 (Taiwan)
(613) 94818134 (Australia)

All Survey Information Strictly Confidential

Instruction to participants:

1. Please read the ratings for each item to gain feedback concerning your previous rating and the mean rating from all panel members. ♣ = item reworded ; ♠ = item added
2. Please re-rate each item by circling the appropriate number. You should feel free to keep your rating as previously recorded or to change it.

For example:

Dimension	Determinant of Destination Competitiveness	Strongly Disagree		Neutral		Strongly Agree	Your 1 st Rating	Mean
Special attractions	Variety of entertaining performances	1	2	3	4	5	2	3.5

3. Please use the space at the end of each part to explain the reasons for any of your ratings and provide your suggestions for improvement.

Identifying the Determinants of Tourism Destination Competitiveness

Part.1. Tourism Destination Resources and Attractors

In your view, how significant are the following *tourism resources and attractors* in complementing the attractiveness of Taiwan as a hot springs tourism destination?

Dimensions		Determinants of Destination Competitiveness	Strongly Disagree		Neutral		Strongly Agree	Your 1 st Rating	Mean
Natural resources	1.	High grade natural hot springs	1	2	3	4	5		4.65
	2.	Plentiful natural hot springs	1	2	3	4	5		4.55
	3.	Abundant natural scenery	1	2	3	4	5		4.13
	4.	Comfortable climate	1	2	3	4	5		3.63
Cultural assets	5.	♣ Guided tours of local art and culture	1	2	3	4	5		3.97
	6.	Notable historical landmarks nearby (e.g. monuments, sites, museums and exhibitions)	1	2	3	4	5		3.60
	7.	Various local cultural traditions and specialities (e.g. craft, foods, produce, flowers and animals)	1	2	3	4	5		3.93
	8.	♠ Community shopping districts featuring a mix of souvenir and tourist shops	1	2	3	4	5		

Dimensions	Determinants of Destination Competitiveness		Strongly Disagree		Neutral		Strongly Agree	Your 1 st Rating	Mean
Special attractions	9.	Year-round recreational activities	1	2	3	4	5		4.16
	10.	Special events and festivals held on a regular basis	1	2	3	4	5		4.16
Accommodation	11.	♣Adequate capacity of accommodation establishments	1	2	3	4	5		4.00
	12.	Quality (international standard) of accommodation	1	2	3	4	5		4.35
	13.	Authentic accommodation experiences	1	2	3	4	5		4.26
	14.	Comfortable accommodation in a natural setting	1	2	3	4	5		4.29
Cuisine	15.	Authentic recipes using ethnic ingredients and cooking styles	1	2	3	4	5		4.26
	16.	Health-oriented gourmet utilizing seasonal produce	1	2	3	4	5		3.68
Transportation	17.	Comprehensive network of international routes to and from Taiwan	1	2	3	4	5		3.50
	18.	Convenient access to a hot springs area	1	2	3	4	5		4.27
	19.	Sound local transportation network	1	2	3	4	5		4.03
	20.	Reliable public transport services	1	2	3	4	5		3.87
	21.	Ample parking spaces	1	2	3	4	5		4.13
	22.	♠Clear guidance signs (e.g. direction signs, tourism signs)	1	2	3	4	5		

Dimensions	Determinants of Destination Competitiveness		Strongly Disagree		Neutral		Strongly Agree	Your 1 st Rating	Mean
Safety and security	23.	Safety of the overall destination (e.g. possibility of criminal attacks)	1	2	3	4	5		4.57
	24.	Safety of the bathing environment (e.g. governing construction materials for spa pools)	1	2	3	4	5		4.71
	25.	Hygiene standards for hot springs spa equipment (e.g. pool water must be sanitized and balanced regularly)	1	2	3	4	5		4.84
	26.	Personal safety and hygiene-basic rules and responsibility	1	2	3	4	5		4.55
	27.	Emergency medical care and the availability of ambulance services	1	2	3	4	5		4.39

If any of your ratings are changed, please indicate why.

Part.2. Tourism Destination Strategies

In your view, to what extent would the following *tourism destination strategies* contribute to ensuring the competitiveness of the hot springs tourism sector in Taiwan?

Dimensions	Determinants of Destination Competitiveness		Strongly Disagree		Neutral		Strongly Agree	Your 1 st Rating	Mean
Capabilities of destination management organizations	28.	Providing leadership for coordination within the sector	1	2	3	4	5		4.45
	29.	Encouraging industry innovation of hot springs spa products and services	1	2	3	4	5		4.10
	30.	Undertaking domestic and international marketing campaigns	1	2	3	4	5		4.34
	31.	♣Conducing regular surveys on tourist behaviour and satisfaction	1	2	3	4	5		3.97
	32.	Assisting hot springs properties in licensing matters	1	2	3	4	5		4.47
	33.	Developing a uniform grading and classification system for the sector	1	2	3	4	5		3.77
Destination planning and development	34.	Creating and maintaining a hot springs database	1	2	3	4	5		4.37
	35.	♠Implementing hot springs water quality inspection	1	2	3	4	5		
	36.	Regulating the optimal use of lands and hot springs water resources	1	2	3	4	5		4.37
	37.	♣Providing financial aids for assisting the sector's development	1	2	3	4	5		3.69
	38.	Properly designing and constructing new and existing hot springs areas	1	2	3	4	5		4.50

Dimensions	Determinants of Destination Competitiveness		Strongly Disagree		Neutral		Strongly Agree	Your 1st Rating	Mean
Destination marketing management	39.	Reinforcing the image of Taiwan as a hot springs holiday destination	1	2	3	4	5		4.13
	40.	Establishing a brand name of a hot springs tourism destination	1	2	3	4	5		4.19
	41.	Developing cross-marketing programs for destination tourism products	1	2	3	4	5		3.84
	42.	♣Forming public-private marketing alliances (e.g. citizen travel card)	1	2	3	4	5		4.03
	43.	♠Promoting the health and medical benefits of hot springs	1	2	3	4	5		
	44.	♠Providing a diverse range of leisure and health-oriented facilities (e.g sauna, massage, spa pools)	1	2	3	4	5		
Human resource development	45.	Educational institutions offering tourism management courses customized to the hot springs tourism sector	1	2	3	4	5		3.87
	46.	Facilitating industry-education co-operation programs	1	2	3	4	5		4.00
	47.	Tourism enterprises providing in-house training programs	1	2	3	4	5		4.33
	48.	♣Designing a certified qualification system for managers and professional personnel	1	2	3	4	5		
	49.	♠Funding educational institutions to provide tourism enterprises with continuing education programs or individual counselling	1	2	3	4	5		3.97

Dimensions	Determinants of Destination Competitiveness	Strongly Disagree		Neutral		Strongly Agree	Your 1 st Rating	Mean
Service quality management	50. Maintaining high quality hot springs spa related facilities and equipment	1	2	3	4	5		4.42
	51. Ensuring the professionalism, technical competence and good interpersonal skills of service staff	1	2	3	4	5		4.52
	52. Setting industry standards in service quality management	1	2	3	4	5		4.13
Environ-mental management	53. Developing a third party certificate and accreditation schemes	1	2	3	4	5		4.39
	54. Controlling the total amount of hot springs water used	1	2	3	4	5		4.55
	55. Building sewage system infrastructure and wastewater treatment facilities	1	2	3	4	5		4.29
	56. Assuring the roper construction of pipe and pumping systems	1	2	3	4	5		4.32
Pricing	57. ♣ Setting destination prices according to the level of investment cost	1	2	3	4	5		3.52
	58. ♣ Setting destination prices based on competitor's prices	1	2	3	4	5		3.35
	59. ♣ Setting destination prices based on market demand elasticity (peak and off-peak; weekday and weekend)	1	2	3	4	5		3.74
	60. Ensuring value for money in destination tourism experience	1	2	3	4	5		4.03

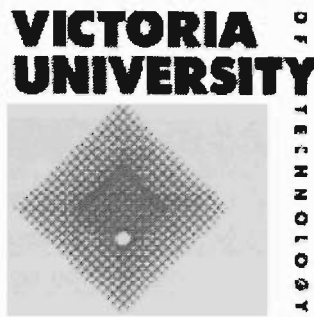
If any of your ratings are changed, please indicate why.

Part 3. Tourism Destination Environments

In your view, how significant are the following factors that made up the *Tourism Destination Environments* as influences over the competitiveness of Taiwan as a hot springs tourism destination?

Dimensions	Determinants of Destination Competitiveness		Strongly Disagree		Neutral		Strongly Agree	Your 1 st Rating	Mean
Economic growth	61.	The increasing disposable incomes	1	2	3	4	5		3.84
	62.	The changes in industry structure/economic structure	1	2	3	4	5		3.87
	63.	♠The potential consumption power of young generation	1	2	3	4	5		
Social-cultural changes	64.	♣The positive effect of two-day weekend policy	1	2	3	4	5		3.84
	65.	The increasing public interest in health-leisure activities	1	2	3	4	5		4.32
	66.	The emergence of health-conscious consumers	1	2	3	4	5		4.32
	67.	♣The ageing population with a strong desire to travel	1	2	3	4	5		3.97
	68.	The media reporting of (hot springs) travel and tourism sector	1	2	3	4	5		3.97
Intra-industry interactions	69.	The relationships between hot springs enterprises (e.g. tough competition or good co-operation)	1	2	3	4	5		4.03
	70.	The opportunities for (overseas) commercial visits, trips and exchanges	1	2	3	4	5		3.94
Demand conditions	71.	The expansion of the leisure and domestic tourism market	1	2	3	4	5		4.35
	72.	The gradual growth of international tourism market	1	2	3	4	5		3.90
	73.	The more demanding travellers	1	2	3	4	5		4.03

Appendix 5. Third Round Questionnaire



Third Round Questionnaire Survey

for the Research Project
“An Investigation of Factors Determining the Competitiveness of
Taiwan’s Hot Springs Tourism Sector”

by Chengfei Lee

Victoria Graduate School of Business
Faculty of Business and Law
Victoria University

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Chiayi City, Taiwan
👉 Attention: Chengfei Lee
☎ Telephone: (886) 52854922 (Taiwan)
(613) 94818134 (Australia)

All Survey Information Strictly Confidential

Dear Panel Member,

Thank you for your generous participation in the surveys and research to date.

Part One: The following is a short summary of the results of the second round. If you would like to make some additional comments please do so in the space provided.

Determinant of Destination Competitiveness	Mean	Component
<i>Following are items on which consensus was reached and with a mean score of 4.5 above</i>		
Determinants of Destination Competitiveness with the Highest Importance Ratings		
1. Hygiene standards for hot springs spa equipment	4.93	Safety and security
2. Safety of the bathing environment	4.79	Safety and security
3. High grade natural hot springs	4.71	Natural resources
4. Properly designing and constructing new and existing hot springs areas	4.71	Destination planning and development
5. Plentiful natural hot springs	4.68	Natural resources
6. Safety of the overall destination	4.68	Safety and security
7. Controlling the total amount of hot springs water used	4.64	Environmental management
8. Personal safety and hygiene-basic rules and responsibility	4.64	Safety and security
9. Implementing hot springs water quality inspection	4.61	Capabilities of DMOs
10. Assisting hot springs properties in licensing matters	4.61	Capabilities of DMOs
11. Developing a third party certificate and accreditation schemes	4.54	Environmental management
<i>Following are items on which consensus was reached and with a mean score of 4.0 below</i>		
Determinants of Destination Competitiveness with the Lowest Importance Ratings		
1. Setting destination prices according to the level of investment cost	3.32	Pricing
2. Setting destination prices based on competitor's prices	3.36	Pricing
3. Notable historical landmarks nearby (e.g. monuments, sites, museums and exhibitions)	3.50	Cultural assets
4. Comprehensive network of international routes to and from Taiwan	3.57	Transportation
5. The potential consumption power of young generation	3.64	Economic growth
6. Comfortable climate	3.68	Natural resources
7. Setting destination prices based on market demand elasticity	3.71	Pricing
8. Providing financial aids for assisting the sector's development	3.79	Destination planning and development
9. Health-oriented gourmet utilizing seasonal produce	3.82	Cuisine
10. The changes in industry structure/economic structure	3.86	Economic growth
11. The gradual growth of international tourism market	3.89	Demand conditions
12. The positive effect of two-day weekend policy	3.89	Socio-cultural changes
13. The increasing disposable incomes	3.89	Economic growth
14. The active participation in hot springs tourism (re)planning and (re)engineering process	3.93	Community participation and attitudes
15. Funding life-long learning and continuing education programs for the sector	3.93	Human resource development
16. Facilitating industry-education co-operation programs	3.96	Human resource development
17. The opportunities for (overseas) commercial visits, trips and exchanges	3.96	Intra-industry interactions

Part Two: The items on which no consensus was reached are listed below. Please read the average rating of all panel members and your individual rating for each item and re-rate these items by circling the appropriate number. Please note you are free to keep rating as previously recorded or to change it. You may also wish to include any written comments which constitute a basis for your ranking, as appropriate.

Determinant of Destination Competitiveness	Strongly Disagree		Neutral		Strongly Agree	Your 2 nd Rating	Average mean
* Reliable public transport services	1	2	3	4	5		3.87
Your comments:							
* Developing a uniform grading and classification system for the sector	1	2	3	4	5		3.86
Your comments:							
* Educational institutions offering tourism management courses customized to the sector	1	2	3	4	5		3.89
Your comments:							
* Designing a certified qualification system for managers and professional personnel	1	2	3	4	5		3.93
Your comments:							

Appendix 6. Letter of Request to the Director-General of Taiwan Tourism Bureau

Victoria University of Technology

PO Box 14428
Melbourne City
MC 8001 Australia

Footscray Park Campus

Faculty of Business and Law
Ballarat Road
Footscray

Office of the Deputy Dean

Telephone:
61 3 9688 4083
Facsimile:
61 3 9688 4069
Email:
bus.deputydean@vu.edu.au



22nd February 2005

Mr Su
Director General
Tourism Bureau
Ministry of Transportation and Communications
9F/290 Zhongxiao E. Rd., Sec. 4
TAIPEI, 106 TAIWAN

Dear Mr. Su

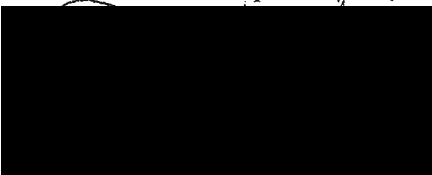
RE: A STUDY OF TAIWAN'S HOT SPRINGS TOURISM SECTOR

Greetings from Australia! You may recall our meeting in Melbourne some years ago when you kindly shared your knowledge of tourism in Taiwan with us.

I would like to take this opportunity to introduce my student to you. Her name is Cheng-Fei Lee. Cheng-Fei is currently undertaking the Doctor of Business Administration at Victoria University. Her work '*evaluating the potential and competitiveness of the hot springs tourism sector in Taiwan*' is to analyze Taiwan's competitiveness as a hot springs tourism destination in relation to other destinations and how to improve the level of competitiveness. This study also attempts to inform the prospective development of Taiwan's hot springs tourism sector. I believe that her work will be of great value to tourism researchers, the industry and policy-makers in Taiwan. Cheng-Fei has already developed a range of industry contact within Taiwan.

As part of her research work, she plans to interview key informants from the government, industry, and academia over the next few weeks. This letter is to introduce Cheng-Fei Lee to you and to request your assistance. To achieve the best results from her research, she will be dependent on the goodwill and assistance of key industry leaders who can recommend participation in this study.

Thank you, in anticipation, for your assistance.



Professor Brian King, PhD
Acting Deputy Dean
Faculty of Business and Law
and
Head School of Hospitality, Tourism and Marketing