



UNIVERSIDADE DA BEIRA INTERIOR  
Ciências Sociais e Humanas

# **Regional Competitiveness and Innovation in the Tourism Sector: The Case of the Autonomous Region of Madeira**

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**Gestão**  
(3º ciclo de estudos)

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## Dedication

*To my godchildren Nadia and Martim.*

*To my parents, for the opportunities they gave me*

*To my true friends and family, for the patience and understanding of my absences!*



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## Abstract

Tourism has been highlighted as one of the sectors with the greatest potential for expansion on a global scale, so it is important to try to understand the factors of innovation and regional competitiveness in this sector. Competitiveness, particularly in the tourism sector, has experienced in recent decades an unprecedented development of experiences and now plays a very important role in markets and industries. However, the success of the tourist destinations in the world and regional markets is in a way influenced by their relative competitiveness. In this sense, innovation is a very important catalyst for the survival and growth of tourism and it is recognized the positive impacts, revealing that the innovative behaviors and products improve financial and economic performance positively. In this PhD thesis, several topics are analyzed, although some still need future investigation, related to the importance of the regional competitiveness and innovation for the tourism sector. This investigation is made up of four empirical studies with geographic focus in the Autonomous Region of Madeira.

The first study of this PhD thesis (chapter 2), entitled "Regional Competitiveness and Innovation in the Tourism Sector: A Systematic Review and Bibliometric Analysis", aims to carry out a mapping of scientific publications, intellectual knowledge, trends research and potential future lines of investigation in the areas of the regional competitiveness and tourism innovation. It is used a systematic literature review using a bibliometric approach, based on the VOSviewer Software, focusing on the creation of the intellectual structure visualization maps. The analysis type is based on the number of published articles and number of annual citations, for the period from 1900 to 2016, through the Web of Science database. The results show that the intellectual structure of the regions' competitiveness is divided into three main categories: regional competitiveness, tourism innovation and tourism cluster. The main contribution of this study is the identification of the main research trends in this area and its gaps and specific needs of future scientific research within this field of research.

The second empirical study (chapter 3), entitled "Impact of Satisfaction of Tourist Events as a Regional Tourist Competitiveness Product", aims to analyze the impact and contribution of satisfaction with tourist events as a product of regional tourist competitiveness, as well as evaluate factors of competitiveness. For that, a questionnaire was carried out on the four major tourist events in the Autonomous Region of Madeira (Carnival, Flower Festival, Atlantic Festival, and Wine Festival). The sample is composed of 2262 tourists surveyed during the year 2017 and structural equation models were used as statistical method. The results show that satisfaction is reflected in the client's loyalty to the choice of a tourist destination and it also contributes, directly and indirectly to the regional tourist competitiveness. This study contributes to the valorization of local and regional events, perceived by the level of satisfaction and loyalty of tourists, as products of regional competitiveness of a tourist destination.

The third empirical study (chapter 4) entitled "Entrepreneurial Craft Products as Regional Tourist Competitiveness", aims to explore and analyze the role of handcrafted

products in entrepreneurship and regional tourist competitiveness. This study is based on secondary data from different sources (Regional Statistics Office of Madeira, Institute of Wine, Embroidery and Handicraft of Madeira) and it covers the last 15 years (2001 - 2015). It was made a quantitative analysis of the data through an econometric approach using Pearson's regression and correlation models. The study contributes with empirical evidence which helps us to identify the role of handcrafted products for the entrepreneurial capacity and tourist competitiveness of a region. In addition, it also contributes to the knowledge of the scientific community with particular interest in artisan entrepreneurship, cultural and regional competitiveness in the tourism sector.

Finally, the fourth and final empirical study of this PhD thesis (chapter 5) entitled "Innovation as a driver of the competitiveness of business tourism", aims to analyze factors and barriers to innovation and their impact (direct and indirect) on the competitiveness of the destination and business competitiveness. Based on primary data collected by a questionnaire from a sample of 119 companies operating in the tourism sector in the Autonomous Region of Madeira (Portugal), a quantitative methodology was applied using econometric and multiple linear regression models. The study empirically identifies and tests existing relationships underlying innovation (factors and barriers) as a level for the competitiveness of destination and business. The results show important theoretical and practical implications in the contribution of innovation to destination and business competitiveness, thus contributing to filling the gaps identified in the literature.

### **Keywords**

Autonomous Region of Madeira, Bibliometric Studies, Business Competitiveness, Craft Product, Culture, Destination Competitiveness, Entrepreneurship, Innovation, Product, Regional Competitiveness, Satisfaction, Tourism Cluster, Tourism Companies, Tourism Innovation, Tourism, Tourist Events.

## Resumo Alargado

O turismo tem sido destacado como um dos setores com maior potencial de expansão à escala mundial, deste modo torna-se importante tentar compreender os fatores de inovação e competitividade regional nesse setor. A competitividade, em particular no setor do turismo, tem enfrentado nas últimas décadas um desenvolvimento de experiências sem precedentes e desempenha agora um papel muito importante nos mercados e indústrias, no entanto o sucesso dos destinos turísticos, nos mercados mundiais e regionais é de certo modo influenciado pela sua competitividade relativa. Neste sentido, a inovação é um catalisador muito importante para a sobrevivência e crescimento de turismo e são-lhe reconhecidos os impactos positivos, revelando que os comportamentos e produtos inovadores melhoram positivamente desempenhos financeiros e económicos. Nesta tese de doutoramento são analisados vários tópicos, embora alguns ainda carecem de futura investigação, relacionados com a importância da competitividade regional e da inovação para o setor do turismo. Esta investigação é constituída por quatro estudos empíricos com foco geográfico na Região Autónoma da Madeira (RAM).

O primeiro estudo desta tese de doutoramento (capítulo 2), intitulado “Competitividade Regional e Inovação no Setor do Turismo: Uma Revisão Sistemática e Análise Bibliométrica”, tem como objetivo a realização de um mapeamento, das publicações científicas, do conhecimento intelectual, das tendências de investigação realizadas e potenciais linhas futuras de investigação nas áreas da competitividade regional, cluster do turismo e inovação turística. Utiliza-se uma revisão sistemática da literatura mediante uma abordagem bibliométrica, com base no Software VOSviewer, com foco na criação dos mapas de visualização de estrutura intelectual. O tipo de análise é baseado no número de artigos publicados e número de citações anuais, para o período de 1900 a 2016, através da base de dados *Web of Science*. Os resultados evidenciam que a estrutura intelectual sobre a competitividade das regiões divide-se essencialmente em três grandes categorias: competitividade regional, inovação turística e cluster do turismo. O principal contributo deste estudo prende-se com a identificação das principais tendências de investigação nesta área e respetivas lacunas e necessidades específicas de investigação científica futura dentro deste campo de investigação.

O segundo estudo empírico (capítulo 3), intitulado “Impacto da Satisfação dos Eventos Turísticos como Produto de Competitividade Turística Regional”, tem como objetivo analisar o impacto e contributo da satisfação com eventos turísticos enquanto produto de competitividade turística regional, bem como avaliar fatores de competitividade. Para tal foi realizado, um estudo por questionário aos quatro maiores eventos turísticos da Ilha da Madeira (carnaval, festa da flor, festival do atlântico, e festa do vinho), região insular localizada em Portugal. A amostra é composta por 2262 turistas inquiridos durante o ano de 2017 e foram utilizados modelos de equações estruturais, como método estatístico. Os resultados evidenciam que a satisfação se reflete na fidelidade do cliente quanto à escolha de um destino turístico e

contribui ainda, direta e indiretamente para a competitividade turística regional. Este estudo contribui para a valorização dos eventos locais e regionais, percecionada pelo nível de satisfação e fidelização dos turistas, como produtos de competitividade regional de um destino turístico.

O terceiro estudo empírico (capítulo 4) intitulado “Produtos Artesanais Empreendedores como Competitividade Turística Regional”, tem como objetivo, explorar e analisar o papel dos produtos artesanais no empreendedorismo e competitividade turística regional. Este estudo tem por base dados secundários de diferentes fontes (Direção Regional de Estatística da Madeira, Instituto do Vinho do Bordado e do Artesanato da Madeira) cobrindo o período temporal dos últimos 15 anos (2001 - 2015). Foi feita uma análise quantitativa dos dados através de uma abordagem econométrica com recurso a modelos de regressão e correlação de Pearson. O estudo contribui com evidências empíricas que nos ajudam a identificar o papel dos produtos artesanais para a capacidade empreendedora e competitividade turística de uma região. Para além disso, contribui ainda para o conhecimento da comunidade científica com particular interesse no empreendedorismo artesanal, cultural e competitividade regional no setor do turismo.

Finalmente, o quarto e último estudo empírico desta tese de doutoramento (capítulo 5) intitulado “Inovação como motor da competitividade do turismo empresarial”, tem como objetivo analisar fatores e barreiras de inovação e o seu impacto (direto e indireto) na competitividade do destino e competitividade empresarial. A partir de dados primários recolhidos por questionário a uma amostra de 119 empresas a operar no setor do turismo, na região autónoma da Madeira (Portugal), foi aplicada uma metodologia quantitativa com recurso a modelos econométricos e de regressão linear múltipla. O estudo identifica e testa empiricamente relações existentes e subjacentes à inovação (fatores e barreiras) enquanto alavanca para a competitividade do destino e empresarial. Os resultados evidenciam importantes implicações teóricas e práticas na contribuição da inovação para a competitividade de destino e empresarial, contribuindo assim para ao preenchimento das lacunas identificadas na literatura.

#### **Palavras-chave**

Cluster de Turismo, Competitividade do Destino, Competitividade Empresarial, Competitividade Regional, Cultura, Empreendedorismo, Empresas de Turismo, Estudos Bibliométricos, Eventos Turísticos, Inovação Turística, Inovação, Produtos Artesanais, Produto, Região Autónoma da Madeira, Satisfação, Turismo.

## List of Acronyms

ARM	Autonomous Region of Madeira, Portuguese acronym designated by (RAM)
CFI	Comparative Fit Index
CIS	Community Innovation Survey
DRT	Madeira Regional Tourism Board
EC	European Commission
EFA	Exploratory Factorial Analysis
ETC	European Travel Commission
EU	European Union
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GVA	Gross Value Added
IMWEH	Institute of Madeira Wine, Embroidery and Handicrafts
INE	National Institute of Statistics (Statistics Portugal)
KMO	Kaiser-Meyer-Olkin
NTSU	Nomenclature of Territorial Statistically Units
R&D	Research and Development
RADRTI	Regional Agency for the Development of Research, Technology and Innovation
RDSM	Regional Directorate of Statistics of Madeira
RIS3	Regional Strategy for Intelligent Specialization
RMSEA	Root Mean Square Error of Approximation
SD	Standard Deviation
SEM	Structural Equation Modelling
SRMR	Standardized Root Mean Residual
TLI	Tucker Lewis Index
UNWTO	World Tourism Organization
VIF	Variance Inflation Factor
WEF	World Economic Forum
WoS	Web of Science
WTO	World Travel Organization



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## PART I



# Chapter 1

## General Introduction



## 1.1. General Introduction

### 1.1.1. Motivation, Rationale

This study aims to analyze the importance of regional competitiveness and innovation for the tourism sector, applied to the case of the Autonomous Region of Madeira (ARM). Competitiveness, particularly in the tourism sector, has experienced unprecedented development over the past decades and now plays a very important role in markets and industries (Banerjee and Homroy, 2018; Efrat, Hughes, Nemkova, Souchon, and Sy-Changco, 2018; Yao, Qiu, and Wei, 2019).

Nonetheless, ARM has emerged as a popular tourist destination long before mass tourism by the sea, and has evolved into the most diverse cycles and classic stages of the destination's life cycle. It is a small island located in the Atlantic suburbs of Europe and an autonomous region of Portugal that offers a relatively exotic experience and has innumerable natural attributes as well as an untouched cultural heritage. ARM is known for marketing a service of high quality and reputation, which tends to be a positive aspect in evaluating tourists (Almeida and Garrod, 2016). The ARM tourism sector is a key industry for the regional economy and competitiveness, contributing decisively in terms of GDP and employment, accounting for approximately 21% of GDP and 15% of total employment in the region (RDSM, 2017).

In terms of the development stage of the region, given the historical evolution of the Canary Islands "mass tourism" and the Azores (development of market niches), there are reasons to classify ARM as a region on an intermediate development stage and with innovative potential to boost its growth (Almeida and Garrod, 2016).

The region attracted 1,223 million tourists in 2017, corresponding to 7,509 million overnight stays, and a hotel offer of 155 hotels by the end of 2017, which alone accounted for an accommodation capacity of 29,555 beds (RDSM, 2017).

The data on the occupancy rate and evolution of the average stay point to values above the national average (69.7% and 5.23 nights), which suggests a relatively positive context in the national panorama. According to the latest official data this impact meant, according to 2017 data a total air movement of 28,495 airplanes and 3.337843 passengers, a maritime movement of 536,142 passengers in 2017 (RDSM, 2017). According to the latest official data for 2016, its gross value added (GVA) in 2016 was EUR 3 804.1 million and its GDP in 2016 was EUR 4,275.9 million (RDSM, 2017).

After analyzing documents on the strategic reflection on the future of the region, several regional agents identified and validated a set of strategic areas corresponding to differentiating domains in which the ARM differs in national and European terms, the Tourism. This domain corresponds to the installed productive capacity and/or production capacity of scientific and technological knowledge, whether in a consolidated form, an emerging reality. Identifying this domain in a practically consensual way, either by the available statistical data, by the dynamics installed in the region, or by the endogenous resources, it makes sense to value, in the context of a "Research and Innovation Strategy for Smart Specialization" RIS3-ARM (2017), the tourism sector. Despite efforts to promote a culture of entrepreneurship and

innovation, the ARM has a significant gap in Research and Development (R&D) in this area of study. Knowledge only generates value when it is applied in the market by the companies and this depends on the culture of innovation based on a strong investment in R&D.

In this sense, we have found that tourism has been growing in selected destinations all over the world, offering interesting perspectives to classic destinations that struggle to overcome signs of decline and stagnation (Garay and Cànoves, 2011; Gill, Williams, and Thompson, 2009). The tourism phenomenon has become a key catalyst for economic development and has been one of the fastest growing industries in recent years due to the many facilities offered to travel around the world, causing a daily movement of tourists (Michopoulou and Buhalis, 2013).

Over the decades, tourism has undergone continued and deepening diversification to become one of the fastest growing economic sectors in the world. Modern tourism is in some way linked to the development and competitiveness of regions and encompasses an increasing number of new destinations. Thus, these dynamics have made the tourism sector an essential driver for socio-economic progress (WTO, 2017).

However, the success of tourism destinations in world and regional markets is somewhat influenced by their relative competitiveness (Enright and Newton, 2004). Over the last decades, scholars have been increasingly involved in the study of tourism clusters, with particular reference to their atmosphere in a regional context, showing a great diversity of conceptual models (Estevão and Ferreira, 2012). The importance of regional competitiveness, as well as the multiplicity and applicability of its concept, has been discussed at various levels and studies on the field of strategic management, both by the regional, national and global levels, as well as by interest in a number of scholars (eg, Abreu Novais, Ruhanen, and Arcodia, 2018; Algieri, Aquino, and Succurro, 2018; Armenski, Dwyer, and Pavluković, 2017; Chen, Chen, Lee, and Tsai, Wilman, Cox, Kelly and Harrison, 2017; Zainuddin, et al., 2016).

The competitiveness of the tourism sector is essentially the ability of the local or the region to optimize its attractiveness for residents and non-residents in order to offer innovative and attractive quality services as well as to offer a cost-benefit ratio to its consumers and thus gaining market share, both domestic and global, while ensuring that available resources support tourism and are used efficiently and sustainably (Dupeyras and Maccallum, 2013).

The analysis of citations and evolution of publications is a very useful tool to evaluate and review some relevant academic studies, since it contains remarkable quantitative information on publications and analysis of citations. They have been analyzed in the most diverse scientific areas, whether by the social sciences, management, strategy, marketing, economics, health, accounting and even tourism (Castillo-Vergara, Alvarez, and Placencio, 2018; Delbari, Ng, Aziz, and Ho, 2015; Koc and Boz, 2014).

In this context, and in order to support the relevance of this study, the following gaps have been identified in the literature:

i) Until now, no study has been found to show the state of the art of literature about innovation, competitiveness (regional and business) in the tourism sector, specifically using

bibliometric techniques. As a result, competitiveness researchers do not have a map of intellectual knowledge in this field of study yet. The need for a study of this nature will allow a deeper analysis of these previously unseen issues (Delbari et al., 2015; Ferreira, Fernandes, and Ratten, 2016).

ii) Although there are already some analyzes on the motivations and competitiveness of tourist destinations, there are few studies focused on empirical research that focus on the impacts of the concepts of satisfaction, perception of tourists, events and their attributes on tourism competitiveness (Pansiri, 2014). Therefore, the perception of consumers and agents cooperating for the regions' competitiveness is unknown (Chen, et al, 2016; Cracolici, Nijkamp and Rietveld, 2009; Enright and Newton, 2004; Montenegro, 2017) as well as the impact of tourist products on regional competitiveness (Chen et al., 2016). Studies on destination competitiveness show that tourism stakeholders have not yet been able to solve the problem of creating and adding value to their product offerings, resulting in gaps between the preferences of tourists and the products offered by the regions (Dwyer, Cvelbar, Edwards, and Mihalic, 2012).

iii) The literature offers many studies that relate the issues of entrepreneurship, competitiveness and regional innovation simultaneously (Ratten and Ferreira, 2017). In fact, a clear gap has been identified regarding the research on the contributions of craftwork and craft products to the competitiveness of regions and tourist destinations (Bhaduri and Stanforth, 2017).

iv) Few empirical studies have been found that explore the relationships and variations of innovation factors in relation to destination competitiveness and business competitiveness (Abreu Novais, et al., 2018). Although some academic studies present some interpretations (Zehrer, Smeral and Hallmann, 2016), investigations into strategies of innovation in tourism are still very few (Rodríguez, Williams, and Hall, 2014; Divisekera and Nguyen, 2018).

v) The tourism sector thus reveals a lack of assessments and understandings based on scientific studies on the relationship between tourism, community life and regional and business development, from a local perspective. In general terms, the studies adopt mainly a descriptive approach focusing mainly on the perception and attitudes of local residents and tourists, and not on the perspective of companies (Dana, Gurau, and Lasch 2014).

vi) There are few studies that have analyzed business characteristics and influences of innovation and also the importance of these characteristics for regional competitiveness, namely in companies in the tourism sector (Backman, Klaesson, and Öner, 2017; Camisón and Monfort-Mir, 2012).

Studies on innovation in tourism have been too descriptive and analytical, and there is a need for more empirical studies and quantitative evidence, which seek better evidence on innovation factors and barriers in the tourism sector, allowing to assess the impacts on destination competitiveness and business competitiveness (Clausen and Madsen, 2014; Divisekera and Nguyen, 2018), and this is our main scientific motivation.

### 1.1.2. Research objectives

The general objective of this study is to analyze the importance of regional competitiveness and innovation for the tourism business sector, applied to the case of the Autonomous Region of Madeira (ARM). So, this thesis lays particular emphasis on different types of innovation and measures of central tendency for regional competitiveness.

The specific objectives of this research are outlined in the following four main phases:

- i) Identify and carry out a mapping of structure and intellectual knowledge, through identification of the main publications and research trends related to regional competitiveness and innovation in the tourism sector, and existing gaps;
- ii) Analyze the impact of tourist satisfaction with the tourist product events and technical attributes associated with this product, as an element of regional tourism competitiveness;
- iii) Evaluate the contribution of entrepreneurial craft products in the region and their impact on GDP and regional competitiveness;
- iv) Determine the contribution of innovation (factors and barriers) to the competitiveness of destination (regional) and tourism companies.

## 1.2. Conceptual framework

Competitiveness is generally a concern of contemporary societies and in all activities, not only economic. The concept overflowed the organizational domains and, for instance, people and territories increasingly struggle for higher levels of competitiveness, too (Abreu Novais et al., 2018; Andrades and Dimanche, 2017; Blanco-Cerradelo, Gueimonde-Canto, Fraiz-Brea, and Diéguez-Castrillón, 2018; Efrat et al., 2018; Esparon, Stoeckl, Farr, and Larson, 2015; Eva and Marcel, 2017; Gupta, Malhotra, Czinkota, and Foroudi, 2015). In this sense, and for being the main focus of this research work, we turn to the tourism sector.

Innovative clusters are more likely to provide a new type of economy based on innovation, thus influencing regional economic performance. The tourism cluster in this case consists of a group of resources and attractions, businesses and institutions directly or indirectly involved in tourism, concentrated in a certain geographic area (Novell, Schmitz, and Spencer, 2006; Rodríguez-Victoria, González-Loureiro, and Puig, 2017).

Over the last decades, clusters have been recognized as one of the fundamental ways to overcome the limitations of small and medium-sized companies, so that geographic proximity produces effects in terms of increased productivity, innovation and competitiveness of the regions (Sarturi, Vargas, Boaventura, and Santos, 2016).

The cluster as the focus of a regional policy became fashionable during the first half of the 1990s, fueled mainly by Porter's work (1990, 1998, 2000), then among different policy makers and later in emerging and developing countries.

Despite of a lot of theoretical criticism about the confusion of the cluster concept (Martin and Sunley, 2003), many practitioners and policy makers around the world have been quick to apply cluster focus to a wide range of economic development with strategies at a local, regional, national and international level (Benur and Bramwell, 2015; Camano and Forés, 2017; Estevão and Ferreira, 2012; Hoz-Correa, Muñoz-Leiva and Bakucz, 2018; Fernando and Long, 2012; Fundeanu and Badele, 2014; lordache, 2010; Saidman and Saayman, 2014; Weidenfeld, Butler, and Williams, 2010; Yıldız and Aykanat, 2015).

Clusters are considered as a pillar of competitiveness, innovation and sustainability for today's economies, as they offer competitive advantages for industries and regions (Stavroulakis and Papadimitriou, 2016).

The tourism cluster consists of a group of resources, attractions, businesses and institutions directly or indirectly involved in tourism, concentrated in a certain geographical area (Fundeanu, 2015). Tourism is considered as an activity that can have a major impact on sustainable development and involves extensive cooperation between tourist companies, tourist destinations, regional and local authorities in order to cover a large number of challenges and at the same time remain competitive (Angelkova, Koteski, Jakovlev, and Mitrevska, 2012).

Other studies on this theme have been developed, thus allowing a progress and improvement of these concepts, which in turn reflects better examples and models for the tourism cluster (eg: Borkowska-Niszczota, 2015; Chhetri, Chhetri, Arrowsmith, and Corcoran, 2017; Cunha and Cunha, 2005; Flores, Farias, Andrade, and Russi, 2016; Fredline, 2000; Kibicho, 2010; Lei and Huang, 2014; Mclennan, Becken, and Watt, 2016; Yıldız and Aykanat, 2015).

The competitiveness of territories, as in the case of the regions, has been a very controversial theoretical area, in particular due to the argument that companies, not territories, compete for resources and markets (Huggins, Izushi and Thompson, 2013). However, the research developed in recent years has sought to theorize and to measure empirically the competitiveness of the regions (Annoni and Dijkstra, 2013; Charles and Zegarra, 2014; Elissalde, and Santamaria, 2014; Titze, Brachert and Kubis, 2011), and the attraction of policy-makers for this concept since the 1990s has been notable (Boschma, 2004; Bristow, 2005; Kovacevic, Kovacevic, Stankov, Dragivevic, and Breda, 2016).

For some authors, the concept of the competitiveness of the regions within a country is similar to the concept of competitiveness of the countries, and the main conclusions of the literature on the competitiveness of the countries can be applied to the competitiveness of regions within a country (Aiginger, Bärenthaler-Sieber and Vogel, 2013; Aiginger and Vogel, 2015; Porter, 1990; Sölvell, 2015).

According to the European Commission (EC, 2017), competitiveness is defined as the ability to produce goods and services that meet the test of international markets, while maintaining high and sustainable levels of income or, in general terms, the ability of regions to generate high levels of income and employment when exposed to external competition. Regional competitiveness is the ability of regions to build a highly accessible production

environment that perpetuates and attracts production factors, resulting in economic growth (Huovari, Kangasharju and Alanen, 2002).

In recent years efforts have been made to build composite indicators of regional competitiveness, following similar trends in the evolution of national competitiveness indicators (Berger, 2011).

According to the World Economic Forum (WEF, 2016), competitiveness is defined as a set of institutions, policies and factors that combine to determine the level of productivity of an economy and its ability to generate wealth and returns on investment and potential for economic growth. This definition is also reinforced by (Schwab, Sala-i-Martin, and Brende, 2015; GEM, 2016).

The creation of indicators to assess the social, environmental and economic effects of the tourism system has been a growing concern, since this sector affects many other sectors of activity in each region, such as infrastructures, public services and cultural dissemination among others (eg, Estevão and Ferreira, 2012; Thore and Tarverdyan, 2016; Lozano-Oyola, Blancas, González, and Caballero, 2012; Dwyer and Kim, 2003; Dwyer and Kim, 2010; Mendola and Volo, 2017; Poh, Kilicman, and Ibrahim, 2018; Romero-Padilla, Navarro-Jurado, and Malvárez-García, 2016; Cowling, Ughetto and Lee, 2018).

The competitiveness of the destination has been one of the main themes of research in the field of tourism (Abreu Novais et al., 2018; Alberti and Giusti, 2012; Dwyer and Kim, 2003; Botti and Peypoch, 2013; Crouch, 2011; Kayan and Kozaka, 2010; Mazanec and Ring, 2011; Dorta-Afonso and Hernández-Martín, 2015; Ivanov and Ivanova, 2016).

Regional competitiveness is understood as the capacity of a region to provide an attractive and sustainable environment for businesses and inhabitants to live and work there (Dijkstra, Annoni and Kozovska, 2011). For Huggins, Izushi, Prokop and Thompson (2014), regional competitiveness is defined as the difference in the rate of economic development among regions and the ability of regions to achieve future economic growth regarding other regions at a similar stage of economic development.

Regional competitiveness is understood as the ability of destination to increase tourism expenses, attract more and more visitors, provide them satisfying and memorable experiences, and do so in a way that is profitable. And at the same time create the well-being of residents, preserving the natural capital of destiny for future generations (Ritchie and Crouch, 2003; Ivanov and Ivanova, 2016).

Although there has already been some progress on regional competitiveness, there is still no definition or view that is unquestionably accepted, as well as the configuration of this concept (Huggins, 2003). However, regions are part of a given country, so some authors point out that the competitiveness of a region is similar to the concept of competitiveness of countries (Abreu Novais et al., 2018; Angelkova et al., 2012; Capello, Caragliu, and Fratesi, 2014; Crouch and Ritchie, 1999; D'Ippolito, 2014; Eva and Marcel, 2017; Garcia-Almeida and Klassen, 2017; Gupta et al., 2015; Lechner and Leyronas, 2011; Mazurek, 2014; Rendleman et al., 2016; Reve and Sasson, 2015).

However, it must be taken into account the different processes and dynamics inherent to each of the realities (Boschma, 2004). The concept of regional competitiveness encompasses much more than the export capacity of a region or the existence of a positive trade balance, since it supplants the production capacity of goods, to cover a wide diversity of factors and indicators related to material and immaterial resources (Blanco-Cerradelo et al., 2018; García-Almeida and Klassen, 2017; Siriphattasophon, 2017; Stanickova, 2015).

Measuring regional competitiveness for Portugal is crucial to reduce regional inequalities and improve the competitiveness of the region and the country. The Portuguese economy, since the entry into the single currency, has remained practically stagnant, and regional inequalities are very marked, especially between regions located on the coast, regions located in the interior of the country and in island spaces (Soukiazis and Antunes, 2011; Teixeira and Ferreira, 2018).

It is therefore important to ensure sustainable economic growth and reduce regional inequalities in order to improve the competitiveness of all regions in a country. The creation of regional competitiveness indices becomes crucial as it will help to identify regions and areas with special gaps in order to make specific policy decisions at the regional level (Berger, 2011; Charles and Zegarra, 2014).

Regional competitiveness has become a key issue in the growing tourism market, which is increasingly challenging. A competitive tourist destination should provide a superior tourist experience compared to alternative destinations. The competitiveness of the destination is strictly related to the tourist experience associated with the destination (Silva, Correia, Santos, and Ambrósio, 2014). There are several studies on the notion of competitiveness; despite the existing developments on regional competitiveness there is no single framework and definitions that are undoubtedly accepted, nor did an agreement on how the concept should be measure (Huggins and Williams, 2011). Regional competitiveness is determined by the productivity with which the region uses its human and natural resources and capital (Porter and van der Linde 1995; Porter 1990).

Porter was a pioneer in defining regional competitiveness as a result of a nation's ability to innovate, with the goal of achieving or maintaining an advantageous position regarding other nations in selected industrial sectors, by modifying its companies and industries to the national space borders occupied by companies and industries (Porter, 1990). It has become clear that the notions of clusters, knowledge transfer, innovation and co-operation among associated companies are phenomena that are built and operate at a regional level. The focus on the regions reflects the increasing approval that these are the primary space units that compete to attract investment, and it is at the regional level that knowledge circulates and is transferred, resulting in agglomerations or clusters of companies, industries and services (Huggins and Izushi, 2015).

Recent studies indicate that the overall level of development of regional infrastructure is directly linked to the socio-economic development level of the region (Komarova, 2014). A region can gain competitive advantage when it has quality infrastructures that benefit

individual companies (Rozmahel, Grochová and Litzman, 2016). A strategy of regional competitiveness to expand areas potentially eligible for foreign and domestic investment is the development of efficient transport and communication networks (Camagni and Capello, 2010), as well as the existence of efficient public transport systems that can reduce congestion and improve pendular mobility (Turok, 2004).

Competitiveness is supported by different forms of capital, including cultural, creative, human, institutional infrastructure and production (Kautonen, 2012), that integrate the perspective of the company and residents (Dijkstra et al., 2011), and the ability to provide an attractive and sustainable environment for businesses and residents (Annoni and Dijkstra, 2010).

Due to fierce competition in the market, globalization and an explosion of technology in recent years, innovation and differentiation are considered as a necessity for all businesses. At the same time, to achieve market success and sustain a competitive advantage, companies need to explore new opportunities, develop new products (Kalkan, Bozkurt and Armanc, 2014) or services and markets (Tajeddini, 2010).

It is difficult to find a definition of regional innovation policy, probably in part because the policy domain is far from established and varies from country to country (Kautonen, 2012; Hou, Hu, and Yuan, 2017; Tsai, Zhang, and Zhao, 2018). Regarding innovation policy, Dodgson and Bessant (1996) state that the objective is to increase the innovation capacity of entire companies, networks, industries and economies (regional and national).

Innovation is defined as the implementation of new ideas that create value (Bowie, 2018; Fundeanu, 2015; Lentz and Mortensen, 2016). This generic description refers to the various types of innovation, such as product development, the deployment of new process technologies, and also management practices (Lentz and Mortensen, 2016; Rajapathirana and Hui, 2017; Wikhamn, 2019). This means adopting new products and/or processes to increase global competitiveness and profitability, based on customer needs and requirements (Leskovar-Spacapan and Bastic, 2007). Types of innovation can be products, processes, marketing and organizations (Rajapathirana and Hui, 2017).

Innovation can be understood by creating, adapting or adopting products, processes or new improved services are innovative activities (Cowan and van de Paal, 2000). The innovation of products or services is perceived by tourists in such a way that they can become a deciding factor of purchase (Hjalager, 2010).

Following Lundvall (2005), innovation is taken to include the creation of something qualitatively different, new ideas and new knowledge.

Innovation, although commonly interpreted in many different contexts and meanings, is often associated with aspects such as creativity, innovation, value creation, and economic growth (Wikhamn, 2019).

In this perspective, innovation can take many forms: product innovation; Process innovation; Organizational innovation and marketing innovation, but also service innovation, market innovations, institutional innovation and environmental innovations (Natario, 2014).

Nowadays, innovation is accepted as a critical parameter of human intelligence and cognitive abilities. The concept of regional innovation is based on an interactive set of private and public interests, formal institutions and other entities that operate according to organizational and institutional arrangements and they establish relationships that lead to the generation and dissemination of knowledge (Galindo, Vaz, and Nijkamp, 2011).

Innovations are a very important catalyst for the survival and growth of tourism and are recognized to have a positive impact, revealing that innovative behaviors and products improve financial and economic performance positively (Wikhamn, 2019).

The relationship between innovation and entrepreneurial performance is widely explored in the literature at a theoretical level (García-Villaverde, Elche, Martínez-Pérez, and Ruiz-Hortega, 2017; Mothe and Nguyen-Thi, 2017; Mousavi and Bossink, 2018; Wikhamn, 2019; Zhao, Pan, and Chen, 2018) although it is difficult to measure, there are already attempts to measure their effects and impacts.

Abdu and Jibir (2017) argue to the issue of the importance of innovation in competitiveness, when they refer that technological change is commonly accepted as one of the main factors to generate economic growth although the mechanisms that explain this relationship are not yet very well understood (Abdu and Jibir, 2017; Cruz, Martinez, Hincapié, and Torres, 2016).

Besanko, Dranove and Shanley (2000) point out that innovating becomes even more necessary in a hypercompetitive environment, since competitive advantages have a shorter sustainable period. According to the neoclassical school of microeconomics, the authors argue that companies must find a "level of innovation" that maximizes their profits.

Thus, the authors present innovation theories that take into account the choice of when to innovate and the evaluation of the viability or not of innovation in an analysis that makes sense within the neoclassical theory of innovation, since it considers innovation as a continuous process (Divisekera and Nguyen, 2018; Fu, Mohnen, and Zanello, 2017; Horng, Liu, Chou, and Tsai, 2017; Liao, 2016; Wikhamn, 2019; Zhao et al. 2018).

In the strategic literature, Porter (1990) also seeks to show the importance of the innovation issue. The author, who deals with the issue of "technological transformation" when referring to the subject, emphasizes that technological transformation is one of the main drivers of competition. However, Porter (1990) as well as Besanko et al. (2000) argue that technological change is not itself important, but it is important if it affects competitive advantage and industrial structure.

The microeconomic implications of innovation also highlight the importance of private profit or appropriation obtained through the innovation process, noting that private appropriation is not only the incentive for innovation but also the expected result of this innovation process (Núñez-Serrano, Turrión, and Velázquez, 2016; Plank and Doblinger, 2018).

Conceptually, it is not difficult to establish the relationship between innovation and competitiveness, and therefore the performance of companies. Innovation influences the competitive position of a company and varies according to the type of innovation introduced

and it allows the company to create a new cost-benefit relationship and even establish a new pattern of competition that modifies the model prior to innovation (Burrus, Graham, and Jones, 2018; García-Villaverde, Elche, Martínez-Pérez, and Ruiz-Harvey, 2017; Ranasinghe, 2017).

A growing focus has been noticed in tourism innovation policies in various national, regional, and local contexts, and has often been based on affirmation rather than evidence (Rodríguez, Williams, and Hall, 2014).

Innovation is a focal point of economic policies because of its contribution easily perceived by competition. Most innovations are incremental rather than radical, especially in tourism, but radical innovations are considered to provide significant competitive advantages and thus become a focus of government policy interventions (Rodríguez et al., 2014).

Innovation has been playing a growing role in the services (Mira, Moura, and Breda, 2016; Carvalho et al., 2015; Pikkemaat, Peters, and Chan, 2018) which is the most important in the tourism industry (Algieri et al., 2018; Assaf and Tsionas, 2018; Pikkemaat, Peters, and Chan, 2018; Aldebert, Dang, and Longhi, 2011) and it can be observed in almost every field of life.

The simplest interpretation of the term means the ability to adapt to changes and openness to ideas and innovations, and to communicate the increased performance of innovation in broader contexts of personal, professional and social life (Mahr, 2017).

In the Schumpeterian approach for the search of innovation, research categories were applied in the tourism sector, such as product innovation, processes and services, integrating innovation management and institutional innovations (Schumpeter, 1934).

Some authors have contributed to the understanding of the concept of innovation with theoretical and empirical studies contributing to a better understanding of the tourism sector (Bowie, 2018; Eva and Marcel, 2017; Flores, Farias, Andrade, and Russi, 2016; Ganglmair-Wooliscroft and Wooliscroft, 2016; Horng et al., 2017; Łacka, 2015; Pikkemaat et al., 2018; Ratten and Ferreira, 2017; Şener and Saridoğan, 2011).

Innovation is now a decisive challenge for global competitiveness. To achieve success, companies need to know how to deal with the raised issues, leveraging local strengths in creating and marketing new products and services (Balogh and Amorim, 2017; Bojnec and Ferto, 2016). In advanced economies products are being produced and standardized with standard features, methods and processes, and yet they are insufficient to obtain a comparative advantage (Schwab, Sala-i-Martin and Brende, 2015).

To describe the context of innovation, Porter and Stern (2001) present a national framework for innovation capabilities, specifying innovation infrastructures and specific clusters of the innovation environment. The relationship between shared innovation infrastructures and industrial clusters is reciprocal: strong clusters promote shared infrastructures while leveraging the resulting benefits.

A broad grouping of formal and informal organizations involves co-operation and networking, positioning itself, for example, in the field of higher education that stands out as a bridge between technologies and business (Porter and Stern, 2001). From the point of view

of social and corporate responsibility and of organizations, we need to understand the social dimensions of competitive business environments (Porter and Kramer, 2006; Moskowitz and Saguy, 2013).

Social cohesion factors are linked to competitiveness as they contribute to innovation. Innovation has gained a leading position on the global competitiveness agenda because of its link to economic, social and sustainable performance (Kurtishi-kastrati, 2016; Ratten and Ferreira, 2017). Social cohesion contributes to the distribution of better competitive goods in society, thus reducing inequalities. Despite the benefits of social cohesion, differences in competitiveness may result when resources are concentrated at specific regional sites (Kautonen, 2012; Batle, Orfila-Sintes and Moon, 2018; Flores et al., 2016; Zhao et al. 2018).

Thus, innovation in the tourism sector encircles a path towards a new management which corresponds to the increase of competitiveness, efficiency and effectiveness of the resources, creation of value and development of unique capacities of employees and leadership of the culture of leadership and innovation, not only organizational, but also in the regional tourism market (Cruz, Martinez, Hincapié, and Torres, 2016).

The concept of tourism involves the analysis of the existence of actors such as (institutions, groups, universities, industries ...) and regional competencies, as well as the interactions involved with innovation related purposes, in order to provide local and state authorities with innovative tools to define policies to increase tourist competitiveness (Huahai, Xuping and Feng, 2011).

Tourism has now become a key catalyst for economic development, being one of the fastest growing industries in recent years due to the many amenities offered to travel around the world, causing a daily movement of tourists (Michopoulou and Buhalis, 2013; Fundeanu, 2015).

The definition of products strengthens the centrality of natural tourism as the engine of destination development, highlighting the complementarity among islands. Product development must take into account the intrinsic characteristics that each island has to offer, aiming the developing of the tourist offer by increasing the potential of each island and directing it to specific market segments, attracting visitors, and investors, keeping companies and people on the islands, encouraging entrepreneurship and reducing the seasonality (Fraga, 2016).

Tourist products are the main key cards that attract tourists to specific tourist destinations, then the diversification, intensification, and connection of these products may be crucial to the competitiveness and sustainable development of destinations. However, these characteristics and relations of tourist products considered primary are somehow neglected in existing researches (Benur and Bramwell, 2015).

In spite of weak development and research on the themes of tourist products related to regional competitiveness, there are already some authors who approach these issues (Xu, 2010; Elliot and Papadopoulos, 2016; Canavan, 2016; Bojnec and Ferto, 2016; Caldas and

Rebelo, 2013; Jingyi and Chung-shing, 2018; Llonch-Casanovas, 2012; Mitchell, Charters, and Albrecht, 2012).

According to the previous literature, the present study aims to interrelate the competitiveness (regional and business) and innovation approaches in the tourism sector in the context of ARM. Thus, the following research questions were raised:

**RQ1.** What are the main trends and areas of scientific research to be developed related to the area of studies of regional competitiveness and innovation in tourism?

**RQ2.** What is the influence of tourists' satisfaction with tourist product events and their attributes for regional competitiveness?

**RQ3.** What are the contributions and impacts of artisan entrepreneurship and its products for regional tourist competitiveness?

**RQ4.** What is the importance of innovation as an engine of business tourist competitiveness versus competitiveness of the destination?

### **1.3. Units of Analysis and Model of the Thesis**

As designated by the thesis title, "Regional Competitiveness and Innovation in the Tourism Sector: The Case of the Autonomous Region of Madeira", this research intends to analyze competitiveness at the regional level in the tourism sector, at the micro level, adapting itself to key aspects that will be approached in this investigation. In an initial phase, theoretical knowledge on regional competitiveness and innovation in the tourism sector were obtained on a more global scale, as well as factors on regional competitiveness, tourism innovation, and the tourism cluster, identifying the main gaps and areas least explored. From then on, some of these less-explored areas were identified, in order to plan the focus of our research, which focused fundamentally on the gaps in the tourist satisfaction of events, handcraft entrepreneurial products, and innovation as a motor of tourist competitiveness (destination and business).

The originality of this research resulted in cognitive processes using different methodologies and capable of measuring and analyzing regional tourism competitiveness issues. These should, to a certain extent, reflect the decisions of entrepreneurs, entrepreneurs/managers, governments, researchers, how to use and invest their resources, as well as the areas to be explored. These are cultural, natural, physical, intellectual and entrepreneurial resources, as well as the importance for the regions of the valorization of their resources in order to increase their productivity and competitiveness.

Given the special relevance of this problem, previously discussed, this approach intends to contribute to the progress of this area of research, filling some gaps in the literature. Thus, in a synthetic way, the central model of this thesis is clarified in figure 1.

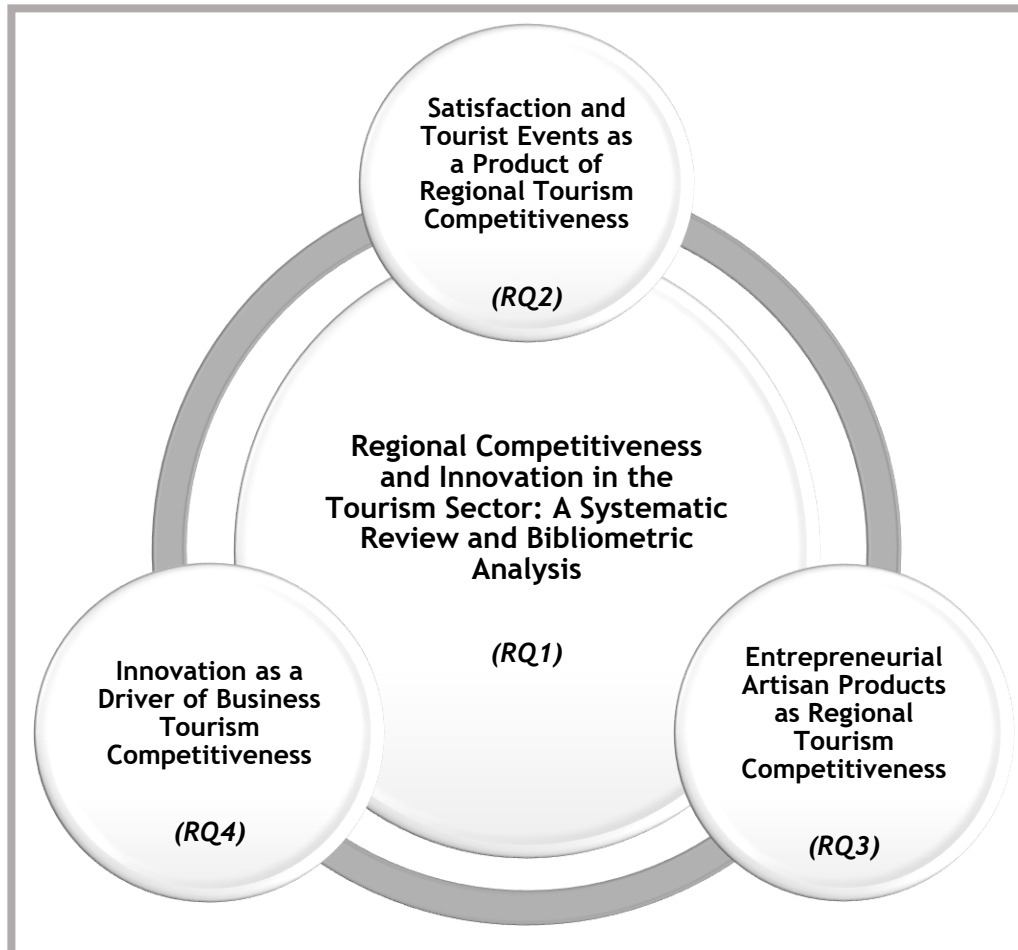
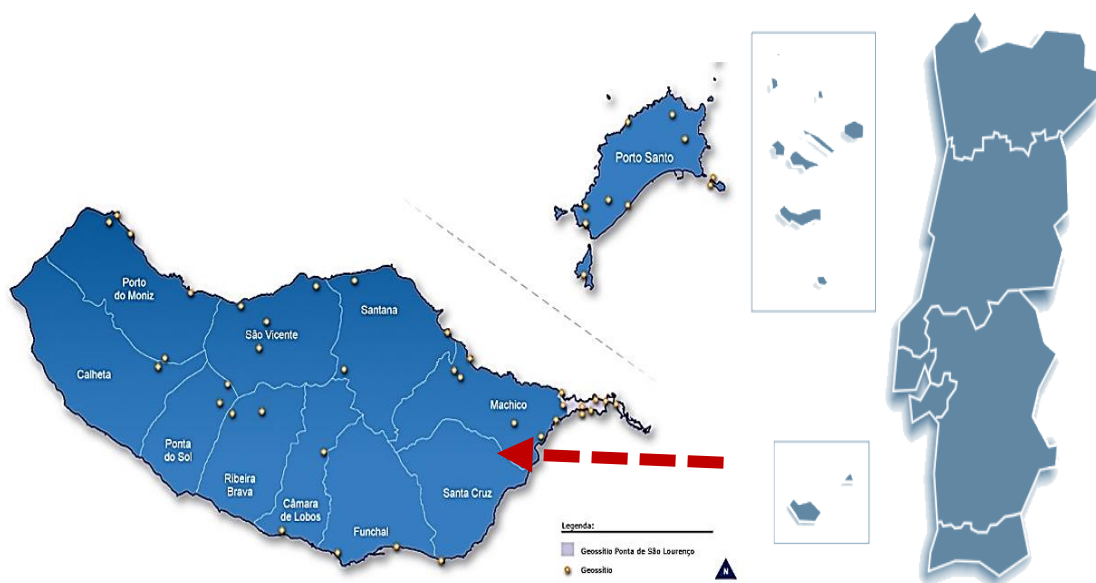


Figure 1. Central Model of the PhD Thesis

In figure 2 we present the geographic space delimited for the study, that is the Autonomous Region of Madeira, an Insular Island located in the Atlantic Ocean in Portugal.



Source: National Institute of Statistics, Statistics Portugal, INE (2018)

Figure 2 - Geographical Map of Portugal and Identification of the Autonomous Region of Madeira

## 1.4. Methodology

PhD theses composed by scientific articles have gained an increasingly strong position in the academic world, as it prepares doctorates candidates for what is the future in terms of academic knowledge, enhancing a high level of scientific production that continues after this stage.

Research involves, in a way, the significant and operational involvement of the community through the application of different theories and methodologies (Yao et al., 2019; Ye, Xiao, and Zhou, 2019; Yen and Tang, 2019; Zhao, Xu, and Wang, 2019). Therefore, there is room for debate, learning in the community or society in general. However, one cannot talk about research methodology without relating the community to strictly defined sectors, such as groups, companies or organizations (Midgley, Johnson, and Chichirau, 2018).

### 1.4.1. Chapters approaches

An objective approach to working with the intellectual structure is through the analysis of citations and co-citations, studying articles mentioned in the literature. Through the analysis of citations and number of articles it is possible to analyze the evolution and growth of citations and scientific publications in a given area. The main purpose of bibliometric studies is to identify gaps in the literature and to determine changes of direction regarding the focus of new investigations (Pilkington and Lawton, 2014; Delbari et al., 2015; Ferreira et al., 2016).

Another interesting quantitative approach is the Structural Equations Model (SEM), which is designed to evaluate how conceptual models contain observed indicators and hypothetical constructs that explain or adjust the collected data. In addition, it has the ability to measure or specify structural relationships between the variables or set of observed variables, as well as it reveals the quantity or relevance of the explained variance. It also allows us to measure relationships between unobserved constructs based on theories. Therefore, we can state that the empirical method MSE is an appropriate tool to test models and hypotheses for some studies developed here (Aboelmaged, 2018; Yao et al., 2019; Assaf, Tsionas, and Oh, 2018; Subramanian, Gunasekaran, Yu, Cheng, and Ning, 2014).

Another important empirical approach is the multiple linear regression models, an exploratory and confirmatory analysis that allows the grouping of variables, control of variables and attributes included and analyzed in the regression models (Assaf and Tsionas, 2019; Alcañiz, García, and Blas, 2009; Liu, 2017; Roozbeh, 2018).

In this sense, this research used a triangulation of quantitative methodologies using different software and different types of empirical analysis that, in a clear way, allowed us to greatly enrich our study and contribution of our research.

The studies carried out throughout this thesis were based on empirical studies, which reveal a greater consistency of data and a more realistic finding of facts that contribute to regional competitiveness. Thus, the central model of this thesis focuses on the role of innovation in competitiveness (regional and business) in the tourism sector, which effectively contributes to socioeconomic development and regional development in any part of the world (Dimoska and Trimcev, 2012; Huggins and Williams, 2011; Toni, Renzi, and Mattia, 2017; Yen and Tang, 2019; Hindle and Vidgen, 2018).

In the first study, "Regional Competitiveness and Innovation in the Tourism Sector: A Systematic Review and Bibliometric Analysis" (Chapter 2), of quantitative type, it is used the application of bibliometric techniques and methods, such as citation analysis, number of articles, co-occurrence of words and clusters theory and networks. The data was collected from the Thomson / Reuters-ISI Web of Science (WoS) online database which contains thousands of academic scientific publications and bibliographic information on authors, affiliations, countries, journals, and citations. It aimed to empirically contribute through the analysis and mapping of intellectual knowledge and identification of the gaps in regional competitiveness, innovation and clustering in tourism.

In the second empirical study, "Satisfaction and tourist events as a product of regional tourism competitiveness" (Chapter 3), of quantitative methodological type, econometric statistical techniques are used, applying structural equation models, linking tourist satisfaction of regional events to regional competitiveness. In order to achieve the study objectives, a primary data base was used on tourism satisfaction of the four major events in the Autonomous Region of Madeira during the year 2017. It aimed to empirically contribute evaluating the importance of events and tourist satisfaction as a factor of regional competitiveness.

In the third study, “Entrepreneurial Artisan Products as Regional Tourism Competitiveness” (Chapter 4), also a quantitative methodological type, an econometric analysis is used, using secondary databases, and aims to analyze the role of these craft products in entrepreneurship and tourist competitiveness. It aimed to empirically contribute to the importance of handcraft entrepreneurial products and the possible impacts on regional tourist competitiveness.

In the fourth and last empirical study, “Innovation as a driver of business tourism competitiveness” (Chapter 5), in quantitative terms, we use econometric methods and multiple regression models. The data used are primary, based on a sample of tourism companies in the Autonomous Region of Madeira. It aimed to empirically contribute analyzing the importance of the factors and barriers to innovation in the business tourism competitiveness.

## **1.5. Thesis contributions**

This study presents several contributions to the literature on regional competitiveness and innovation in the tourism sector.

In chapter 2, one of the benefits is due to the fact that it is one of the pioneering investigations using techniques of bibliometric analysis with such a wide period (1900-2016). This study decisively contributes to the literature, since it is transversal to the scientific knowledge, the tourists, and statistics of official entities and companies of a specific region. Through this analysis we can have a broader view of reality, and its data is more reliable and real. The main contribution of this chapter is the fact of identifying less explored paths in the scientific literature, and it can give a key contribution in filling gaps in the literature on regional competitiveness and innovation applied to the tourism sector. Although there are already some academic studies that analyze regional competitiveness (Cucculelli and Goffi, 2016; Dwyer and Kim, 2010; Esparon et al., 2015; Stavroulakis and Papadimitriou, 2016), including in Portugal (Estevão, et al., 2018), regarding the micro level, literature still reveals a great lack of studies focusing these areas.

In chapter 3, one of the gains was the application of an approach based on structural equation models to evaluate the effects of tourist satisfaction on tourism events and regional competitiveness. This study contributes to the valorization of local and regional events, perceived by the level of satisfaction and loyalty of tourists, as products of regional competitiveness of a tourist destination. In terms of theoretical-practical contributions, it is important to highlight the advantages of simultaneous analysis of several events. The results obtained in this study show that the organization of events that are aesthetically appealing, well organized, and with attractive schedules, among other technical characteristics, allow to offer experiences that lead to high levels of satisfaction, which are reflected in a greater competitiveness of the destination. In short, the product tourist events have an impact on

tourist satisfaction, leading to a recommendation of destination by the tourist and consequently a loyalty of the same and an increased tourist demand and regional competitiveness.

In chapter 4, through the analysis of the impact of handcraft tourist products, it was possible to identify the weight of tourism products in GDP and regional competitiveness, as well as the identification of the most important export markets. This study is based on secondary data obtained through the Regional Statistics Office of Madeira and the Institute of Wine, Embroidery and Handicraft of Madeira. Through a quantitative analysis of the data, applying an econometric approach using Pearson's multiple regression and correlation models, the study contributes to the identification of the role of handcraft products in the entrepreneurial capacity and tourist competitiveness of a region. This study also contributes to the scientific community with particular interest in handcraft and cultural entrepreneurship and regional competitiveness in the tourism sector.

Chapter 5 identified factors and barriers to innovation and their importance in the business competitiveness and competitiveness of the destination. The contributions of this study concern the very nature of this research to fill in the existing gaps, identifying, exploring and systematizing the main themes, thus contributing to the enrichment of the literature on this subject. Although there are several scientific studies on issues of regional competitiveness, academic research focused on the determination of factors of regional and business competitiveness and specifically applied to the ARM is practically nonexistent. This study thus contributes to a better knowledge of the factors that contribute to the competitiveness and innovation of the region.

The present thesis aims to contribute definitively to the specialized literature on regional competitiveness and also through the empirical evidence to be a valid instrument to present important indicators and dimensions of competitiveness measurement to the regional stakeholders, so that they can have the necessary elements and, thus, help to structure the region and define regional policies regarding investment and innovation strategies in the sector and to define competitive strategies so that the region can reach levels of excellence. The development of a destination competitiveness model, combined with evaluation indicators, will identify the strengths and opportunities that can be undertaken by industry and government to increase the number of visitors and increase revenues, thus improving economic prosperity.

In sum, this study contributes to a greater dissemination and reflection of both the regions and the companies about the importance of implementing innovative mechanisms that stimulate the competitiveness of the destination and the competitiveness of the companies that operate in it.

## **1.6. Structure of the Thesis**

This research is structured in three fundamental parts. The first part is composed by the introduction, which provides a cross-sectional view of the literature on this subject. The general objectives, specific objectives and research questions, as well as the units of analysis, methodologies and methods underlying the studies are also identified and detailed. The second part is composed by four empirical chapters. The first article (chapter 2) includes a bibliometric analysis in the areas of regional competitiveness, innovation and tourism cluster. The second article (chapter 3) analyzes tourists' satisfaction with regional events. The third article (chapter 4) examines the impact of craft entrepreneurial products, and the fourth article (chapter 5) analyzes factors and barriers to innovation as a driver of business tourist competitiveness. Finally, the third part is a section where the overall results of this thesis are reflected and where some final considerations, conclusions, answers to the questions initially raised, contributions from this research, theoretical and practical implications, as well as limitations and future lines of research.

The design of the research goes through different steps, approaches, analyzes and methodological procedures, schematically illustrated in Figure 3.

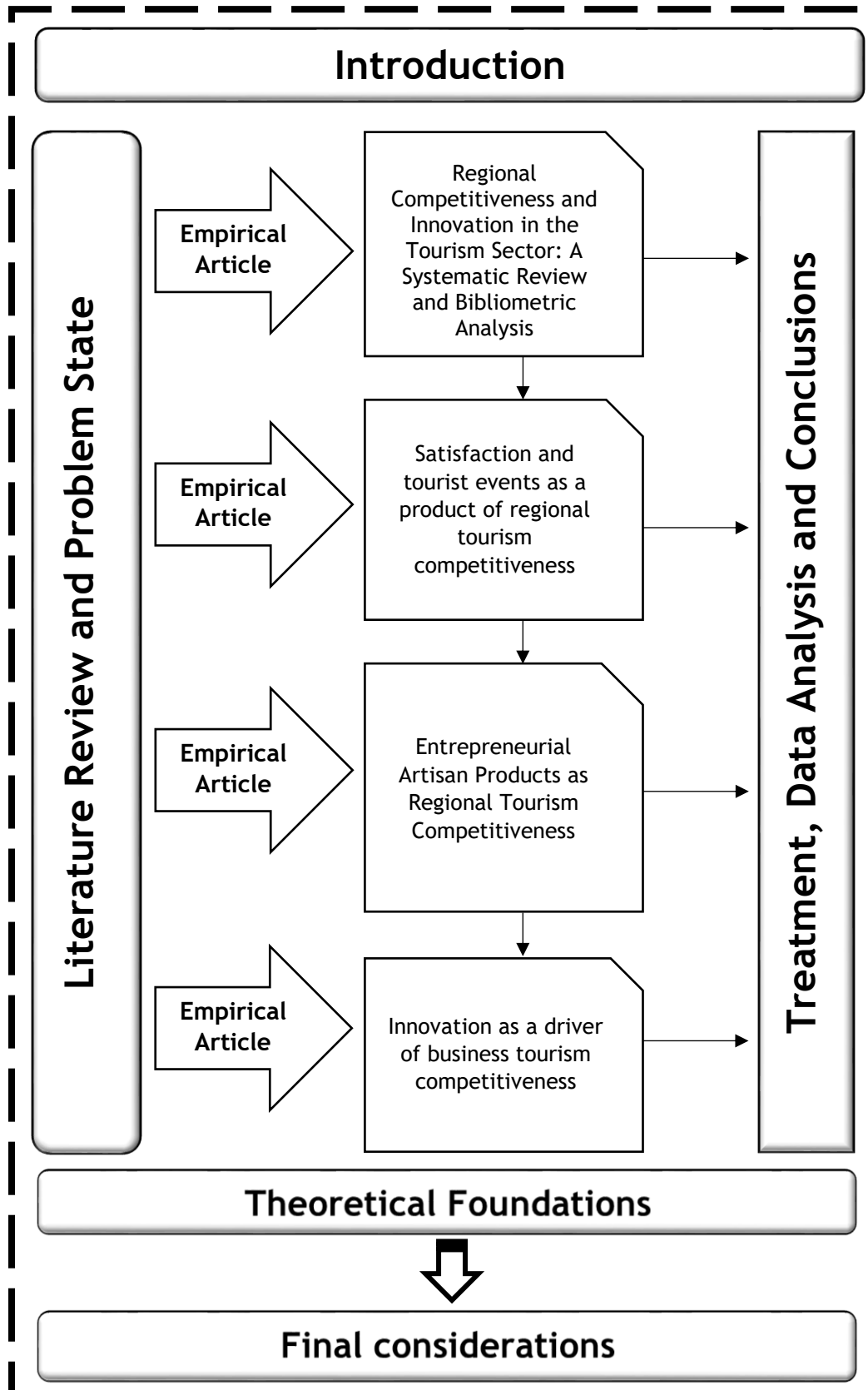


Figure 3. Structure of the Thesis

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## **PART II**



## **CHAPTER 2**

# **Regional Competitiveness and Innovation in the Tourism Sector: A Systematic Review and Bibliometric Analysis**



# Regional Competitiveness and Innovation in the Tourism Sector: A Systematic Review and Bibliometric Analysis

## Abstract

Tourism frequently gets identified as one of the sectors with the greatest potential for expansion on a global scale and hence conveying the importance of attempting to better understand the regional factors of competitiveness prevailing in this sector. This study's objective essentially strives to provide a mapping of the scientific publications and the intellectual knowledge therein contained while conveying past research trends and identifying potential future lines of research in the fields of regional competitiveness and tourism innovation. This correspondingly deploys a systematic review of the literature in keeping with the bibliometric approach based upon VOSviewer software, with a particular focus on drafting maps for visualising the underlying intellectual structure. This type of analysis encapsulates the number of articles published and their annual number of citations for the period between 1900 and 2016 as registered by the Web of Science database. The results demonstrate how the intellectual structure on regional competitiveness divides essentially into three major categories: regional competitiveness, tourism innovation and tourism clusters. Thus, the main contribution of this study arises out of identifying the main research trends in this field and the respective shortcomings and specific needs for future scientific research on the field of regional competitiveness and innovation in tourism.

**Keywords:** Regional Competitiveness, Tourism Cluster, Bibliometric Studies, Tourism Innovation, Systematic Review.

**Paper type:** Research Paper

## 2.1. Introduction

Competitiveness has now become a general concern for contemporary societies. In every activity, and beyond those purely economic in nature, competitiveness features as a goal. The concept spilled over into organisational fields and, for example, people and territories increasingly strive to attain higher levels of competitiveness. Various researchers have correspondingly dedicated their projects to the study of regional competitiveness (Abreu-Novais, et al., 2016; Aiginger et al., 2015; Ayikoru et al., 2013; Byun et al., 2017; Camisón and Forés, 2015; Chen et al., 2016). According, Abreu-Novais et al. (2016) and Aiginger et al. (2015) focus on the competitiveness of a destination, its determinants and the means of measuring

them. In turn, Ayikoru et al. (2013) analyse the determinants of competitiveness, proposing an index for competitiveness alongside recommendations for how destinations might become competitive. Furthermore, Byun, Park and Hong (2017) and Camisón and Forés (2015) approach the aspects of competitiveness specific to tourism and the effects at the national and regional level alongside the impacts of the tourism industry and the tourism district. Chen, Chen, Lee and Tsai (2016) expand on the factors interrelated with destination competitiveness to consider service performance, tourism perceptions and levels of satisfaction. The study by Cibinskiene and Snieskiene (2015) analyses the competitiveness of municipal tourism, of tourism destinations and the concept of urban competitiveness. Additionally, the research findings of Corsi and Prencipe (2016) elucidate factors of competitiveness, innovation, metropolitan areas, urban areas and university spin-offs.

In some studies, the competitiveness concept of regions within a country resembles the concept of competitiveness among countries and the main conclusions in the literature on national competitiveness apply equally to the competitiveness of regions within countries (Aiginger and Vogel 2015; Institute for Management Development, 2014; Porter, 2003; Sölvell, 2015).

However, this also requires taking into consideration the different processes and dynamics inherent to each of the realities (Boschma, 2004). The concept of regional competitiveness spans far further than the export capacities of a region or recording a positive trade balance as it extends beyond the capacity to produce goods in order to encapsulate a broad diversity of factors and indicators alluding to tangible and intangible resources (Kitson, Martin and Tyler, 2004).

Hence, the role of innovation within the framework of tourism clusters also takes on particular relevance (Wikhamn, 2019). Innovation takes place within a specific social, cultural, economic and political environment and displays systemic characteristics (Cooke, 1998; Ferreira, Fernandes, and Ratten, 2017). However, Tidd et al. (1997) rather define innovation as a process through which opportunities get transformed into practical utilities. The effective implementation of innovation nevertheless stems from the growing recognition as to how this serves as a synonym for the building of sustainable competitive advantage and, therefore, strengthening the levels of organisational performance (Koc and Ceylan, 2007). Within ever more competitive environments, innovation represents a critical factor to companies seeking whether to obtain dominant positions and/or boost their profits (Hu and Hsu, 2008; Kaminski et al., 2008). Various authors maintain that innovation would seem the only way by which companies might adapt to increasingly dynamic surrounding environments (Doloreux and Melancon, 2008; Hua and Wemmerlov, 2006; Roberts and Amit, 2003).

Hence, this raises the need for a better understanding of tourism clusters as the type of innovative cluster selected for this study. According to the European Union (2006), innovative clusters or clusters of innovation contain groups of independent companies, with small, medium and large sized companies engaging in innovation as well as research entities that operate within a particular sector and region and that seek to stimulate innovative activities through

fostering intensive interactions involving the sharing of installations and exchanges of information. This specialist knowledge effectively and efficiently fosters the transfer of knowledge and technology, setting up networks for its dissemination among companies in the cluster.

However, tourism has grown at selected locations all around the world and provides interesting perspectives on how the classical destinations are themselves attempting to overcome signs of their own decline and stagnation (Garay and Cànoves, 2011; Gill, Williams, and Thompson, 2009; Pitkänen and Vepsäläinen, 2008).

Tourism has now become a fundamental catalyst for economic development representing one of the industries with the fastest pace of growth in recent years due to the many means available for travelling worldwide and triggering daily mass movements of tourists (Michopoulou and Buhalis, 2013). In this context, this present study seeks to answer the following question:

*RQ:* What are the main research trends on regional competitiveness, innovation and tourism clusters?

This article, through recourse to bibliometric technique, identifies the lesser explored fields of study thereby opening new potential areas for research. The contributions made by this study very much interrelate with the very nature of research, overcoming the shortcomings existing due to the lack of scientific studies providing systematic reviews of the literature and bibliometric studies of these fields. Hence, this study identifies, explores and systematises the main themes, contributing towards deepening the literature through identifying the priority areas as regards the competitive innovation strategies capable of ensuring regional standards of excellence in comparison with their competitors. In addition, this may also contribute to the future development of models of destination competitiveness that, interlinked with indicators for measurement, shall enable the identification of the strengths and weaknesses relative to any tourism destination and thereby of practical worth to industry and government entities in defining policies striving to enhance regional competitiveness.

At the regional level, there is a direct cross-referencing between the creators of innovation and the users of innovation (Wokoun, 2010). Regional prosperity (Corvers, 2003) thus depends on the capacity of a region to identify and offset the shortcomings in tourism competitiveness, innovation and clusters as applied to regions.

## **2.2. Theoretical background**

We may define regional competitiveness as the capacity of a region to provide an attractive and sustainable environment for companies and inhabitants to live and work in (Dijkstra, Annoni and Kozovska, 2011). Huggins, Izushi, and Thompson (2013) define regional competitiveness as

the difference in the economic growth rates of regions and their capacities to leverage future economic growth in relation to other regions in similar stages of economic development.

Evaluating regional competitiveness remains bound by the level of region selected, especially at the Nomenclature of Territorial Statistically Units (NTSU) level in terms of the European Union. The period of reference, the availability and regularity of data, as well as the selection of specific factors play an equally important role. Calculating regional competitiveness proves crucial to reducing regional inequalities and improving both regional and national competitiveness. The Portuguese economy, ever since membership of the Eurozone, has practically stagnated and with fairly aggravated regional inequalities, especially between regions located along the coast and those inland regions (Silva and Ferreira-Lopes, 2014; Soukiazis and Antunes, 2011). Hence, guaranteeing sustainable economic growth and attenuating these regional inequalities constitute important goals for raising the competitiveness of every region in a country.

According to Solvell (2015), the definition of competitiveness spans five core axes: (1) the prosperity of regions and nations in developed and developing countries, (2) the specific role of clusters in nurturing competitive companies, (3) the setting up of new companies and attracting multinational companies, (4) the role of the microeconomic business environment that shapes companies, (5) the role of innovation and continuous improvement in companies obtaining competitive advantages.

The competitiveness of a destination has become a fundamental question in the growing and increasingly challenging tourism market. A competitive tourism destination needs to provide a higher level of tourism experience to the alternative destinations. Destination competitiveness is strictly related with the respective tourism experience associated with the destination (Silva, Correia, Santos, and Ambrósio, 2014).

There are various studies about the notion of competitiveness; however, despite the existing developments on regional competitiveness, there is neither any single framework nor any consensually accepted definitions nor even agreement upon how the measurement of this concept should occur (Huggins and Williams, 2011). Regional competitiveness gets determined by the productivity with which the region deploys its human and natural resources and its capital (Porter and Van der Linde, 1995; Porter, 1990).

Porter (1990) pioneered the definition of national competitiveness as resulting from the capacity of that nation to innovate with the objective of achieving or maintaining an advantageous position in relation to others in specific key industrial sectors and thereby shifting the unit of analysis of companies and industries towards the national spatial borders occupied by companies and industries.

Porter (1990) made it clear that notions around clusters, the transfer of knowledge, innovation and cooperation among the companies involved, are built phenomena that operate at the regional level. The focus on regions reflects the growing consensus that these are the primary spatial units competing to attract investments and with the regional level also

representing the scope at which knowledge gets circulated and transferred to result in agglomerations or clusters of companies, industries and services (Huggins and Izushi, 2015).

The European Travel Commission (2017) defines competitiveness as the capacity to produce goods and services able to stand up to the competition prevailing in international market and, simultaneously, return high and sustainable levels of earnings or, in general terms, the capacity of regions to generate high levels of income and employment while exposed to external competition.

Regional competitiveness thereby encapsulates the capacity of regions to build a productive and highly accessible environment that self-perpetuates and attracts factors of production and thereby fostering economic growth (Huovari, Kangasharju and Alanen, 2002). Recent studies have found that the overall level of development of regional infrastructures directly interlinks with its level of socioeconomic development (Komarova, 2014). A region may thus gain competitive advantages whenever endowed with a sufficient level of infrastructure quality that benefits the individual companies located there (Rozmahel, Grochová and Litzman, 2016). Any regional competitive strategy seeking to expand the zones potentially eligible for foreign and national investments thus necessarily involves developing efficient transport and communications networks (Camagni, and Capello, 2010) with the implementation of efficient public transport systems also able to reduce traffic congestion and improve commuter mobility (Turok, 2004).

According to the World Economic Forum, competitiveness spans the ways in which institutions, policies and factors combine to determine not only the economy's level of productivity but also its capacity to generate wealth and returns on investment as well as shaping the potential for economic growth with the global competitive index based upon twelve fundamental pillars (Schwab, Sala-i-Martin, and Brende, 2015; GEM, 2016): institutions, infrastructures, macroeconomic environments, healthcare and primary education, higher education and training, the efficiency of labour markets, the efficiency of financial markets, the technology available, the scale of the internal and external markets, the sophistication of production processes and innovation.

Competitiveness is sustained by different forms of capital, which include the cultural, creative, human, infrastructure, institutional and productive forms of capital (Kautonen, 2012). Within the same framework, regional competitiveness also gets defined through integrating the perspectives of both companies and residents (Dijkstra et al., 2011). Regional competitiveness therefore interrelates with the capacity to provide an attractive and sustainable environment to companies and residents to live and work in (Annoni and Dijkstra, 2010).

Hjalager (2010) refers to significant variations in the interpretations as to just what constitutes the best approach, thus, there is an overall lack of any effective definition for innovation. However, Hall and Williams (2008) explain how innovation encapsulates the process of utilising any new idea for problem solving. Such innovative ideas may range across reorganisation, cost cutting, implementing new budgetary systems, improving communications or assembling new products through team working. Innovation is also about generating,

accepting and implementing new ideas, processes, products and services. Therefore, accepting and implementing are also fundamental dimensions to this definition and involve the respective capacity for change and adaptation.

Innovation represents a critical factor to the success of destinations competing for tourists against other destinations and struggling to deal with the constantly changing social and economic determinants of market demand (Hjalager, 2002; Weiermair, 2005; Weiermair, Peters and Schuckert, 2007).

Innovative activities may be defined as the creation, adaptation or adoption of new or improved products, processes and services (Cowan and Van de Paal, 2000), through market innovation (Moodysson, Coenen, and Asheim, 2008) and/or through organisational innovation (Edquist, 2001).

Due to the ferocity of competition, globalisation and the technological advances seen in recent years, innovation and differentiation have become an essential dimension to every company. At the same time, to achieve market success and sustain competitive advantage, companies need to explore new opportunities, develop new products or services and markets (Tajeddini, 2010).

It is difficult to encounter definitions for regional innovation policies probably in part due to the domain of such policies proving far from uniform and varying from country to country (Kautonen, 2012). In relation to innovation policies, Dodgson and Bessant (1996) define how their objectives strive to boost the capacity for innovations leveraged by companies, networks, industries and entire economies (regional and national).

Innovation currently represents a decisive challenge to overall competitiveness with companies having to know how to deal with the questions arising in order to obtain success through capitalising on local strengths to create and sell new products and services. In advanced economies, the production of standardised products, through the application of standardised resources, methods and processes, now proves unable to return further comparative advantages (Schwab et al. 2015).

In order to describe the innovation context, Porter and Stern (2001) present a national framework for innovation capacities and specify the innovation infrastructures and the specific clusters in innovative environments. The relationships between the shared innovation infrastructures and the industrial clusters prove reciprocal: the strong clusters foster shared infrastructures while simultaneously leveraging the resulting benefits. A broad grouping of formal and informal organisations, involved in cooperating and working in networks, may take up a position between these two fields within the scope of which higher education stands out as a bridge between technologies and companies (Porter and Stern, 2001). From the social, corporate and organisational perspectives, this requires grasping the social dimensions to competitive business environments (Porter and Kramer, 2006).

Innovation has now gained a position in the vanguard of the global competitive agenda due to its interconnections with economic, social and sustainable performance (Kurtishi-kastrati, 2016; Ratten and Ferreira, 2017). Factors of social cohesion also interlink with

competitiveness given that they contribute towards innovation in conjunction with other business behaviours and the overall development of society. Social cohesion enables better levels of distribution of the most competitive assets available in any society and thus helping to reduce the inequalities able to harm competitiveness. Despite the benefits of social cohesion, differences in competitiveness may result whenever resources are overly concentrated in specific regional locations (Kautonen, 2012).

According to Lundvall (2005), innovation extends to include the creation of sometimes qualitatively different, new ideas and new knowledge. In this perspective, and in the wake of the Community Innovation Survey and the Oslo Manual, innovation may take various forms: product innovation; process innovation; organisational innovation and marketing innovation but also service innovation, market innovation, institutional innovation and environmental innovation (Natário, 2014).

Nowadays, there is acceptance of innovation as a critical parameter of human intelligence and cognitive capacities (Galindo, Vaz, and Nijkamp, 2011). The concept of regional innovation stems from the interactive set of private and public interests, formal institutions and other entities that operate according to organisational and institutional agreements and establishing relations able to drive the generation and dissemination of knowledge. The concept involves analysing the existence and roles of actors (institutions, groups, universities, industries, ...) and the regional competences as well as the ongoing inter-network interactions around innovation related goals within the overall general objective of providing the local authorities with state-of-the-art tools for defining policies capable of boosting real competitiveness (Huahai, Xuping and Feng, 2011).

There is therefore a need to better understand tourism clusters and correspondingly the innovative cluster type selected for this study. Innovative clusters display a greatest propensity towards supplying a new type of innovation based economy and thus influencing the regional economic performance (Fundeanu and Badele, 2014). The tourism cluster is a geographic concentration of tourism sector companies and institutions including suppliers, services, institutions, governments, universities and competitors while others (Borges and Silva, 2016) portray tourism clusters as a set of attractions, less differentiated, concentrated into a geographic area that provide quality installations and services, political and social cohesion through coordinating the collective chain of production and ensuring excellence in managing networks of companies able to generate competitive and comparative advantages.

Over various decades, tourism has turned in continuous growth and steadily diversified in order to become one of the economic sectors experiencing the fastest expansion at the global scale. Modern tourism to a greater or lesser extent interconnects with the development and competitiveness of regions and incorporates a growing number of new destinations. Hence, these tourism sector dynamics have proven an essential motor for driving socioeconomic progress (WTO, 2016).

However, the success of tourism destinations in world and regional markets stems to a certain extent from the influence of its relative competitiveness (Enright and Newton, 2004).

Over recent decades, academics and politicians have increasingly focused their attentions on studying clusters, particularly their role within regional contexts, and correspondingly developing a great diversity of conceptual models (Estevão and Ferreira, 2012). Other studies and research findings on regional competitiveness have only measured factors of relevance in isolation and have not sought to produce a composite global index, whether at the regional or local levels.

The tourism cluster consists of a group of resources and attractions, businesses and institutions whether directly or indirectly involved in tourism and concentrated within a specific geographic area (Fundeanu, 2015).

Throughout many years, bibliometric studies have held major importance to literature reviews given their contributions have revealed and boosted the profile of certain fields of scientific interest.

In recent decades, reflections on the influences of location on competitiveness have taken relatively simple approaches to how companies and regions compete. This perspective holds competition to be fairly static and dependent on reducing costs within fairly closed economies. In this case, comparative advantages in factors of production constitute a vital means of boosting the economies of scale that play such a central role (Porter, 2003).

## **2.3. Methodology**

### **2.3.1. Data and Methods**

The data for this study came from the citation and number of articles data compiled by the Web of Science (WoS) databases that contain many thousands of academic publications alongside information on their authors, affiliations and citations. Furthermore, in bibliometric studies spanning various publications, citations have gained rising popularity in the literature especially due to the development of specialist databases such as the WoS, which greatly facilitates the obtaining of research on emerging fields and contexts (Merigó, Gil-lafuente, and Yager, 2015).

This search took place on the WoS database in the first half of 2017 with the data subject to analysis in July of the same year through VOSviewer<sup>1</sup> vs. 1.6.5 software that enables bibliometric analysis in accordance with the articles published in journals specialising without applying any chronological filter, corresponding to the period of founding, maturing and solidifying of research interrelated with regional competitiveness, innovation and tourism sector clusters. The keywords applied in the database search were: “regional competitive\*, tourism innovation\*, tourism cluster\*”.

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<sup>1</sup> The free VosViewer vs. 1.6.5 software is available at <http://www.vosviewer.com/>. The software enables the construction of bibliometric networks based upon journals, authors, co-citations and relations between co-authors. However, the most commonly applied function of this software is Data Mining, thus, the identification of the patterns presents within a theoretical field. This therefore brings about the construction of networks of the co-occurrence of words existing in the set of articles under study (Source, <http://www.vosviewer.com/>).

In accordance with the aforementioned database and software, the analytical criteria were the following: i) in a first WoS research phase, we downloaded all of the documentation, thus a complete register including the references cited, author, title, source and abstract; before ii) in a second phase, we applied the VOSviewer software and inputted all of the research data with the method chosen, the “full counting” method resulting in the analysis of the titles and abstracts of all these documents. The period of analysis selected ranged from 1900 to 2016 and, based upon the keywords defined, returned a sample containing 4,684 articles and 30,725 citations. There are a series of techniques applicable to analysing the literature on any specific scientific field. Various researchers have also correspondingly made recourse to bibliometric techniques, in particular Co-citation Analysis and Co-word Analysis, to study some of the diverse management fields (Zupic and Čater, 2014).

Various studies have deployed bibliometric analysis to gain a better understanding of the data analysed in the past and to uncover possible hidden patterns that may be of great relevance to current and future research (Carvalho, Fleury, and Lopes, 2013; Daim, Rueda, Martin, and Gerdri, 2006; Fahimnia, Sarkis, and Davarzani, 2015; Global et al., 2016; Koc and Boz, 2014; Merigo, Torres-abad, and Jose, 2015; Pollack and Adler, 2015; Zhong, Geng, Liu, Gao, and Chen, 2016; Zupic et al., 2010).

## **2.4. Results**

### **2.4.1. Evolution and Data Analysis**

The results below stem from analysis of the evolution in the number of articles and their respective numbers of annual citations for the period between 1900 and 2016 (fig. 1). Figure 1 groups the annual number of publications distributed across the three major groups defined; “regional competitiveness”, “tourism innovation”, and “tourism cluster”.

We may correspondingly report the first publications only emerged in the 1990s before entering into a clear period of expansion after 2006 in the case of regional competitiveness and with the first articles on tourism innovation coming out in 1992, with another in 1995 and with the tourism cluster concept first appearing in 1994.

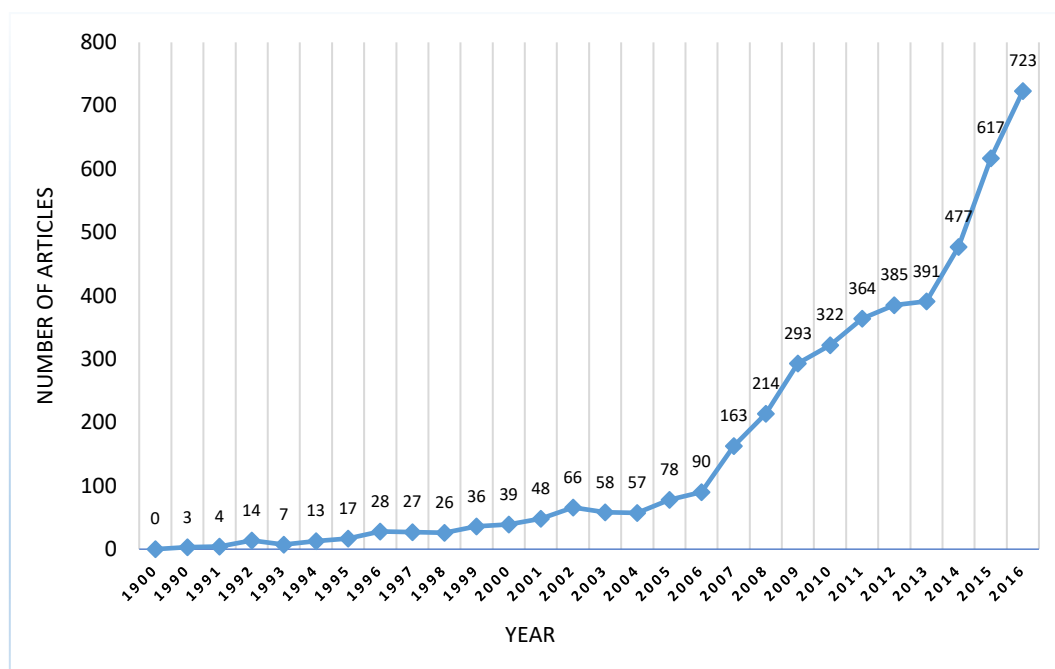


Figure. 1 Evolution of Publications

Table 1 reflects the percentage of publications and citations for each selected field and in accordance with the search sample results.

Table 1 General research data on the unfiltered number of articles and citations

Keywords	No. of Articles	No. of Citations
“Regional Competitiveness”	2565 (54.8%)	18013 (58.6%)
“Tourism Innovation”	1187 (25.3%)	5905 (19.2%)
“Tourism Cluster”	932 (19.9%)	6807 (22.2%)
<b>Total</b>	<b>4684 (100%)</b>	<b>30725 (100%)</b>

We may correspondingly report that 54.8% of these articles approach the theme of regional competitiveness, 25.3% focus on tourism innovation and the remaining 19.9% on tourism clusters. Hence, based on figure 1 and the number of publications annually, we registered a total of 4,684 articles distributed across three areas of study (regional competitiveness, tourism innovation and tourism clusters). Furthermore, studies on tourism clusters are not only the least frequent in incidence but also emerged in the academic literature at a later date.

The same table sets out the distribution of citations for each selected area. Without the application of any chronological filter, we arrive at a total of 30,725 citations, with 18,103 citations (58.6% of total citations) focusing upon the field of “regional competitiveness”, 5,905 citations (19.2%) on “tourism innovation” and 6,807 (22.2%) on “tourism cluster”.

Based on the information detailed above, we made recourse to VOSviewer software, applying the selection method focusing on the titles and the abstracts following the extraction of terms, we then opted for the “full counting” method and with a minimum number of 100

incidences for each term identifying the 280 terms with greatest relevance and that we then subjected to analysis in order to verify the areas with the greatest density of clusters and the ways in which they mutually interrelate (figure 2).

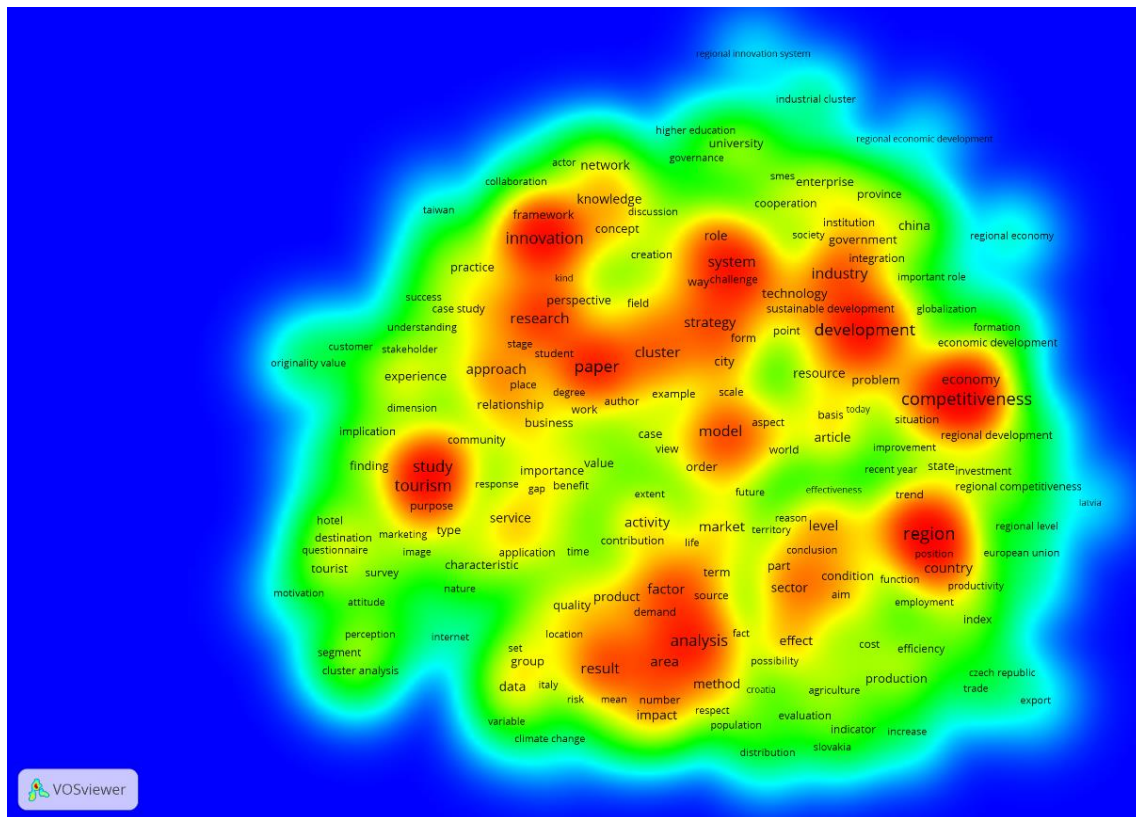


Figure. 2 Density of the most relevant areas of study

Based upon analysis of Fig. 2, we may identify three major groups of clusters. The first group includes 705 items of study, the second group 540 items and with the third containing 510 items and together amounting to the overall identification of 1,755 feasible areas of research. Among the diverse study focuses, we would highlight “competitiveness, innovation, tourism, demand, region, development, industry, impact, and method” as the areas returning the highest incidences, thus, most centralised in the densest areas. As regards those less explored and more dispersed (or lower density) fields, we would highlight the following: “stakeholder, product, model, tourist, service, cooperation, motivations, and regional development”.

Below, and in accordance with the WoS online database, we carried out a mapping of some of the most relevant scientific publications incorporating bibliometric studies and its tools for generating a better understanding of the intellectual structure of the various fields of management and economics (table 2).

**Table 2** Scientific articles applying bibliometric studies to the fields of Economics and Management

Author	Journal	Title	Methodology	Citations
Hsinchun et al. (2012)	<i>MIS Quarterly</i>	Business Intelligence and Analytics: From Big Data to Big Impact	Quantitative	501
Daim, Rueda, Martin and Gerdri (2006)	<i>Technological Forecasting and Social Change</i>	Forecasting emerging technologies: Use of bibliometrics and patent analysis	Quantitative	267
Kostoff and Schaller (2001)	<i>IEEE Transactions on Engineering Management</i>	Science and technology roadmaps	Quantitative	239
Moed et al. (1984)	<i>Research Policy</i>	The Use of Bibliometric Data for The Measurement of University-Research Performance	Quantitative	233
Volberda et al. (2010)	<i>Organization Science</i>	Absorbing the Concept of Absorptive Capacity: How to Realize Its Potential in the Organization Field	Quantitative	224
Loh and Venkatrama (1992)	<i>Information Systems Research</i>	Diffusion of Information Technology Outsourcing: Influence Sources and the Kodak Effect	Quantitative	219
Ramos-Rodríguez and Ruiz-Navarro (2004)	<i>Strategic Management Journal</i>	Changes in the intellectual structure of strategic management research: a bibliometric study of the Strategic Management Journal	Quantitative	206
Melin (2000)	<i>Research Policy</i>	Pragmatism and self-organization - Research collaboration on the individual level	Qualitative	202
Murray (2002)	<i>Research Policy</i>	Innovation as co-evolution of scientific and technological networks: exploring tissue engineering	Quantitative	196
Gambardella (1992)	<i>Research Policy</i>	Competitive advantages from in-house scientific research: The US pharmaceutical industry in the 1980s	Quantitative	143
Galvagno and Dalli (2014)	<i>International Entrepreneurship and Management Journal</i>	Theory of value co-creation: a systematic literature review. Managing Service Quality: An International Journal	Quantitative	113
Bornmann (2015)	<i>Journal of the association for Information Science and Technology</i>	Growth rates of modern science: A bibliometric analysis based on the number of publications and cited references	Quantitative	41
Merigó, Gil-lafuente and Yager (2015)	<i>Applied Soft Computing Journal</i>	An overview of fuzzy research with bibliometric indicators.	Quantitative	40
Ferreira et al. (2016)	<i>International Entrepreneurship and Management Journal,</i>	What Do We [Not] Know About Technology Entrepreneurship Research?	Quantitative	-
Laakso, Lindman, Shen, Nyman and Björk (2017)	<i>Electronic Markets</i>	Research output availability on academic social networks: implications for stakeholders in academic publishing	Quantitative	-
Pohlmann and Kaartemo (2017)	<i>Industrial Marketing Management</i>	Research trajectories of Service-Dominant Logic: Emergent themes of a unifying paradigm in business and management	Quantitative	-
D'Auria et al. (2017)	<i>International Journal of Innovation and Technology Management</i>	Multiple Context of Innovation: Insights from Literature	Quantitative	-
Hassan and Loebbecke (2017)	<i>Journal of Information Technology</i>	Engaging scientometrics in information systems.	Quantitative	-
Mingers and Yang (2017)	<i>European Journal of Operational Research</i>	Evaluating journal quality: A review of journal citation indicators and ranking in business and management	Quantitative	-

Author	Journal	Title	Methodology	Citations
Mendes et al. (2017)	<i>Journal of Service Management</i>	"Uncovering the structures and maturity of the new service development research field through a bibliometric study (1984-2014)",	Quantitative	-
Fernandes et al. (2017)	<i>Scientometrics</i>	The dynamic capabilities perspective of strategic management: a co-citation analysis	Quantitative	-

Based on table 2, the five most cited studies are:

- (1) Hsinchun, C., Chiang, R. L., and Storey, V. C. (2012), "Business Intelligence and Analytics: From Big Data to Big Impact", *MIS Quarterly*, Vol. 36 No. 4, pp.1165-1188.
- (2) Daim, T.U., Rueda, G., Martin, H., and Gerdstri, P. (2006), "Forecasting emerging technologies: Use of bibliometrics and patent analysis", *Technological Forecasting and Social Change*, Vol. 73 No.8, pp.981-1012.
- (3) Kostoff R. N. and Schaller R. R. (2001), "Science and technology roadmaps", *IEEE Transactions on Engineering Management*, Vol. 48 No. 2, pp.132-143.
- (4) Moed, H.F., Burger, W.J.M., Frankfort, J.G., and Van Raan, A.F.J. (1984), "The use of bibliometric data for the measurement of university research performance", *Research Policy*, Vol. 14 No. 3, pp.131-149.
- (5) Volberda, Henk W., Foss, Nicolai J., and Lyles, Marjorie A. (2010), "Absorbing the Concept of Absorptive Capacity: How to Realize Its Potential in the Organization Field", *Organization Science*, Vol. 21 No. 4, pp. 931-951.

## 2.4.2. Regional Competitiveness: Publications and Intellectual Knowledge

Table 3 sets out a summary of the top of scientific publications and with the greatest relevance to articles identified by the keywords of "regional competitiveness".

Table 3 Scientific articles on regional competitiveness

Author	Journal	Title	Methodology	Citations
Porter (2000)	<i>Economic Development Quarterl</i>	Location, Competition, and Economic Development: Local Clusters in a Global Economy	Qualitative	961
Martin, and Sunley (2003)	<i>Journal of Economic Geography</i>	Deconstructing clusters: chaotic concept or policy panacea? High Technology Small Firms Clusters.	Qualitative	751
Maskell and Malmberg (1999)	<i>Cambridge Journal of Economics</i>	A Localized learning and industrial competitiveness.	Qualitative	727
Porter (2003)	<i>Regional Studies</i>	The economic performance of regions	Quantitative	411
Boschma (2004)	<i>Regional Studies</i>	Competitiveness of Regions from an Evolutionary Perspective	Qualitative	187
Kitson, Martin and Tyler (2004)	<i>Regional Studies</i>	Regional Competitiveness: An Elusive yet Key Concept?	Qualitative	178
Camagni (2002)	<i>Urban Studies</i>	On the concept of territorial competitiveness: Sound or misleading?	Qualitative	162

Author(s)	Journal	Title	Methodology	Citations
Gillian (2005)	<i>Journal of Economic Geography</i>	Everyone is a 'winner': problematizing the discourse of regional competitiveness.	Quantitative	116
Huggins (2003)	<i>Regional Studies</i>	Creating a UK Competitiveness Index: Regional and Local Benchmarking.	Quantitative	84
Iyer et al. (2005)	<i>Regional Studies</i>	Social capital, economic growth and regional development	Quantitative	74
Yeo, Roe and Dinwoodie (2008)	<i>Transportation Research Part A: Policy and Practice</i>	Evaluating the competitiveness of container ports in Korea and China	Quantitative	62
Guerrero, Urbano and Fayolle (2016)	<i>The Journal of Technology Transfer</i>	Entrepreneurial activity and regional competitiveness: evidence from European entrepreneurial universities.	Quantitative	6
Berti and Mulligan (2016)	<i>Sustainability</i>	Competitiveness of Small Farms and Innovative Food Supply Chains: The Role of Food Hubs in Creating Sustainable Regional and Local Food Systems	Quantitative	3
Herrero-Prieto and Gómez-Vega (2017)	<i>Tourism Economics</i>	Cultural resources as a factor in cultural tourism attraction: Technical efficiency estimation of regional destinations in Spain	Quantitative	3
Capello, Caragliu and Fratesi (2014)	<i>International Regional Science Review</i>	Modeling Regional Growth between Competitiveness and Austerity Measures: The MASST3 Model.	Quantitative	2
Firgo and Fritz (2017)	<i>Annals of Regional Science</i>	Does having the right visitor mix do the job? Applying an econometric shift-share model to regional tourism developments	Quantitative	1
Cuccia and Guccio (2017)	<i>Tourism Economics</i>	UNESCO sites and performance trend of Italian regional tourism destinations: A two-stage DEA window analysis with spatial interaction	Quantitative	1
Chong (2017)	<i>Asia Pacific Journal of Tourism Research</i>	Thailand wine tourism: a dream or a reality?	Quantitative	1
Parakhina et al. (2017)	<i>International Journal of Educational Management</i>	"Strategic management in universities as a factor of their global competitiveness"	Quantitative	-
Wilde et al. (2017)	<i>International Journal of Hospitality and Tourism Administration</i>	Consumer Insights and the Importance of Competitiveness Factors for Mature and Developing Destinations.	Quantitative	-

Based upon table 3, the five most cited authors for studies on regional competitiveness are:

- (1) Porter, M.E. (2000), "Location, Competition, and Economic Development: Local Clusters in a Global Economy", *Economic Development Quarterly*, Vol. 14 No. 1, pp.15-20.
- (2) Martin, R. and Sunley, P. (2003), "Deconstructing clusters: chaotic concept or policy panacea? High Technology Small Firms Clusters. Conference Local: Manchester Business Sch, Manchester, England", *Journal of Economic Geography*, Vol. 3 No. 1, pp.5-35.

(3) Maskell, P. and Malmberg, (1999), “A localized learning and industrial competitiveness. Regional-Studies-Association European Conference on Regional Futures”, Sweden. Cambridge *Journal of Economics*, Vol. 23 No. 2, pp.167-185.

(4) Porter, M.E (2003), “The Economic Performance of Regions”, *Regional Studies*, Vol. 37 No. 6-7, pp.545-546.

(5) Boschma, R. (2004), “Competitiveness of Regions from an Evolutionary Perspective”, *Regional Studies*, Vol. 38 No. 9, pp.1001-1014.

Through the analysis carried out it is possible to identify several articles on tourism issues, related to the researched area, regional competitiveness, which in our opinion there is a great relationship between the areas of tourism and regional competitiveness. Some of the studies identified are, for instance: Herrero-Prieto and Gómez-Veja, (2017); Firgo and Fritz, (2017); Cuccia and Guccio, (2017); and Chong, (2017).

Herrero-Prieto and Gómez-Vega (2017) analyze the performances of tourist destinations, stating that regions are tourist destinations to be explored, and their findings reveal implications for economic development, competitive relations and economic policy. Firgo and Fritz (2017) through an econometric analysis identified that isolating some issues of tourism attractiveness contribute to regional growth and tourism competitiveness. Furthermore, Chong (2017) studies wine tourism and through Porter’s four Diamond model tries evaluating the competitiveness of this wine tourism industry and reinforces this product as a factor of tourist competitiveness.

Figure 3 displays the evolution in the number of articles and annual citations in the field of regional competitiveness, according to the respective search term, for the period from 1900 to 2016 without the application of any chronological filter.

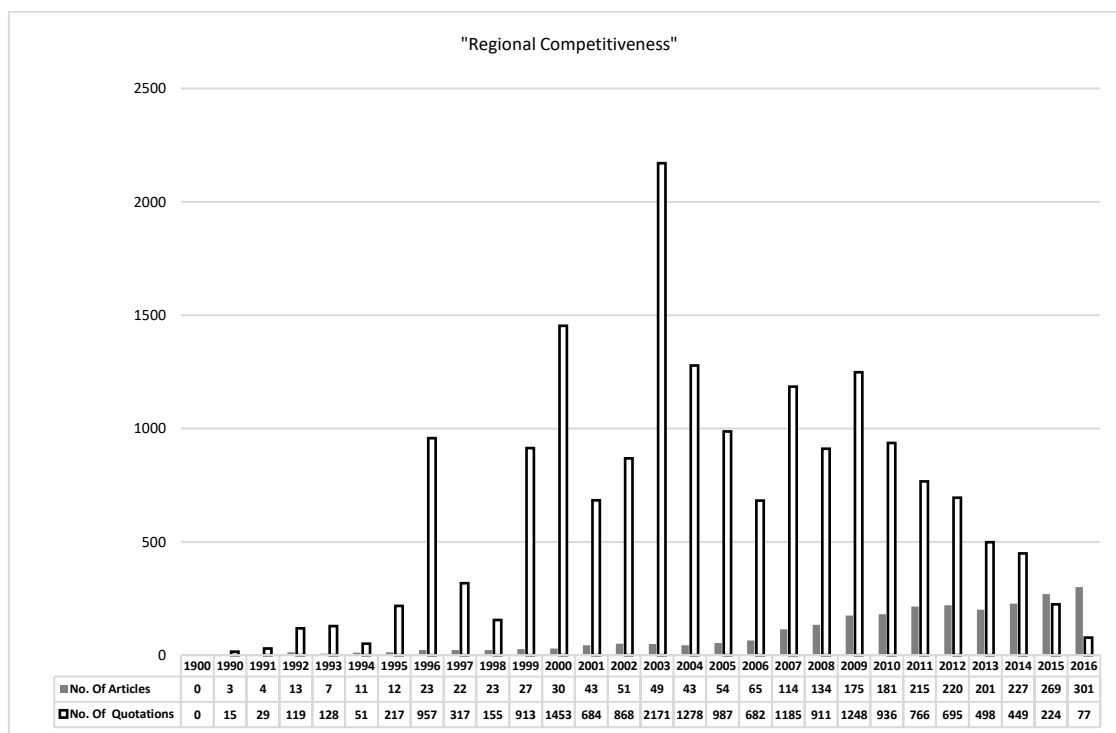


Figure. 3 Number of articles and annual citations on “regional competitiveness”.

Figure 3 demonstrates, only after 1990 did the first publications appear and attaining their greatest relevance after 1999. In terms of citations, the year of greatest incidence of publication is 2003.

Figure 4 displays the areas of greatest density as regards this field of study and correspondingly identifying the clusters of greatest importance and the areas with the greatest incidence of studies existing.

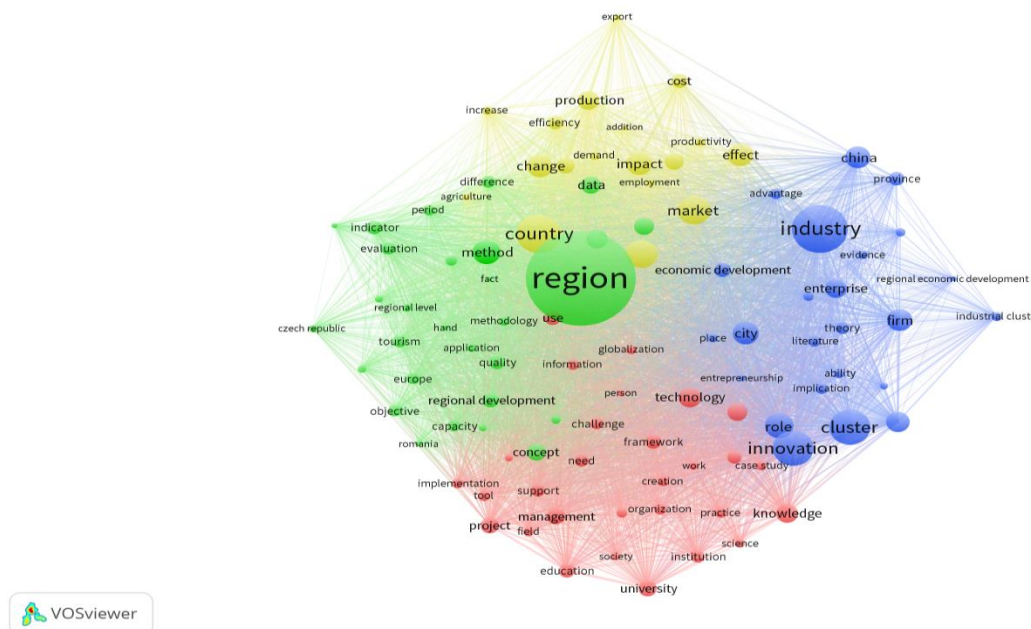


Figure. 4 Map of relations around the “regional competitiveness” keywords

Following the application of a filter, with the utilisation of the “regional competitiveness” keywords to search the online database (WoS), we transported the data into VOSviewer software in accordance with the criteria of including only the titles and summaries in keeping with the “Full Counting” method. Table 4 details the 100 most cited clusters with this group in turn identifying the existence of four clusters.

Table 4 Most relevant clusters on regional competitiveness

CLUSTER 1 (29 items)	CLUSTER 2 (29 items)	CLUSTER 3 (24 items)	CLUSTER 4 (18 items)
Case study, challenge, company, cooperation, creation, education, experience, field, framework, globalization, implementation, information, institution, knowledge, management, need, organization, person, practice, project, science, society, support, sustainability, technology, tool, university, use, work.	Application, capacity, comparison, concept, Czech Republic, data, difference, Europe, European union, evaluation, fact, group, hand, indicator, method, methodology, objective, performance, period, quality, region, regional competitiveness, regional development, regional level, Romania, Slovakia, sustainable development, territory, tourism.	Ability, advantage, china, city, cluster, competitive advantage economic development, enterprise, entrepreneurship, evidence, finding, firm, implication, industrial cluster, industry, innovation, literature, network, place, province, regional economic development, regional economy, role, theory.	Addition, agriculture, change, cost, country, demand, effect, efficiency, employment, export, impact, increase, investment, market, product, production, productivity, sector.

According to table 4, we may note that some of the most decentralised areas, those without any large number of studies, include the following: “sector, product, regional level, tourism, cluster, region, innovation, regional economy and impact,” which may thus represent highly interesting future areas of research. We can also mention that the area of studies of tourism and regional competitiveness appear both in the same group of clusters which shows also a relation and connection of these areas of studies.

Following this analysis of the main clusters, we produced a ranking of the top 20 most cited authors (table 5).

**Table 5** Top 20 most cited authors for the keywords “regional competitiveness”

Ranking	Author	Citations	Documents	Total link strength
1	Porter, M.E.	1384	2	1984
2	Martin, R.	961	4	6237
3	Sunley, P.	809	5	5722
4	Malmberg, A.	738	2	4912
5	Maskell, P.	733	1	2288
6	Haxeltine, A.	584	1	76
7	Prentice, I.C.	584	1	76
8	Huggins, R.	344	16	30528
9	Malecki, E.J.	342	5	8980
10	Tyler, P.	276	4	4546
11	Bathelt, H:	272	4	6997
12	Kitson, M:	253	2	3091
13	Gluckler, J.	242	3	3940
14	Bristow, G.	237	5	3266
15	Iammarino, S.	212	2	2910
16	Keebe, D.	206	5	3634
17	Coenen, L.	206	2	2864
18	Camagni, R.	197	4	3891
19	Boschma, R.	196	1	1591
20	Simmie, J.	194	4	3453

The results of table 5 demonstrate that Porter is undoubtedly the lead reference in this field and trailed by Martin, R., Sunley, P., Malmberg, A., Maskell., Haxeltine, A., Prentice, I.C., Huggins, R., Malecki, E.J., Tyler, P., Bathelt, H., Kitson, M., Gluckler, J., Bristow, G., Iammarino, S., Keebe, D., Coenen, L., Camagni, R., Boschma, R., and Simmie, J.

Based upon the analysis already undertaken, we now provide a summary of the top 20 countries producing scientific articles on this field (Table 6).

**Tabela 6** Top 20 of countries with the largest number of articles featuring the keywords “regional competitiveness”

Ranking	Country	Documents	Citations	Total link strength
1	People’s R China	457	759	14602
2	USA	216	4063	36880
3	England	211	4154	66106
4	Czech Republic	171	291	17793
5	Italy	119	891	23555
6	Germany	118	1509	27494
7	Slovakia	102	172	7257
8	Romania	99	72	5412
9	Spain	93	530	19308
10	Netherlands	65	1353	25422
11	Poland	65	91	3067
12	Russia	65	33	4108
13	Canada	57	635	15379

Tabela 6 (Cont.)

14	Australia	55	302	6552
15	France	53	326	9111
16	Sweden	44	1291	18643
17	Wales	44	1037	26716
18	Lithuania	43	282	4350
19	Finland	36	274	8353
20	Scotland	33	1217	10269

Table 6 correspondingly shows how the five countries with the largest number of articles on this field of study are: “People’s Republic of China” followed by the United States, England, Czech Republic and Italy.

In turn, table 7 sets out the top 30 scientific journals in terms of their publications and citations on this field of study.

Table 7 Top 30 most cited journals for the keywords “regional competitiveness\*\*”

Ranking	Source	Greatest no. of Citations	No. of Articles	Total link strength
1	<i>Regional Studies</i>	3120	108	33337
2	<i>Journal of Economic Geography</i>	1220	13	8612
3	<i>Economic Development Quarterly</i>	1127	14	4750
4	<i>Cambridge Journal of Economics</i>	755	3	2200
5	<i>European Planning Studies</i>	666	51	17292
6	<i>Urban Studies</i>	587	21	8343
7	<i>Global Biogeochemical Cycles</i>	584	1	2
8	<i>Research Policy</i>	527	13	4253
9	<i>Environment and Planning C- Government and Policy</i>	472	25	8615
10	<i>Economic Geography</i>	384	6	3148
11	<i>Entrepreneurship and Regional Development</i>	378	19	11238
12	<i>European Urban and Regional Studies</i>	321	22	6976
13	<i>Environment and Planning A</i>	318	26	9702
14	<i>International Journal of Urban and Regional Research</i>	304	13	3551
15	<i>International Regional Science Review</i>	250	9	2400
16	<i>Annals of Regional Science</i>	184	19	2644
17	<i>Inzinerine ekonomika-engineering economics</i>	183	18	2061
18	<i>Cambridge Journal of Regions Economy and Society</i>	160	9	3555
19	<i>Journal of Urban Affairs</i>	152	5	1447
20	<i>Energy Policy</i>	145	8	64
21	<i>International Journal of Technology Management</i>	138	7	1356
22	<i>Tourism Management</i>	137	5	962
23	<i>Technological Forecasting and Social Change</i>	135	12	3385
24	<i>Growth and Change</i>	134	10	5422
25	<i>Cities</i>	130	8	579
26	<i>Journal of Evolutionary Economics</i>	130	4	2758
27	<i>Service Industries Journal</i>	129	14	3521
28	<i>Futures</i>	125	3	430
29	<i>E &amp; M Ekonomie a Management</i>	121	15	2164
30	<i>Agriculture Ecosystems &amp; Environment</i>	121	1	9

Thus, clearly leading the way in the top 30 of scientific journals by number of citations in this field of study is the “Regional Studies” journal, well ahead of the Journal of Economic

Geography, Economic Development Quarterly, Cambridge Journal of Economics and European Planning Studies.

### 2.4.3. Tourism Innovation: Publications and Intellectual Knowledge

Table 8 details the most cited and most relevant scientific publications identified by the keywords “tourism innovation”.

**Table 8** Scientific articles on tourism innovation

Author	Journal	Title	Methodology	Citations
Hjalager (2010)	<i>Tourism Management</i>	A review of innovation research in tourism	Qualitative	213
Novelli, Schmitz and Spencer (2006)	<i>Tourism Management</i>	Networks, clusters and innovation in tourism: A UK experience	Qualitative	179
Stamboulis and Skayannis (2003)	<i>Tourism Management</i>	Innovation strategies and technology for experience-based tourism	Qualitative	132
Orfila-sintes, Crespi and Marti (2005)	<i>Tourism Management</i>	Innovation activity in the hotel industry: Evidence from Balearic Islands	Quantitative	102
Sundbo, Orfila-sintes and Sørensen (2007)	<i>Research Policy</i>	The innovative behaviour of tourism firms – Comparative studies of Denmark and Spain	Quantitative	90
Song and Dwyer (2012)	<i>Annals of Tourism Research</i>	Tourism Economics Research: A Review and Assessment	Qualitative	80
Orfila-sintes and Mattsson (2009)	<i>Omega-International Journal of Management Science</i>	Innovation behavior in the hotel industry	Quantitative	78
Camisón and Monfort-mir (2012)	<i>Tourism Management</i>	Measuring innovation in tourism from the Schumpeterian and the dynamic-capabilities perspectives	Quantitative	50
Approach and Paget (2010)	<i>Annals of Tourism Research</i>	A Tourism Innovation Case an Actor-Network Approach.	Qualitative	50
Aldebert, Dang and Longhi (2011)	<i>Tourism Management</i>	Innovation in the tourism industry: The case of Tourism	Quantitative	42
Bramwell and Lane (2011)	<i>Journal of Sustainable Tourism</i>	Towards innovation in sustainable tourism research?	Qualitative	39
Picciotti (2017)	<i>Annals of Public and Cooperative Economics</i>	Towards Sustainability: The Innovation Paths of Social Enterprise	Qualitative	1
Hornig, Liu, Chou and Tsai (2017)	<i>International Journal of Hospitality Management</i>	From innovation to sustainability: Sustainability innovations of eco-friendly hotels in Taiwan.	Quantitative	-
García-villaverde, Elche and Martínez-Pérez (2017)	<i>International Journal of Hospitality Management</i>	Determinants of radical innovation in clustered firms of the hospitality and tourism industry	Quantitative	-
Booyens and Rogerson (2017)	<i>Tourism Geographies</i>	Networking and learning for tourism innovation: evidence from the Western Cape	Quantitative	-
Camisón, Forés and Navarro (2017)	<i>Current Issues in Tourism</i>	Cluster and firm-specific antecedents of organizational innovation	Quantitative	-

Author(s) (Year)	Journal	Title	Methodology	Citations
Kuččer, Mihalič and Pechlaner (2017)	<i>Journal of Sustainable Tourism</i>	Innovation, sustainable tourism and environments in mountain destination development: a comparative analysis of Austria, Slovenia and Switzerland	Quantitative	-
Quandt et al. (2017)	<i>Social Enterprise Journal</i>	"Social innovation practices in the regional tourism industry: case study of a cooperative in Brazil"	Quantitative e Qualitative	-
Yang and Xiuchang (2017)	<i>International Journal of Contemporary Hospitality Management</i>	"Event innovation induced corporate branding"	Quantitative	-
Spenceley et al. (2017)	<i>Tourism and Hospitality Research</i>	Protected area tourism: Progress, innovation and sustainability	Qualitative	-

Based on Table 8, the five most cited studies on tourism innovation are:

- (1) Hjalager, A.M. (2010), "A review of innovation research in tourism", *Tourism Management*, Vol. 31 No. 1, pp.1-12.
- (2) Novelli, M., Schmitz, B., and Spencer, T. (2006), "Networks, clusters and innovation in tourism: A UK experience", *Tourism Management*, Vol. 27 No. 6, pp.1141-1152.
- (3) Stamboulis, Y., and Skayannis, P. (2003), "Innovation strategies and technology for experience-based tourism", *Tourism Management*, Vol. 24, pp.35-43.
- (4) Orfila-sintes, F., Crespi, R., and Martim, E. (2005), "Innovation activity in the hotel industry: Evidence from Balearic Islands", *Tourism Management*, Vol. 26 No. 6, pp.851-865.
- (5) Sundbo, J., Orfila-sintes, F., and Sørensen, F. (2007), "The innovative behaviour of tourism firms - Comparative studies of Denmark and Spain", *Research Policy*, Vol. 36 No. 1, pp.88-106.

Following analysis of the regional competitiveness field of study, we undertook the same analysis for tourism innovation beginning with Figure 5.

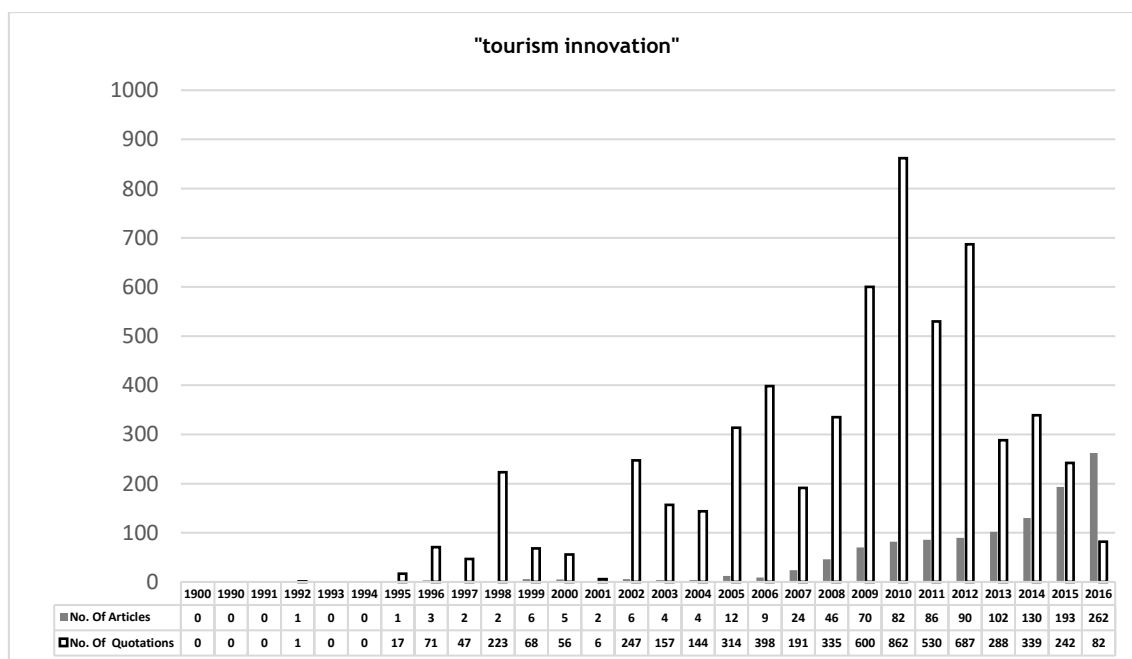


Figure. 5 Number of "Tourism Innovation" articles and annual citations.

Figure 5 details the annual evolution in the number of articles and their respective number of citations contained in the WoS database and identified by the keywords “tourism innovation”, without the application of any filter for the period between 1900 and 2016. This correspondingly shows how the first article only appeared in 1992 and with their frequency only beginning to rise after 1995 and with the articles gaining the greatest number of citations occurring in 2010 with the number of articles published on this theme rising through to 2016. Figure 6 analyses the areas interrelated with this field with the greatest density of studies.

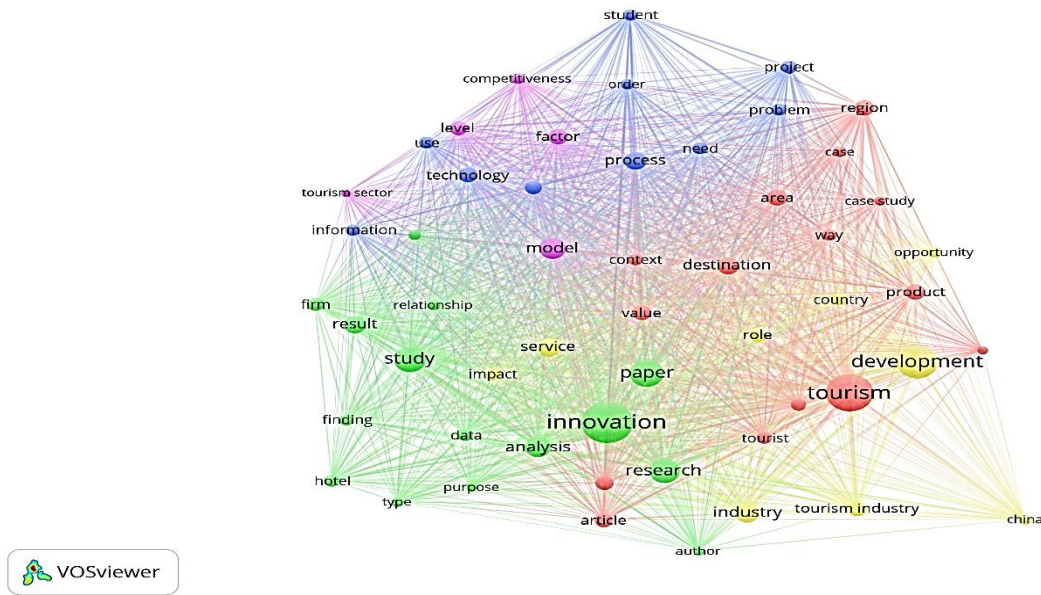


Figure. 6 Map of the relationships established by the keywords “tourism innovation”

Figure 6 sets out the clusters of greatest importance and the areas with the greatest incidence of existing studies following the application of a filter utilising the keywords “tourism innovation” in the WoS online database. We then inputted these data into the VOSviewer software according to the criteria of including only the titles and abstracts in accordance with the “Full Counting” method.

Table 9 sets out the most cited clusters, identifying five groups in total.

Table 9 Most relevant clusters on tourism innovation

CLUSTER 1 (15 items)	CLUSTER 2 (15 items)	CLUSTER 3 (10 items)	CLUSTER 4 (9 items)	CLUSTER 5 (6 items)
Area, case study, concept, context, destination, example, practice, product, region, tourism, tourist, value, way.	Analysis, author, data, finding, firm, hotel, importance, innovation, paper, purpose, relationship, research, result, study, type.	Information, knowledge, need, order, problem, process, project, student, technology, use.	China, country, development, impact, industry, opportunity, role, service, tourism industry.	Competitiveness, factor, level, model, tourism sector.

Following the identification of the most relevant items, we drafted Table 10 featuring the ranking of the top 20 most cited authors on this theme.

**Table 10** Top 20 most cited authors for the keywords “tourism innovation\*\*”

Ranking	Author	Citations	Documents	Total link strength
1	Hjalager, A.M.	539	12	9
2	Orfila-sintes, F.	349	7	9
3	Bessiere, J.	203	1	0
4	Novelli, M.	188	2	3
5	Schimtz, B.	182	1	2
6	Spencer, T.	182	1	2
7	Williams, A.	180	2	3
8	Cooper, C.	169	2	1
9	Martinez-ros, E.	165	3	4
10	Shaw, G.	136	3	5
11	Skayannis, P.	134	1	1
12	Stamboulis, Y	134	1	1
13	Buhalis, D.	133	5	7
14	Williams, A.M.	128	4	7
15	Song, H.Y.	113	2	5
16	Weidenfeld, A.	110	4	6
17	Crespi-caldera, R.	102	1	2
18	Dwyer, I.	99	3	8
19	Sorensen, F.	99	3	5
20	Bailey, A.	92	1	2

According to the results of this research process and demonstrating how Hjalager, A.M. stands out as the lead reference followed by Orfila-sintes, F., Bessiere, J., Novelli, M., Schimtz, B., and Spencer, T.

Having presented the most influential authors in the field, we may identify the top 20 countries producing the most articles (Table 11).

**Table 11** Top 20 countries for articles published with the keywords “tourism innovation\*\*”

Ranking	Country	Documents	Citations	Total link strength
1	England	1379	76	16771
2	Spain	801	128	20340
3	USA	735	74	12017
4	Australia	676	59	10027
5	Denmark	634	23	7362
6	Peoples R. China	348	249	9483
7	France	308	28	2349
8	Canada	281	28	4932
9	Greece	247	20	2326
10	Italy	226	75	8201
11	Portugal	210	24	2497
12	Turkey	202	27	4382
13	Sweden	165	16	2568
14	Taiwan	153	55	4519
15	Filand	141	13	3412
16	Scotland	137	11	2234
17	Austria	133	17	4186
18	Netherlands	131	26	2955
19	Germany	115	21	2986
20	Norway	105	20	6966

Table 11 identifies the countries with the largest number of articles in this study field with “England” at the top of the list followed by Spain, USA, Australia, and Denmark.

Table 12 identifies the top 30 scientific journals accounting for the largest number of citations.

**Table 12** Top 30 of scientific journals according to the keywords “tourism innovation\*\*”

Ranking	Source	Greatest no. of Citations	No. of Articles	Total link strength
1	<i>Tourism Management</i>	2189	61	12200
2	<i>Annals of Tourism Research</i>	712	22	5842
3	<i>Journal of Sustainable Tourism</i>	269	25	2577
4	<i>International Journal of Tourism Research</i>	254	28	5026
5	<i>Sociologia Ruralis</i>	203	1	2
6	<i>International Journal of Hospitality Management</i>	172	14	3742
7	<i>Service Industries Journal</i>	162	12	1974
8	<i>Current Issues in Tourism</i>	133	18	3915
9	<i>Research Policy</i>	113	2	619
10	<i>Journal of Cleaner Production</i>	103	11	797
11	<i>Scandinavian Journal of Hospitality and Tourism</i>	91	10	2535
12	<i>Journal of Urban Affairs</i>	87	1	39
13	<i>International Journal of Contemporary Hospitality Management</i>	83	17	4326
14	<i>Industrial Management and Data Systems</i>	83	2	153
15	<i>Omega - International Journal of Management Science</i>	78	1	385
16	<i>Information and Management Science</i>	71	1	109
17	<i>Science</i>	65	1	21
18	<i>Journal of Travel Research</i>	64	6	2058
19	<i>Tourism Geographies</i>	62	11	2315
20	<i>Cornell Hospitality Quarterly</i>	58	5	666
21	<i>Journal of Business Research</i>	55	8	436
22	<i>Technovation</i>	54	2	475
23	<i>Journal of Travel and Tourism Marketing</i>	53	6	1166
24	<i>Asia Pacific Journal of Tourism Research</i>	49	10	1704
25	<i>Journal of Destination Marketing and Management</i>	49	4	919
26	<i>European Planning Studies</i>	48	13	2486
27	<i>Journal of Management Studies</i>	45	1	131
28	<i>Tourism Economics</i>	44	13	2373
29	<i>Computers in Human Behavior</i>	40	3	366
30	<i>American Journal of Bioethics</i>	39	1	55

In Table 12, we selected the top 30 scientific journals with the largest number of citations in this area of study and correspondingly detailing how the five most influential are: *Tourism Management*, clearly the best referenced and followed by *Annals of Tourism Research*, *Journal of Sustainable Tourism*, *International Journal of Tourism Research* and *Sociologia Ruralis*.

#### 2.4.4. Tourism Clusters: Publications and Intellectual Knowledge

Table 13 contains the most cited and most relevant articles identified by the search applying the keywords “tourism cluster”.

Table 13 Scientific articles on tourism clusters

Author	Journal	Title	Methodology	Citations
Novelli, Schmitz and Spencer (2006)	<i>Tourism Management</i>	Networks, clusters and innovation in tourism: A UK experience	Qualitative	366
Fredline (2000)	<i>Annals of Tourism Research</i>	Host Community Reactions a Cluster Analysis	Quantitative	145
Richards (2011)	<i>Annals of Tourism Research</i>	Creativity and Tourism the State of the Art	Qualitative	98
Jackson and Murphy (2006)	<i>Annals of Tourism Research</i>	Clusters in Regional Tourism an Australian Case	Quantitative	72
Claver-corte and Pereira-Moliner (2007)	<i>Annals of Tourism Research</i>	Competitiveness in mass tourism	Quantitative	59
Jackson (2006)	<i>Tourism Management</i>	Developing regional tourism in China: The potential for activating business clusters in a socialist market economy.	Quantitative	58
Dolnicar and Gruen (2008)	<i>Journal of Travel Research</i>	Challenging "Factor-Cluster Segmentation"	Quantitative	56
Aguilo and Rossello (2005)	<i>Annals of Tourism Research</i>	Host Community Perceptions	Quantitative	47
Erkus (2009)	<i>Tourism Management</i>	The role of cluster types and firm size in designing the level of network relations: The experience of the Antalya tourism region	Quantitative	37
Weidenfeld, Butler and Williams (2010)	<i>International Journal of Tourism Research</i>	Clustering and Compatibility between Tourism Attractions 1	Quantitative	26
Kibicho (2010)	<i>Journal of Sustainable Tourism</i>	Community-based Tourism: A Factor-Cluster Segmentation Approach	Quantitative	18
Weaver and Lawton (2013)	<i>Tourism Management</i>	Resident perceptions of a contentious tourism event.	Quantitative	16
Maria, Remoaldo and António (2012)	<i>Current Issues in Tourism</i>	Residents' perceptions of tourism impacts in Guimarães (Portugal): a cluster analysis	Quantitative	13
Hafeez et al. (2016)	<i>Journal of Brand Management</i>	The role of place branding and image in the development of sectoral clusters: The case of Dubai	Quantitative	3
Mclennan, Becken and Watt (2016)	<i>Journal of Cleaner Production</i>	Learning through a cluster approach: lessons from the implementation of six Australian tourism business sustainability programs.	Quantitative	2
Radovan Pejanović et al. (2015)	<i>Tourism Economics</i>	Clusters as a factor of competitiveness of rural tourism destinations in the Danube region of the Republic of Serbia	Quantitative	-
García-villaverde, Elche and Martínez-Pérez (2017)	<i>International Journal of Hospitality Management</i>	International Journal of Hospitality Management Determinants of radical innovation in clustered firms of the hospitality and tourism industry	Quantitative	-
Chhetri, Chhetri, Arrowsmith and Corcoran (2017)	<i>Tourism Geographies an International Journal of Tourism Space, Place and Environment, 6688(July).</i>	Modelling tourism and hospitality employment clusters: a spatial econometric approach	Quantitative	-
Jesús et al. (2017)	<i>International Journal of Tourism Cities</i>	"Tourism demand of a WHS destination: an analysis from the viewpoint of gastronomy"	Quantitative	-
Šuligoj (2017)	<i>Economic Research-Ekonomska Istraživanja</i>	Warfare tourism: an opportunity for Croatia?	Quantitative	-

Fundeanu (2015)	<i>Procedia Economics and Finance</i>	Innovative Regional Cluster, Model of Tourism Development.	Qualitative	-
Shvets, Shvets, Evdokimova and Kolpakova (2015)	<i>Mediterranean Journal of Social Sciences</i>	Territorial structure of the tourist market in the context of regional competitiveness	Qualitative	-
Omerzel (2015)	<i>Procedia Economics and Finance</i>	Innovativeness in Tourism: Model Development	Qualitative	-

Based on Table 13, the five most cited studies on tourism clusters are:

- (1) Novelli, M., Schmitz, B., and Spencer, T. (2006), “Networks, clusters and innovation in tourism: A UK experience”, *Tourism Management*, Vol. 27 No. 6, pp.1141-1152.
- (2) Fredline, E. (2000), “Host Community Reactions a Cluster Analysis”, *Annals of Tourism Research*, Vol. 27 No. 3, pp.763-784.
- (3) Richards, G. (2011), “The State of the Art”, *Annals of Tourism Research*, Vol. 38 No. 4, pp.1225-1253.
- (4) Jackson, J., and Murphy, P. (2006), “Clusters in Regional Tourism an Australian Case”, *Annals of Tourism Research*, Vol. 33 No. 4, pp.1018-1035.
- (5) Claver-corte, E., and Pereira-moliner, J. (2007), “Competitiveness in mass tourism”, *Annals of Tourism Research*, Vol. 34 No. 3, pp.727-745.

Following analysis of studies on regional competitiveness, tourism innovation, we similarly analysed the field focusing on tourism clusters as first detailed in Figure 7.

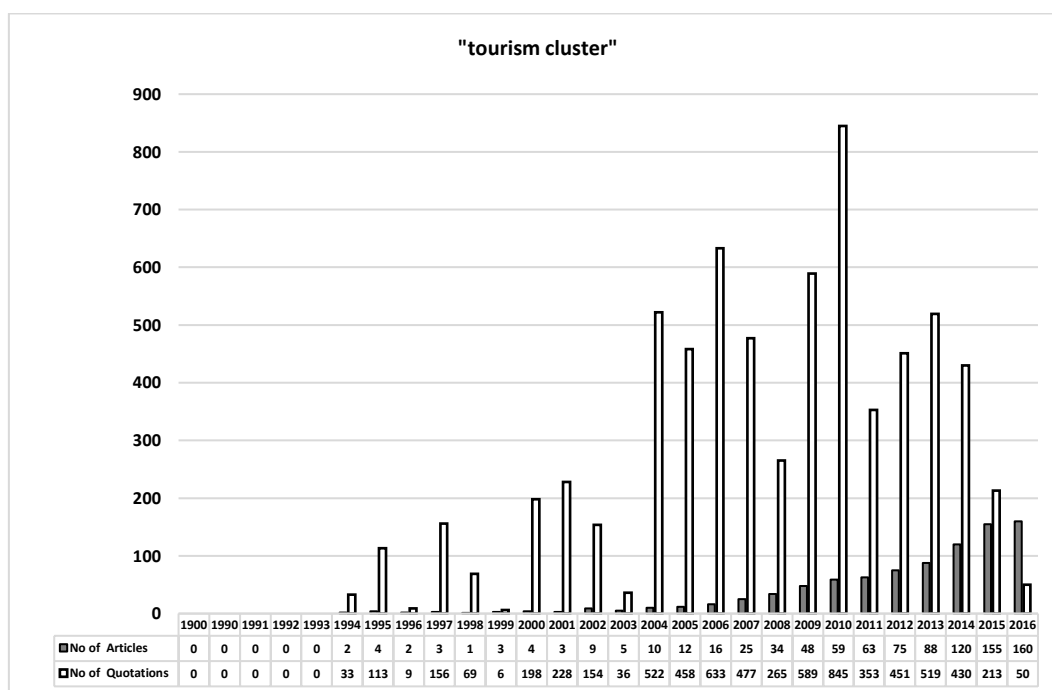


Figure. 7 Number of articles and annual citations on “Tourism Cluster”.

According to figure 7, we may observe the annual evolution in the number of WoS database articles identified by an unfiltered search with the keywords “Tourism Cluster” for



Following analysis of the most relevant articles on tourism clusters, we then listed the top 20 most cited authors as detailed in Table 15.

**Table 15** Top 20 of most cited authors according to the keywords “tourism cluster\*\*”

Ranking	Author	Citations	Documents	Total link strength
1	Alilio, M.S.	366	1	0
2	Breman, J.G.	366	1	0
3	Mills, A.	366	1	0
4	Hjalager, A.M.	215	1	31
5	Claver-cortes, E	204	4	27
6	Molina-arizon, J.F.	200	3	24
7	Pereira-moliner, J.	200	3	24
8	Novelli, M.	182	1	150
9	Schmitz, B.	182	1	150
10	Spencer, T.	182	1	150
11	Cimiano, P.	182	2	4
12	Hotho, A.	181	1	3
13	Staab, S.	181	1	3
14	Zhang, C.S.	177	1	0
15	Weaver, D.B.	160	7	80
16	Mckercher, B.	159	5	20
17	Lawton, L.J.	152	6	65
18	Lawtson, R.	152	1	52
19	Williams, J.	152	1	52
20	Park, D.B.	151	2	119

Table 15 thus identifies the top 20 most cited authors according to the research process and thus demonstrating how Alilio, M.S., Breman, J.G., and Mills, A. are undoubtedly the lead references and then followed by Hjalager, A.M., Claver-cortes, E., Molina-arizon, J.F., Pereira-moliner, J., Novelli, M., Schmitz, B., Spencer, T., Cimiano, P., Hotho, A., Staab, S., Zhang, C.S., Weaver, D.B., Mckercher, B., Lawton, L.J., Lawtson, R., Williams, J. and Park, D.B.

Following the most cited authors, we set out the top 20 of the countries producing the most articles even while they may not rank amongst the most cited as detailed in Table 16.

**Table 16** Top 20 of countries with the greatest number of articles identified by the keywords “tourism cluster\*\*”

Ranking	Country	Documents	Citations	Total link strength
1	Peoples R. China	182	519	13143
2	USA	102	1250	12808
3	Spain	85	661	12019
4	Australia	76	1405	12615
5	Italy	63	460	9682
6	England	59	1346	13330
7	Taiwan	41	261	4793
8	Portugal	25	137	5712
9	Greece	24	103	1356
10	France	21	226	2345
11	Germany	21	422	2333
12	New Zealand	20	345	6193
13	South Africa	20	59	1812
14	Turkey	19	111	3885
15	Croatia	19	11	2420
16	Slovakia	18	18	482
17	Canada	17	143	2187
18	Czech Republic	17	15	575
19	Netherlands	16	293	2851
20	India	15	69	962

Table 16 identifies the countries with the largest number of articles produced in this field of study with the “People’s Republic of China” registering the largest number of articles followed by the USA, Spain, Australia, Italy, England, Taiwan, Portugal, Greece, France, Germany, New Zealand, South Africa, Turkey, Croatia, Slovakia, Canada, Czech Republic, Netherlands and India.

Table 17 identifies the top 30 scientific journals returning the largest number of citations on this theme.

**Table 17** Top 30 of the most cited scientific journals according to the keywords “tourism cluster\*\*”

Ranking	Source	Greatest no. of Citations	No. of Articles	Total link strength
1	<i>Tourism Management</i>	1997	61	8948
2	<i>Annals of Tourism Research</i>	1524	35	4609
3	<i>American Journal of Tropical Medicine and Hygiene</i>	371	2	3
4	<i>Journal of Travel Research</i>	312	17	2398
5	<i>Journal of Sustainable Tourism</i>	202	14	1958
6	<i>Journal of Artificial Intelligence Research</i>	181	1	7
7	<i>Tourism Geographies</i>	180	20	2611
8	<i>Environmental Pollution</i>	177	1	0
9	<i>Expert Systems With Applications</i>	126	9	808
10	<i>Journal of Travel and Tourism Marketing</i>	124	18	2968
11	<i>Journal of Cleaner Production</i>	120	4	321
12	<i>International Journal of Tourism Research</i>	117	17	2836
13	<i>International Journal of Hospitality Management</i>	107	9	943
14	<i>Journal of Hospitality and Tourism Research</i>	79	8	1728
15	<i>Sustainability Science</i>	78	1	7
16	<i>Land Use Policy</i>	68	6	208
17	<i>Decision Support Systems</i>	63	1	28
18	<i>British Food Journal</i>	59	3	367
19	<i>Current Issues in Tourism</i>	58	10	1801
20	<i>Journal of Small Business Management</i>	57	1	53
21	<i>European Journal of Communication</i>	48	1	50
22	<i>Scandinavian Journal of Hospitality and Tourism</i>	47	6	1512
23	<i>Ecology and Society</i>	45	2	195
24	<i>Personal and Ubiquitous Computing</i>	41	1	17
25	<i>European Urban and Regional Studies</i>	39	1	19
26	<i>Remote Sensing of Environment</i>	38	1	1
27	<i>Journal of Business Research</i>	35	2	334
28	<i>Journal of Planning Education and Research</i>	34	1	84
29	<i>Environmental Management</i>	34	3	19
30	<i>Tourism Economics</i>	33	15	2611

Table 17 sets out the top 30 of scientific journals with the largest number of citations in this field of study and where we may correspondingly verify how “*Tourism Management*” certainly stands out as the most referenced followed by *Annals of Tourism Research*, *American*

*Journal of Tropical Medicine and Hygiene, Journal of Travel Research and Journal of Sustainable Tourism.*

## **2.5. Conclusions and Discussion of the Empirical Results**

The growth and productivity of the industry measures the contribution to the growth of the economy that the same industry offers. Thus, the benchmarking of international tourist destinations in relation to their productivity is often cautious due to the dissimilarity in the particularities of tourism between destinations (Assaf and Dwyer, 2013). This article provides a general and systematic overview of the most influential and productive publications, their authors, the scientific journals for the areas under study, and the respective national backgrounds across two distinctive fields: regional competitiveness and tourism innovation, over the period from 1900 to 2016 in accordance with the WoS database contents.

This study thus carried out a mapping of the scientific publications, intellectual structures and trends in research on regional competitiveness and innovation in the tourism sector as well as the evolution over the course of the years through resource to these bibliometric methods. Bibliometric analysis, hence mapping the interconnections between the keywords produced maps of clusters featuring the areas with the greatest density of citations for the keywords analysed and furthermore demonstrating the importance of the research fields encapsulating regional competitiveness and tourism innovation represent the results of analysis of these concepts. Ensuring that these results constitute a reliable source of data is one of the most important and difficult challenges present in the management sciences.

The problems with measurement essentially derive from issues surrounding the complexity of questions of regional competitiveness, tourism innovation and tourism cluster as well as the lack of clear and exact definitions and interpretations of these questions. There are already proposals for measuring the competitiveness of regions, the impacts of innovation on the tourism sector and depending on the methodology adopted.

The methods described in the literature however are not exempt from their own limitations as regards problems around regional competitive and innovation in the tourism sector that account for a large majority of the literature on these questions. In these terms, our analysis extends beyond the traditional spectrum of bibliometric studies. Furthermore, through this innovative methodological approach, we demonstrate our capacity to capture and identify new fields of research within the field of regional competitiveness, tourism innovation and tourism cluster in order to establish feasible and new research paths.

The fields of study identified as some areas hitherto attracting lower levels and that might be of interest for future research include: “tourism clusters, touristic events, touristic product, model, touristic satisfaction, regional development”. According to Almeida (2016), since 2005 for instance in the island of Madeira (Portugal), tourism sector has undergone a transition phase, characterized by the stagnation of the classic product and the attempt to strengthen sectors alternatives to avoid the weakness of the tourism product.

Thus, in recent years temporary events and festivals, essentially tourism products have been increasingly seen as instruments of local development, thanks to their intangible benefits, and as a boost to the reputation of the host city, a pride for the local community (Delamere et al, 2001) as well as their impact on the local economy (Bracalente et al, 2011). Tourist events are an applied product dedicated to the understanding and improvement of tourism through the realization of certain events (Getz and Page, 2014).

Mair and Whitford (2013) identified as most important topics for future research the sociocultural impacts as well as the political dimensions of event tourism. Tourism clusters in literature are still at an embryonic phase of discussion, since the small number of studies that address this issue shows this (Estevão and Ferreira, 2009). A destination image influences the travel decisions prior to the visit, as well as after the visitation and it can influence an individual to visit that destination, which can consequently influence the level of satisfaction contributing for the tourist repeat the visit (Önder and Marchiori, 2017). In addition, image of the destination affects the satisfaction or dissatisfaction of an individual's journey.

This depends on whether the expectation about a destination and the image of destiny is in congruence with reality (Pike, 2002). Although the expectation that tourism contributes significantly to the development of a specific region is high, the real role that tourism plays in regional development is still poorly understood (Hall, 2002). Tourism is undoubtedly the fastest growing industry in the world, and at the same time the main source of revenue for a considerable number of developing countries and regions, not only because of the vast human potential but also because of the stimulating factor of regional development (Iordache, 2010), and wealth creation and employment (Kovačević, et al., 2017).

We believe that our study makes an additional and strong contribution to this scientific area by providing a systematic evolution of the concepts of regional competitiveness and tourism innovation and conveys the importance of these fields and furthermore deepening our understanding of the interrelationship between regional competitiveness and innovation in regional tourism sectors. The main implication of this study arises out of identifying the main research trends in this field and the respective shortcomings and specific needs for future scientific research in competitiveness and tourism areas.

As regards its limitations and future lines of research, we may refer to how this study only adopted a single database (the WoS database) and without any filter, which excluded some of the leading specialist journals in this field and we would hence make the recommendation that the results here require comparison with research focusing on the Scopus and/or Google Scholar databases as well as specifically analysing some journals. Another future line of research might stem from undertaking qualitative studies, longitudinal studies, applying other systematic reviews involving interpretation based summaries and evaluations, thus combining management practices based on evidence with inductive methods and through resource to methodological triangulation.

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## **CHAPTER 3**

# **Satisfaction and tourist events as a product of regional tourism competitiveness**



# Satisfaction and tourist events as a product of regional tourism competitiveness

## Abstract

This study aims to analyze the contribution of satisfaction with tourism events as a product of regional tourism competitiveness, as well as evaluate factors of competitiveness. The research followed a quantitative methodology by conducting a questionnaire on the four largest tourist events in Madeira (Carnival, Flower Festival, Atlantic Festival, and Wine Festival), an insular island located in Portugal. The sample consisted of 2262 tourists surveyed during the year 2017 and structural equation models were used as the statistical method. Results showed that satisfaction is reflected in the client's loyalty to the choice of tourist destination, and also contributes directly and indirectly to the regional tourist competitiveness. This study contributes to the valorization of local and regional events, perceived by the level of satisfaction and loyalty of tourists, as products of regional competitiveness of a tourist destination.

**Key words:** Madeira Island, Product, Regional competitiveness, Tourism events, Satisfaction, SEM.

**Paper type:** Research Paper

## 3.1. Introduction

Tourism is undoubtedly a strategic sector of the economy (Abreu, Ruhanen, and Arcodia 2018; Higgins-Desbiolhes, 2018; Island and Higgins, 2018; Kelly and Fairley, 2018; Teixeira and Ferreira, 2018), where tourist destinations compete aggressively with one another seeking to attract a growing number of tourists (Yao, Qiu, and Wei, 2019; Zhao, Xu, and Wang, 2019). The competitiveness of the destination, defined as a destination's ability to highlight its local tourist attractions and provide services and experiences capable of attracting more tourists than other destinations, emerges as a matter of extreme relevance in the field of scientific research in the field of tourism (Cibinskiene, 2012). Thus, event tourism has aroused a growing interest from many researchers from various fields, both conceptually and empirically (Cibinskiene, 2012; Jurdana and Frleta, 2016; Montenegro, 2017; McKercher, 2016; Panfiluk, 2015; Santos, Vareiro, Remoaldo, and Ribeiro, 2016; Tanford and Jung, 2017; Tiew, Holmes, and Bussy, 2015; Yürük, Akyol, and Şimşek, 2017).

In order to increase competitiveness levels, tourism events were adopted as a strategic approach in the field of tourism destination management, being recognized as a strategic product (Benur and Bramwell, 2015; McKercher, 2016; Todd, Leask, and Ensor 2017) which can generate a variety of benefits at various levels for destinations (Hernández et al., 2017). Events are seen as a competitive factor not only because of the potential to attract visitors, but also because of the ability to encourage and motivate satisfied tourists to spend more money, which results in a significant economic impact of events in the particular sector, and the economy in general (Boyatos, Smith, and Kim, 2017; Kelly and Fairley, 2018).

In the sphere of problematic management of the competitiveness levels of tourism, the number of events produced in a territory can be defined as an indicator of its competitiveness indicating the stock of cultural resources, historical and identity resources and the capacity to transform them into events and experiences (Cibinskiene, 2012).

The importance of analysing the issues raised from events results also from the fact that tour operators and those responsible for marketing can create an image that corresponds to the expectations of tourists, in order to increase customer satisfaction and take advantage of the attitudes and assessments that have developed as a result of the experience and exposure during a stay, therefore, we can assume that there is a probability of a possible view change of the event due to higher satisfaction levels (Bigné et al., 2009).

In the 1970s, there were few articles and academic studies that referred to the phenomenon of events, considering that they were not likely to be considered important tourist attractions in the tourism system (Gunn, 1979). However, Donald Getz and Joe Goldblatt, in the 1990s, produced a pioneering systemic analysis of the conceptualization of events, identifying them as a special, unique resource, offering a way out of the daily routine of potential tourists (Gunn, 1988).

Although there are a large number of analyzes on the motivations and competitiveness of tourist destinations, there are still gaps regarding the empirical research that simultaneously encompasses the concepts of satisfaction, its attributes and tourism competitiveness in the analysis of multiple tourism events (Pansiri, 2014).

Some existing studies on motivation, satisfaction and competitiveness of the destination have been limited to the analysis of the tourists' perception about the destination ignoring in practice the users and agents' perception that contribute to the competitiveness of the regions (Chen, Chen, Lee, and Tsai, 2016; Cracolici, Nijkamp, and Rietveld, 2008; Enright and Newton, 2004; Pansiri, 2014).

However, another relevant question concerns the information contained in an event and its technical attributes, that is, the technical attributes are defined in the way an event type receives values of specific occurrences of that type of event. Attribute values can be derived from a specified default value in an event type definition, in which an event organiser or event user provides a certain value (Brito and Pratas, 2015; Mikulić, Prebežac, Šerić, and Krešić, 2017).

Although many of the studies have generally addressed the relationship between technical attributes of events and satisfaction, many of them have used qualitative and descriptive techniques, while quantitative empirical studies are still very incipient (Lee, Choi, and Chiang, et al., 2017). Despite some important efforts in research competitiveness, there are few studies that explore the impact of its products on the competitiveness and the essence of the attributes of a region (Chen et al., 2016). Furthermore, most studies focuses primarily from the perspective of management and stakeholders to evaluate the competitiveness (Dwyer, et al., 2014; Enright and Newton, 2004), but few studies address the question of the relationship satisfaction of tourists with regional competitiveness Chen et al. (2016).

This research aims to contribute to bridging the identified gap, regarding the role of events such as product satisfaction of regional tourism competitiveness. The literature regarding the importance of events in enhancing competitiveness suggests the following research question:

*RQ:* What is the influence of satisfaction of tourist events such as regional tourism competitiveness of products?

The study also contributes to the advancement of our knowledge regarding the analysis of the importance of tourism events in strengthening regional competitiveness, and influence that tourism satisfaction can have on local and regional events, particularly for events in the Autonomous Region of Madeira (ARM).

This article is structured as follows: after this introduction, Section 2 considers a related literature review, synthesis of major study area and research hypotheses. Section 3 considers the methodological options, procedures, variables and sample data, while Section 4 concerns the analysis and discussion of results. Finally, section 5 offers some conclusions, implications, limitations and suggestions for future lines of research.

## **3.2. Theoretical background**

### **3.2.1. Events, tourism satisfaction and competitiveness**

Events can generate a variety of benefits for destinations (Hernández et al., 2017), particularly in terms of strengthening the competitiveness of the destination. It is important, however, to move forward with some previous considerations, especially with regard to issues of empirical and conceptual rigor (Higgins-Desbiolles, 2018; Ulvnes and Solberg, 2016; Ziakas and Boukas, 2013; Zhang, Hu, Guo, Liu, Zhang, and Liu, 2017).

Regarding the studies of satisfaction these are one of the most important tools to gather information and opinions of a tourist destination (Alegre and Garau, 2010), thus through the analysis of events and tourist satisfaction it is possible to reach tourist competitiveness. Tourism is fundamental for the development of new clusters able to sustain regional competitiveness, bringing challenges to the tourism and cultural sector nourishing its

competitiveness, (Alberti and Giusti, 2012; Jackson and Murphy, 2002; Novelli, Schmitz, and Spencer, 2006; Zan et al., 2007).

An event is considered special when occurring in a limited registration in terms of frequency, integrating a ceremonial or ritual that has the key purpose of meeting the specific needs of a particular group or organization in a territory, within the limits of the general population (Goldblatt, 1990). According to Getz (2005), a special event occurs punctually or infrequently, not integrating the usual programs or activities of an organization, thus offering an opportunity to enjoy a social or cultural experience different from the normal and recurrent options in terms of experiences of citizens (and consumers).

An event can also be an opportunity for leisure experiences, social or cultural interactions that occur outside the usual universe of routine everyday choices and activities (Getz, 1991). Getz (1991) and Goldblatt (1990) coincide with the idea that an event is the creation of something that is unique and that translates into a special experience or moment.

This same perspective is similarly present in Wilkinson (1998), suggesting that an event is a periodical, designed to meet specific needs at a given time or place. Shone and Parry (2004), share the same ideals and proposed a redefinition of the concept of an event in an attempt to introduce greater clarity in the definition, referring that an event consists of a phenomenon arising from non-routine occasions that pursues leisure, cultural, personal or organizational goals and that occurs outside the normal activity of daily life, and its sole purpose is to celebrate, entertain or challenge the experience of a group of people.

According to a study, developed by Getz (2010), focused on the construction of a conceptual model, the author privileges the process of creating events, noting that a tourism event is the result of a systematic management and marketing of the basic event (ex. traditions and ancestral feast) organized, as factors of tourist attraction, with a view to maximizing the impact in terms of image, positioning and market strengthening. In addition to the conceptual rigor of attention, often they sought to find an economic base of the events with a growing participation and interest of tourists at events.

Another issue highlighted in the literature (Higgins-Desbiolles, 2018; Jhamb and Fang, 2017; Kelly and Fairley, 2018; Sutton, 2016) lies in the continued growth of the role of events throughout the tourist offer of short breaks and special interest tourism being the result of the growing importance of travel primarily motivated to participate in a specific event. Attendance at the event becomes one of the main reasons for tourist travel to a particular region. Another perspective concerns the long-term impact of events.

Panfiluk (2015) analyzes the effects generated by the regional events, identifying the social and economic effects of the events, but highlighting the fact that regional events affect the volume of arrivals and have an impact on loyalty behaviour, especially as regards lengthening the duration of average tourist stays per night, the author considers that the longer-term effects for the development of tourism emerge when the supply meets the needs and interests of tourists, especially when participation in events creates and reinforces positive emotions associated with the image the region and its tourist attractions. Events are an

important promoter of tourism and a prominent figure in the development and marketing challenges of most destinations, and the roles and impacts of events organized for tourism are increasingly important for the competitiveness of a destination (Getz, 2008).

The Cibinskiene and Snieskiene (2015) conceptual model on the competitiveness of tourism highlights internal and external environmental factors, emphasizing that internal environmental factors constitute competitive conditions for tourism. The groups of external factors include a legal political nature, economic, social, cultural, ecological, natural and technological factors, while the internal environmental factors groups concern tourism companies, tourist resources, and tourism and recreation infrastructures.

In order to strengthen and complement the literature review, it was decided to synthesize in Table 1 the main publications and related intellectual knowledge on the subject of events. For this purpose, the main studies and types of events were studied, through the identification of the authors, scientific journals and titles of the publications highlighting the research questions, main research topic, methodological approach and object of study.

<b>Table 1. Publications and intellectual knowledge about events, festivals and types of events</b>						
<b>Author (s)</b>	<b>Journal</b>	<b>Title</b>	<b>Research question</b>	<b>Main Research Theme</b>	<b>Approach</b>	<b>Study Object</b>
Perles-Ribes et al. (2017)	Tourism Management	Is the tourism-led growth hypothesis valid after the global economic and financial crisis? The case of Spain 1957-2014	Is the relation that exists between tourism and economic growth truth?	Study of tourism-led growth hypothesis including the Global Financial and Economic Crisis and the Arab Springs upsprings	Quantitative	Events-Tourism-led growth
Duglio and Beltramo (2017)	Sustainability	Estimating the Economic Impacts of a Small-Scale Sport Tourism Event: The Case of the Italo-Swiss Mountain Train CollonTrek	What are the economic and social impacts of small-scale sport events?	Economic impacts at a small-scale sport tourism event, Italo mountain endurance trail CollonTrek	Quantitative	Sport events
Tanford and Jung (2017)	Tourism Management	Festival attributes and perceptions: A meta-analysis of relationships with satisfaction and loyalty	What factors contribute to festival satisfaction and loyalty?	Satisfaction and loyalty	Qualitative	Festival attributes and perceptions
Montenegro (2017)	Journal of Cultural Economics	Motivation, satisfaction and loyalty in the case of a film festival: differences between local and non-local participants	What motivates people to attend the festival?	Motivation, satisfaction and loyalty in the case of cinema event	Quantitative	Film Festival
Chang and Mahadevan (2017)	Tourism Analysis	Different hearth, different worth: sustaining an emerging festival in the new cultural city of Singapore	What are the challenges for an emergent festival?	Study of a new festival and implications like how maintain sustainability	Quantitative	Cultural festivals
Barrera-Fernández and Hernández-Escampa (2017)	International Journal of Event and Festival Management	Events and place making: the case of the Festival International Cervantino in Guanajuato, Mexico	What are the impacts of this festival?	Perception of tourists about festival	Mixed	Cultural events
Parker et al. (2017)	British Food Journal	Gastronomic festivals: attitude, motivation and satisfaction of the tourist	What is the segmentation of the tourist in accordance with their perceptions with respect to gastronomy?	Study of gastronomic festival in the city of Guayaquil, Ecuador	Mixed	Food festivals
Okayasu, Nogawa, Casper and Morais, (2016b)	Journal of Sport and Tourism	Leveraging sport heritage to promote tourism destinations: the case of the Tour of Flanders Cyclo event	What are the strategic opportunities for tourism destination development associated with hosting heritage-based active sport tourism events?	Tour of Flandres cyclo event	Mixed	Sport events
Okayasu, Nogawa, Casper and Morais, (2016a)	Managing Sport and Leisure	Recreational sports event participant's attitudes and satisfaction: cross-cultural comparisons between runners in Japan and the USA	What is the relation between event participation and loyalty in a marathon event?	Understand participant's attitudes and needs	Quantitative	Sport events
Jurdana and Frleta (2016)	Cities	Satisfaction as a determinant of tourist expenditure	What is the influence of tourist satisfaction with the tourism offering on tourist expenditure in the destination?	Factors that influence daily expenditure	Quantitative	Satisfaction Events
Hinch and Holt (2016)	Journal of Sport and Tourism	Sustaining places and participatory sport tourism events	Is the sustainability of ultramarathons assured?	Perception about the place by residents and visiting runners	Qualitative	Sport events
Mariani and Giorgio (2016)	Annals of Tourism Research	The "Pink Night" festival revisited: Meta-events and the role of destination partnerships in staging event tourism	What is the role of meta-events?	Tourism planning and management	Mixed	Events tourism
Marujo et al. (2016)	TURYDES - Tourism and Local Development Magazine	Tourism and authenticity in world heritage cities: the degree of satisfaction of the cultural tourist in the city of Évora	What is the impact of being considered UNESCO "World Heritage"?	Visitor's degree of satisfaction in the city of Évora	Quantitative	Cultural Events and Satisfaction
Dantas and Colbert (2016)	International Journal of Arts Managements	Festival de Lanaudière: Differentiation in Customer Experience	What are the Festival's main differentiating factors?	Study of factors that allows maintaining differentiation and lovegity of this festival	Qualitative	Cultural festivals

<b>Author (s)</b>	<b>Journal</b>	<b>Title</b>	<b>Research question</b>	<b>Main Research Theme</b>	<b>Approach</b>	<b>Study Object</b>
Cudny (2016)	Norsk Geografisk Tidsskrift and Norwegian Journal of Geography	Manufaktura in Łódź, Poland: An example of a festival marketplace	How phenomenon of the festival marketplace works?	Marketplace and tourism	Mixed	Festivals
Wijnants et al. (2016)	Multimedia Tools and Applications	A Smart TV approach towards experiencing music festivals live from the living room	Possibility to be able to attend a concert from the comfort of your living room	Study of this with a Smart TV application called WanderCrouch	Quantitative	Festivals
Agbabiaka (2016)	Agbabiaka, Cogent Social Sciences	Physical planning implication of Eyo festival in Lagos Island, Nigeria	How physical planning of the activities influence the festival?	Challenges faced by residents	Quantitative	Festivals
Borges, Rodrigues and Matias (2016)	Tourism Management	Customer satisfaction and expenditure behaviour in music festivals: The optimus primavera sound case study	What is the impact of "Optimus Primavera Sound" in the city?	Satisfaction and expenditure behaviour	Quantitative	Music Festivals
Davis (2016)	Tourism Management	Experiential places or places of experience? Place identity and place attachment as mechanisms for creating festival environment	What is the relation between mechanism of place and construction of tourism environments?	Primary mechanisms in the construction of tourist relationships with tourist environment	Qualitative	Festivals and tourism environment
Ulvnes and Solberg (2016)	Scandinavian Journal of Hospitality and Tourism	Can major sport events attract tourists? A study of media information and explicit memory	Does media stimulate inbound tourism?	Explicitly memory and behavioral intentions to visit host destinations	Qualitative	Sport events
Santos et al. (2016)	Journal of Policy Research in Tourism, Leisure and Events	Cultural mega-events and the enhancement of a city's image: differences between engaged participants and attendees	Does hosting a mega cultural event enhance the image of the city?	Image of the city after the mega event	Quantitative	Cultural events
Fernández et al. (2016)	Scandinavian Journal of Hospitality and Tourism	Destination image and loyalty development: the impact of tourists' food experiences at gastronomic events	Does food experiences have an impact on destination and event loyalty?	Destination image and loyalty	Quantitative	Food experiences and gastronomic events
Sutton (2016)	Anatolia (An International Journal of Tourism and Hospitality Research)	From desert to destination: conceptual insights into the growth of events tourism in the United Arab Emirates	What is the relation between tourism events and development?	Growth of Event Tourism in Dubai	Mixed	Growth Events Tourism
Kruger et al. (2016)	South African Journal for Research in Sport, Physical Education and Recreation	Intention of Mountain Bikers to return	How can event marketing increase the number of trips?	Motives to participate in mountain bike events	Quantitative	Sport events
Geus et al. (2015)	Scandinavian Journal of Hospitality and Tourism	Conceptualization and Operationalization of Event and Festival Experiences: Creation of an Event Experience Scale	Event Experiences Scale	Creation of an Event Experience Scale	Mixed	Event and Festival Experiences
Marujo (2015)	Tourism Magazine: Studies and Practices	Tourist events and tourist satisfaction: the case of the end of the year party in the island of Madeira	What is the tourist satisfaction with the event?	Satisfaction	Quantitative	Tourism Events and satisfaction
Colombo (2015)	Scandinavian Journal of Hospitality and Tourism	How to evaluate cultural impact of events? A model and methodology proposal	What are the impacts of events?	Study of cultural impacts	Quantitative	Cultural Impact of Events
Ferrari and Guala (2015)	Leisure Studies	Mega-events and their legacy: Image and tourism in Genoa, Turi and Milan	How events influence the destination image and investments?	Quality of life, perception of the local identity, visibility, image	Mixed	Mega-Events, Image and Tourism
Kulczycki and Halpenny (2015)	Journal of Sport and Tourism	Sport cycling tourist's setting preferences, appraisals and attachments	Are landscapes and settings important travel motivators?	Perceptions of sportscares and travel motivations	Qualitative	Sport events

Table 1. (Cont.)

Author (s)	Journal	Title	Research question	Main Research Theme	Approach	Study Object
István (2015)	European Journal of Regional Development and Tourism	The Impact of Domestic Gastronomic Festivals on the Local Accommodations	What is the influence of food festivals in local economy?	Importance of food festival in Hungary	Quantitative	Food festivals
Tichaawa et al. (2015)	African Journal for Physical, Health Education, Recreation and Dance	The perceived impacts of sport tourism events: Resident's perceptions in East London, South Africa	What is the impact of hosting sport tourism events in East London South?	Positive and negative impacts associated with hosting sport events	Mixed	Sport events
Tiew et al. (2015)	Event Management	Tourism Events and the nature of stakeholder power	What are the power relations among the stakeholders of a tourism event?	Sources of stakeholder power and the pattern of interdependence	Qualitative	Tourism Events and stakeholder
Akhoondnejad (2015)	Tourism Management	Tourist loyalty to a local cultural event: The case of Turkemen handicrafts festival	What are the relations between factors like loyalty, value and satisfaction of tourist	Study of festival quality, value, satisfaction, trust and loyalty	Quantitative	Cultural Event
Gálvez et al. (2015)	Mediterranean Journal of Social Sciences	Wine Festivals as a Vehicle of Promotion of a Tourist Destination	Can gastronomic and wine festivals be a vehicle to promote the gastronomic products?	Study of wine festival, Origin Montilla-Moriles in Spain	Quantitative	Wine festivals
Kuusik et al. (2014)	Procedia - Social and Behavioral Sciences	Country as a free sample: the ability of tourism events to generate repeat visits. Case study with mobile positioning data in Estonia	What is the long-term effect of events in destination marketing?	Ability of events to generate repeat visits	Quantitative	Ability of Tourism Events
Kim et al. (2014)	Tourism Management	Evaluating the perceived social impacts of hosting large-scale sport tourism events: Scale development and validation	What is the community-wide event support?	Multidimensional scale to evaluate the perceived social impacts of a large-scale sport tourism event	Mixed	Sport events
Hernández et al. (2014)	European Journal of Tourism, Hospitality and Recreation	Event Tourism analysis and state of the art	What is the role of events in tourism development of destinations?	Consequences of tourism events in destination image and positioning strategies	Qualitative	Events Tourism analysis
Pereira et al. (2014)	European Sport Management Quarterly	Nautical small-scale sports events portfolio: a strategic leveraging approach	Analyze the leverage process of a nautical small-scale sports events portfolio	Events and portfolios	Mixed	Nautical events
Jamieson (2014)	Journal of Convention and Event Tourism	Sport Tourism Events as Community Builders - How social capital helps the "locals" cope	What role have a sport tourism event in building the social capital of the community?	Study of a particular sport tourism event, the Tour Down Under	Mixed	Sport events
Marujo (2015)	Tourist Investigations	Tourism and cultural events: the Flower Festival on Madeira Island and the motivations of tourists	What are the tourist's motivations to visit Flower Festival in Madeira?	Main motivations	Quantitative	Tourism and Cultural Events
Duvnjak et al. (2014)	Researches Reviews of the Department of Geography, Tourism and Hotel Management	Gastronomic manifestations in the Tourism of South-Eastern Serbia	What is the relationship between city preservation and gastronomical tourism?	Culture, tradition and preserved authenticity	Quantitative	Gastronomic festivals
Li and Wood (2014)	Leisure Studies	Music festival motivation in China: free the mind	How cultural and social-politic context influence music festival attendance?	Factors of motivation	Qualitative	Cultural Events
Saayman and Saayman (2014)	Leisure Studies	Clustering attendees at the Philharmonic Orchestra's Summer Festival	What is the profile of visitors?	Study profile, add into distinct groups and compare the various clusters of Philharmonic Orchestra Festival visitors	Quantitative	Music Festivals
Prokeš (2013)	Acta Académica	Development of wine tourism in South Moravia	Can wine tourism increase the competitiveness of wineries in South Moravia?	Study of services and products of wine growing areas in South Moravia	Mixed	Wine tourism

Table 1. (Cont.)

Author (s)	Journal	Title	Research question	Main Research Theme	Approach	Study Object
Ziakas and Boukas (2013)	Journal of Destination Marketing and Management	Extracting meanings of event tourist experiences: A phenomenological exploration of Limassol carnival	How to increase the value of experiences and destinations?	Perceptions of tourists about carnival in Limassol, Cyprus	Quantitative	Cultural events
Attanasi et al. (2013)	Journal of Socio-Economics	Cultural investment, local development and instantaneous social capital: A case study of a gathering festival in the South of Italy	How investment in cultural events can develop local communities?	Socio-Economic impact of "La Notte della Taranta" Festival	Mixed	Cultural festivals
Dundon (2013)	Oceania	Gogodala Canoe Festivals, Customary Ways and Cultural Tourism in Papua New Guinea	How can canoe races attract tourists?	Study of Gogodala Canoe Festival	Qualitative	Canoe Festivals
Chirieleison et al. (2013)	Tourism Economics	Measuring the impact of a profit-oriented event on tourism: the Eurochocolate Festival in Perugia, Italy	Is Eurochocolate Festival essential to develop local tourism?	Measurement of the impact of festivals and events on tourism	Mixed	Measuring the impact on tourism events
Andersson et al. (2013)	Journal of Convention and Event Tourism	The "Festival Size Pyramid" in Three Norwegian Festival Populations	Are there theoretical laws governing the size and growth of festivals?	Size variable in three populations of Norwegian festivals	Mixed	Festivals Size Pyramid
Cibinskiene (2012)	Economics and Management	Impact Evaluation of Events As Factors of City Tourism Competitiveness	Os modelos de avaliação do impacto económico de eventos são fatores de competitividade do turismo urbano?	Estudo de modelos de avaliação do impacto económico de um evento.	Qualitativo	Impact of Events
Della (2012)	Tourism Management	Economic performance measurement systems for event planning and investment decision making	How to improve the economic impact of events?	Cultural event, Festival of Economics in Trento	Quantitative	Cultural events
Oom do Valle, Mendes and Guerreiro (2012)	Journal of Travel and Tourism Marketing	Resident's participation in events, events image and destination image: a correspondence analysis	What role do residents have in repositioning the image of the Algarve?	Impact of new government program for Algarve	Quantitative	Resident's Events Participation
Robinson and Clifford (2012)	Annals of Tourism Research	Authenticity and Festival Foodservice experiences	How medieval festival visitor's foodservice can influence authenticity and revisitation intent?	Authenticity and revisitation intentions	Quantitative	Food festivals
Axelsen and Swan (2010)	Journal of Travel Research	Designing Festival Experiences to Influence Visitor Perceptions: The Case of a Wine and Food Festival	Can wine festivals be a way to promote wine?	Festival Moonlight Wine Tour	Quantitative	Wine festivals
Marais, and Saayman (2010)	Acta Académica	Key success factors of managing the Robertson Wine Festival	What factors make a successful wine festival?	Key success factors of managing a wine festival	Quantitative	Wine festivals
Fourie and Santana (2010)	Tourism Management	The impact of mega-events on tourist arrivals	Mega-events influence tourist arrivals to the host country?	Gain of mega-events	Mixed	Mega-Events and influence
Saayman and Rossouw (2010)	Development Southern Africa	The Cape Town International Jazz Festival: More than just jazz	What impact has a jazz festival in a specific region?	Economic impact in accordance with visitor and organiser spending	Quantitative	Music festivals
McIntyre (2009)	International Journal of Tourism Research	Museum and Art Gallery Experience Space Characteristics: an Entertaining Show or a Contemplative Bath?	What are the perceptions and attitudes surrounding museum art gallery visits?	Study of development project of a combined museum and art gallery on the South Coast of England	Qualitative	Cultural Experience Touristic
Hede et al. (2009)	Journal of Travel and Tourism Marketing	Network analysis of tourism events: an approach to improve marketing practices for sustainable tourism	Is network essential for farmer's market?	Network of stakeholders associated with farmer's market	Qualitative	Tourism Events
Parolo et al. (2009)	Event Management	Optimization of tourism impacts within protected areas by means of algorithms	How conciliate nature conservation and tourism development within protected areas?	New model for optimizing the allocation of tourist infrastructures and apply it to a protected area	Quantitative	Tourism Impacts
Einarsen and Mykletun (2009)	Scandinavian Journal of Hospitality and Tourism	Exploring the Success of the Gladmatfestival (The Stavanger Food Festival)	What are the success factors of festival?	Study of Gladmat festival in Stavanger, Norway	Qualitative	Food festivals

<b>Author (s)</b>	<b>Journal</b>	<b>Title</b>	<b>Research question</b>	<b>Main Research Theme</b>	<b>Approach</b>	<b>Study Object</b>
Quinn (2009)	School of Hospitality Management and Tourism	Festival, Events and Tourism	What is the importance of festival and events in tourism?	Tourism-events-festivals link	Qualitative	Events in tourism
Jaeger and Mykletun (2009)	Scandinavian Journal of Hospitality and Tourism	The Festivalscape of Finnmark	What are the festivals in Finnmark, Noruega?	Creating a festival map	Mixed	Festivals Map in Noruega
Wang (2009)	Tourism Management	The impact of crisis events and macroeconomic activity on Taiwan's international inbound tourism demand	How crisis events affect the demand for inbound tourism?	Study of disasters and how they influence tourism	Quantitative	Impact of crisis events
Lamont and Dowell (2008)	Journal of Vacation Marketing	A process model of small and medium enterprise sponsorship of regional sport tourism events	What is the relation between sponsorship and regional sport tourism events?	Processes and interactions in sponsorship agreements between SMEs and events	Qualitative	Sport events
Hsiao et al. (2008)	Journal of Business Research	Information diffusion and new product consumption: A bass model application to tourism facility management	How information diffusion influences tourists' consumption patterns?	Total and advertising expenditures	Quantitative	Coffee Festival
Eitzinger and Wiedemann (2008)	Risk Analysis	Trust in the Safety of Tourist Destinations: Hard to Gain, Easy to Lose? New Insights on the Asymmetry Principle	Is notion of asymmetry in relation to confidence in the safety of events true?	Positive and negative events and the impact of them	Qualitative	Asymmetry Events
Yuan et al. (2008)	International Journal of Tourism Research	A Model of Wine Tourist Behaviour: A Festival approach	What are the impact of satisfaction and perceived value in tourist's behavior?	Consumer attitudes, satisfaction, perceived value and intentions	Mixed	Wine festivals
Tassiopoulos and Haydam (2007)	Tourism Management	Golf tourists in South Africa: A demand-side study of a niche market in sports tourism	What is the profile of golf tourists an international golf event in South Africa?	Level of development of golf tourism and factors for its success	Quantitative	Sport events
Chang (2005)	Tourism Management	Segmenting tourists to aboriginal cultural festivals: An example in the Rukai tribal area, Taiwan	What is the profile tourists?	Motives and demographic characteristics	Quantitative	Cultural Festivals
Chalip and Costa (2005)	Sport in Society	Sport Event Tourism and the Destination Brand: Towards a General Theory	What is the role of sport events in brand of their host destinations?	Event, strategy and marketing plan	Qualitative	Sport events
Page et al. (2005)	Annals of Tourism Research	Tourist safety in New Zealand and Scotland	Are experiences of this adventure operator's safety?	Compare safety experience of adventure operators in two destinations	Quantitative	Sport events
Getz and Brown (2004)	Tourism Management	Critical success factors for wine tourism regions: a demand analysis	What are the success factors for wine tourism regions?	Preferences of visitors	Quantitative	Wine tourism
Durbarray and Sinclair (2003)	Annals of Tourism Research	Market shares analysis: The case of French Tourism Demand	Is price competitiveness a key variable in market shares?	Magnitudes and determinants of changes in destination's shares	Quantitative	Events and price competitiveness
Carmichael (2002)	Canadian Geographer	Global competitiveness and special events in cultural tourism: the example of the Barnes Exhibit at the Art Gallery of Ontario, Toronto	Do cultural events raise the destination competitiveness?	Spatial impact of the Barnes Exhibit	Mixed	Cultural events
Pretes (1995)	Annals of Tourism Research	Postmodern Tourism: The Santa Claus Industry	Can marketing and new tourist attractions increase destination's visits?	New tourism strategy in Lapland	Qualitative	"Santa Claus Land" and Marketing Plans
Poirier (1995)	Annals of Tourism Research	Tourism and development in Tunisia	How tourism contribute to economy of Tunisia?	Policies implementation and implications	Qualitative	Cultural Impacts of Events

### 3.2.2. Research hypotheses and conceptual framework

Cultural attractions play a key role in tourism and attracting visitors to a destination (Molinillo and Japutra, 2015; Richards, 2002). However, the definition of cultural attractions is not consensual (Molinillo and Japutra, 2015; Leask, 2010). In this ample concept of cultural tourism (Barbieri and Mahoney, 2010; Silberberg, 1995) cultural attractions in terms of facilities, location, events or attributes motivate tourists to visit a destination due to its historic, artistic and scientific value or heritage (Molinillo and Japutra, 2015).

With this in mind, it is important to approach some of the features, which directly or indirectly influence the competitiveness of a destination. In the particular case of the islands, events were seen as exempt from taxes in order to attract visitors who, besides being able to shop and spend money, can also enjoy the exotic beauty of the island (Zainuddin, Radzi, Zahari, Souto, Pulido, Rodriguez, and Alén, 2015). Tourists seek information to help them identify and assess options before purchasing, not only to improve the quality of the trip but also to maximize the use of scarce resources (Wong and McKercher, 2011).

In contrast with other features, Cai, Boger, and O'Leary (1999) point out that local shopping sites, historic sites, places of worship, museums, theme parks and river cruises are the most popular places for travelers. Facilities and safety are the most important factors in the choice of travel destinations, followed by attractions, practical accessibility and the quality of accessibility symbols (Lai and Graefe, 2000). Cai et al. (1999) conclude that safety is a necessary attribute when choosing travel destinations, followed by scenic beauty, price of the trip and quality of hotel and restaurant service (Mok and Armstrong, 1995). In this sense, the following research hypothesis is proposed:

**H1:** The beauty factor positively influences tourists' satisfaction levels in regards to a destination.

Creativity has become increasingly more relevant for the development of tourism in the past few years. Creativity has been used in several ways in tourism: to develop products and tourism experiences, revitalize existing products, value cultural and creative assets and provide economic spin-off for creative development using creative techniques to improve the tourism experience and environment of the place (Richards, 2014).

Creativity offers a series of advantages towards a destination's brand, including the ability of segmenting the members of the creative luxury class, flexibility, attractiveness of creative lifestyles and the ties between creativity and social networks (McRobbie, 2006; Richards, 2014; Trueman and Zenker, 2008).

For example, over the last few decades' companies have become increasingly interested in the creativity factor (Bittner and Heidemeier, 2013; Boytos et al., 2017; Castillo, Alvarez and Placencio, 2018; Przychodzen et al., 2016) and the importance of creativity has an impact on companies' competitiveness (Berg, 2016; Castillo et al., 2018; Groza, Locander, and Howlett, 2016).

There is evidence, which indicates that creativity is an important stimulus and a feature of successful businesses (Ludvig, Tahvanainen, Dickson, Evard, Kurttila, Cosovic, and Gerhard, 2016). It helps to discover new business opportunities and highlights the fundamental role of innovation and entrepreneurship as sources of economic growth (Teixeira, Casteleiro, Rodrigues, and Guerra, 2018; Tu and Yang, 2013). The discussion supports the formulation of the following research hypothesis:

**H2:** The creativity factor positively influences tourist satisfaction.

An important factor in the determination of the amount of resources spent on the organization of events is the analysis of the impact of an event on the satisfaction of the visitors' needs. In this sense the role of events in the development of tourism should be preferred in order to meet the tourists' interests (Panfiluk, 2015). Organization is a term, which means conceptual effort throughout the entire organization process as a means to increase efficiency and feasibility of an organization by economizing and contributing towards the company's competitiveness (Shatreovich, 2014).

Organization quality and satisfaction are two concepts which are analysed in most of the literature on brand loyalty (Gong and Tung, 2016; Jurdana and Frleta, 2016; Lee et al., 2017; Montenegro, 2017; Oom et al., 2012; Okayasu et al., 2016a; Santos et al., 2016; Yürük et al., 2017).

Another relevant factor in the analysis of the relation between events and competitiveness lies in human resources. They are an essential factor in the process of competitiveness and job creation, via the hiring of skilled and creative labour. In other words, the investment in human resources means the investment in creating competitiveness, as it allows to create highly skilled workers which are essential for an increase in productivity (Sekuloska, 2014). These arguments support the formulation of the following research hypothesis:

**H3:** The quality of the organization of events is an important factor in tourist satisfaction.

Tourism, in its cultural dimension may be interpreted by the way in which tourists use their cultural resources (Peters, Siller, and Matzler, 2011; Teixeira and Ferreira, 2018). Their current cultural models define different groups of tourists distinguished by their fruition of culture and products at their disposal (Swarbrooke, 1995). Thus, Jatzold's (1993) classification is based on the destination's available resources (Goeldner and Ritchie, 2009; Hughes, 2000; Jatzold, 1993; Peters et al., 2011; Ritchie and Crouch, 2003; Siller, 2010). Cultural tourism is an adequate field of studies to carryout research from a management (Peters et al., 2011) and cultural resources point of view, which are characterised by a high level of immobility and may be particularly valuable in the market, as well as from the perspective which considers the clients' motivation for travelling (Goeldner and Ritchie, 2009; Ritchie and Crouch, 2003; Siller, 2010). Based on Michael E. Porter as well as other researchers in the field of strategic

management (Almeida-Santana and Moreno-Gil, 2018; Munjal, Requejo, and Kundu 2018) several models and analysis structures have been developed for the formulation of strategies regarding strong and weak points of destinations, in addition to environmental and local threats and opportunities, in order to better understand the sources of competitive advantages (Learned, Christensen, Andrews, and Guth, 1969; Porter, 1980, 1985).

The models and theories centred on the analysis of a destinations' competitiveness (Chen et al., 2016; Dwyer et al., 2014; Erbas, 2016) emphasize the way a destination's resources are dynamised rather than comparing a destination's performance according to the resources it possesses.

The globalization of countries has, to a certain degree, forced regions to increase their economic efficiency standards due to interest and concern in competitiveness, and for that reason nations, regions and cities have no other choice but to try hard to be competitive and survive in the global market, based on an economy shaped by information and knowledge (Gardiner, Martin, and Tyler 2004; Stanickova, 2015). Other attributes, which are undoubtedly important in terms of competitiveness of a destination, are related to the quality of the organization of resources, event, calendar, promotion, activities and other characteristics (Fraj, Matute, and Melero, 2015; Husain, Dayan, and Di Benedetto 2015; Siriphattrasophon, 2017; Stavroulakis and Papadimitriou, 2016). In this sense we raised the following research hypothesis:

**H4:** The scheduling of events is an important characteristic of tourist satisfaction.

Recreational facilities and the distance of the destination of choice are of less importance. We also discovered that tourists place an increased value on the innovation and authenticity of attractions, visiting historic sites, tasting local food, partaking in sport activities and getting to know new environments and cultures during their trips (Hsieh, O'Leary, and Morrison, 1992; Wong and Lau, 2001).

According to Wong and Yan (2004), some of the relevant factors and criteria in the selection of trips are, among many, the place and quality of services, attractions, hotels and airlines, promotion and customer service, referral, personal interests, word-of-mouth publicity, schedules, motivations and travel time are also fundamental technical attributes. Therefore, we propose the following research hypothesis:

**H5:** The promotion of regional events influences tourist satisfaction.

Motivation is understood as a psychological/biological necessity and the wish to awaken, direct and integrate individuals' behaviour (Dann, 1981; Pearce, 1993). Motivation explains behaviours in specific moments and represents a stimulus, which leads us to act in a certain way. It is the driving force behind all behaviours and affects numerous aspects such as involvement, perception and satisfaction (Castaño, Moreno, García, and Crego, 2003; Prebensen et al., 2012). Motivation is complex, multidimensional and dynamic and may vary

from person to person, from one market sector to another and from one decision to the next (Kozak, 2002).

In this context, tourism, by means of travelling, and far from being a passive activity of mere contemplation and imposition of itineraries and schedules, is an active instrument of knowledge and social participation. It is a phenomenon conducive to offering experiences which contrast and differ from those experienced on a day-to-day basis and may lead to self-knowledge, an improved feeling of self-worth and personal fulfilment (Fromer, 2003). According to the presented arguments, we propose the following research hypothesis:

**H6:** Motivation to participate in an event has a positive effect on the visitors' level of satisfaction.

In order to develop the competitiveness of a tourist destination, it is essential that the brand and diversity factor of these main events is strategically implanted in order to produce prominent differentiation points rooted in a richer and more complex perception of identities and images of the destination (Ren and Blichfeldt, 2011). According to Xu (2010) and Smith (1994) tourism products are essentially experiences, regarded as fundamental for the choice and satisfaction of the tourist. In addition to this, higher levels of satisfaction are associated to higher levels of daily expenses (Borges et al., 2016; Jurdana and Frleta, 2016). According to the aforementioned arguments, one can suggest the following research hypothesis:

**H7:** The greater the level of expense of the events the greater the satisfaction level of the tourists.

Thus, it is necessary to consider not only the tangible aspects but also equally the primary intangible products of the destinations and the experiences that they harness, as well as the interconnection between them. In this sense, one of the difficulties stems from the fact that tourist destinations develop several tourism products amongst themselves, emphasizing a synergistic relationship between them, though it may hamper their analysis. The assessment of the role of primary tourism products, obviously recognizes that synergy between the products and their combination of destinations, with on-going attempts to systematize and conceptualize them (Benur and Bramwell, 2015).

Another relevant issue is related to the systems used for recommending events, which have recently gained prevalence with the arrival of social networks (Jhamb and Fang, 2017). Therefore, recommendations are, according to Son and Lee (2011) and Tanford and Jung (2017) a loyalty factor. In other words, recommendation and intention are attributes with multiple relationships between these variables. In short, the most important factor is eventually a recommendation of the destination, which allows for the creation of networks based on the tourist experience, namely with the destination and attributes associated to events and leads to client loyalty, the best publicity possible for a tourist destination (Jhamb and Fang, 2017). In this context and as a result we can formulate the following research hypothesis:

**H8:** The recommendation of an event has a positive effect on its satisfaction.

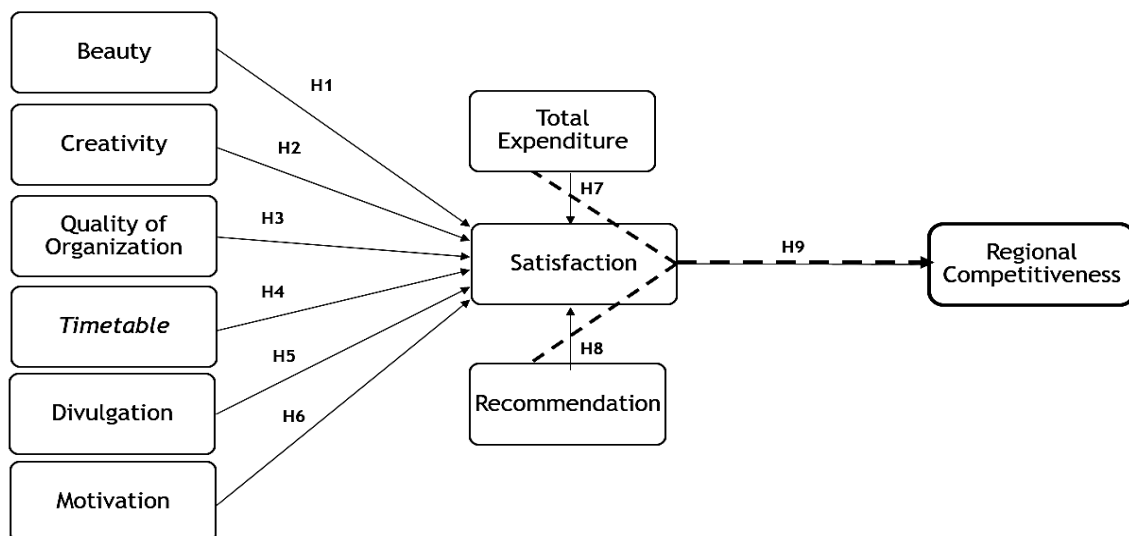
In the context of the constant development of event production, innovation in some of the primary products becomes rather complex for some destinations, due to complex factors associated to those very same products. The main tourism products involve, to a certain extent, a differentiated mixture of elements such as physical premises, natural features and climate, services and hospitality (Benur and Bramwell, 2015; Smith, 1994).

Amongst some of the more intangible product's emphasis is placed on representations and images of tourism products which the tourism industry and other communication channels may promote, as well as cultural and symbolic meanings which the tourist associates to these products (Morgan, 2014; Murphy et al., 2000).

The level of tourist satisfaction with a tourism product constitutes a fundamental concept in the analysis of brand loyalty (Murray and Kline, 2015). In this context, and providing the reasoning of the aforementioned literature, the following research hypothesis is formulated:

**H9:** Satisfaction based on the increase in revenue and the recommendation of the destination contributes towards regional competitiveness.

From the literature review and the formulated research hypotheses, the conceptual research model was designed (figure 1).



**Figure. 1** Conceptual Model Proposal

### 3.3. Methodology

#### 3.3.1. Data, variables and methods

The analysis developed in this study is based on the examination of four events organized by the Madeira Regional Tourism Board (DRT): Carnival, Flower Festival, Atlantic Festival and the Wine Festival. These events were selected, amongst many registered by the organization, as a

means to encompass well-established events with others which are on the rise. Data collection, supported by the DRT, was carried out during 2017.

The survey respondents were selected based on sampling (centred on the weighting of each nationality of guest arrivals in the region) as a means to ensure the representation of the tourist population at the time of the event. The survey questionnaire was translated into four languages (English, German, French and Spanish) and validated by the DRT. Sampling and data treatment processes were organized by a team of the Tourism Observatory at the University of Madeira and carried out, essentially, at the departures of the International Airport of Madeira - Cristiano Ronaldo and the main hotels in the region.

A total of 2262 questionnaires were compiled. Sample values are compatible with the margin of error guideline values of 5% at a 95% level of confidence, considering the population of tourists staying overnight on the island at the date of the events. Questionnaires mainly include closed-ended questions related to the level of satisfaction of the event and assessed on a 7-point Likert scale (Marinao, Chasco, and Torres, 2017) bearing in mind different dimensions and analysis variables related to the production of events as we can see in table 2.

**Table 2.** Study variables

Dimension	Variables	Variable Measurement	Authors
Demographic Data	Age	Age group: [15-24]; [25-34]; [35-44]; [45-54]; [55-64]; over 65	Lai (2018); Marinao et al. (2017); Jurdana and Frleta (2016)
	Gender	Female; Male	
	Marital Status	Single, Married/Domestic Partnership, Divorced, Widow	
	Country of Residence	Portugal, Germany, Great Britain, France, Other (Which?)	
	Qualifications	Basic, Secondary, Undergraduate Degree, Masters/Doctorate	
	Professional Status	Employed, self-employed, student, unemployed, retired, Other (which?)	
Trip Profile	First visit	Yes, No	Cibinskiene and Snieskiene (2015); Okayasu et al. (2016a), Jurdana and Frleta (2016)
	Support	Yes, No	
	Previous knowledge	Yes, No	
	Main motivation	Yes, No	
	Number of Nights	Number of Nights?	
	Travelling with someone	Number of people?	
	Expenses (euros €)	Less than 500; [501-1000]; [1001-1500]; [1501-2500]; [2501-3500]; [3501-5000]; [5001-7500]; more than 7500	
Income (euros €)	Menos 500; [501-1000]; [1001-1500]; [1501-2500]; [2501-3500]; [3501-5000]; [5001-7500]; more than 7500		
Satisfaction Level	Beauty	Likert Scale 1-7	Blanco-Cerradelo et al. (2018), Okayasu et al. (2016a); Jurdana and Frleta (2016)
	Creativity	Likert Scale 1-7	
	Quality of the Organization	Likert Scale 1-7	
	Schedule/Calendar	Likert Scale 1-7	
	Promotion/Exposure	Likert Scale 1-7	
	Motivation	Likert Scale 1-7	
	Overall Satisfaction	Likert Scale 1-7	
	Recommendation	Yes, No	

The questionnaire was self-administered to ensure a higher response rate and freedom of expression of the respondents, mainly in terms of the ‘space’ for criticisms and/or recommendations for improvements.

The retrieved data was later analysed using the *IBM SPSS Statistics for Windows, Version 23.0 Armonk, NY: IBM Corp.* Data processing included two components: relative use of univariate analysis and model estimation based on structural equation modelling as a means to identify interesting causal links and therefore confirm or rebut the outlined research hypotheses.

### 3.3.2. Sample

The target population consisted of all the tourists staying on the Autonomous Region of Madeira during the year 2017 in which the events occurred. Sampling was carried out after each of the events under the following dates: Carnival (22<sup>nd</sup> February to 1<sup>st</sup> March); Flower Festival (4<sup>th</sup> to 21<sup>st</sup> May); Atlantic Festival (3<sup>rd</sup>, 10<sup>th</sup>, 17<sup>th</sup> and 24<sup>th</sup> June); Wine Festival (27<sup>th</sup> August to 10<sup>th</sup> September). In total the sampling encompasses 2262 tourists redistributed throughout the four events: 662 at the carnival, 665 at the flower festival, 337 at the wine festival and 598 at the Atlantic festival (figure 2).

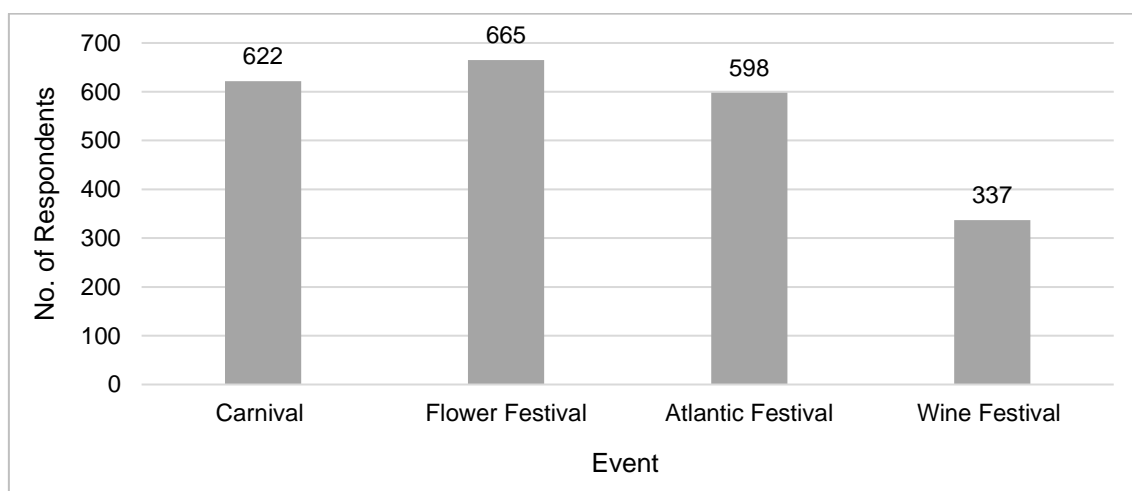


Figure 2. Number of respondents per event

## 3.4. Results

### 3.4.1. Descriptive Analysis of Data

Sampling is evenly divided between men and women, in which the average age of participants is 56 years. Most of the respondents are married (66%), travel in family and are Portuguese (20%), German (25%), British (25%) and French (15%). Around 30% of the sample has a university diploma, and 35% reported secondary level education.

The respondents stay on the island, an average of, 9 days. About 45% are repeating visitors and 25% (on average) have already participated in this event. In table number 3 it is possible to identify the key overall indicators of this study, in regards to each event.

**Table 3. Key statistics**

Indicators \ Events	Carnival	Flower Festival	Atlântic Festival	Wine Festival
<i>Average Satisfaction (Likert Scale: 1 - 7)</i>	5,7	6,2	5,7	5,6
<i>Main reason</i>	14%	42%	4%	3%
<i>Previous knowledge</i>	59%	80%	39%	45%
<i>Repetition rate</i>	17%	12%	11%	15%
<i>Assistance to the key event</i>	76%	72%	81%	28%
<i>Animation in the center of Funchal</i>	46%	84%	37%	52%
<i>Average Age</i>	56,9	61,3	56,2	53,8
<i>Average Income (Euros)</i>	4031€	3233€	3342€	3560€
<i>First Visit</i>	52%	58%	64%	63%
<b><i>Satisfaction Nationality (Likert Scale: 1 - 7)</i></b>				
<i>Portuguese</i>	5,7	6,2	5,7	5,6
<i>German</i>	5,5	5,5	5,5	5,4
<i>British</i>	5,9	6,2	5,9	5,9
<i>Other</i>	5,7	5,9	5,9	5,4
<i>French</i>	6,0	5,8	5,5	5,4
<b><i>Recommendation</i></b>	<b>79%</b>	<b>87%</b>	<b>73%</b>	<b>62%</b>
German	81%	85%	67%	51%
French	88%	83%	66%	61%
Portuguese	78%	85%	79%	66%
British	78%	92%	72%	74%
Other	79%	89%	79%	61%
Total	80%	87%	73%	62%
<b><i>Expenditure (€ per day)</i></b>	<b>133,3 €</b>	<b>125,3€</b>	<b>115,4€</b>	<b>108,3€</b>
German	2 745 €	3 081 €	2 555 €	3 123 €
French	2 599 €	3 628 €	2 818 €	2 668 €
Portuguese	1 674 €	1 925 €	1 779 €	1 533 €
British	2 818 €	3 000 €	2 855 €	2 701 €
Other	2 980 €	3 027 €	3 007 €	2 295 €
Total	2 706 €	2 933 €	2 700 €	2 538 €

The majority of respondents used family, friend and outdoor recommendations as a source of information. Visitors' expectations in relation to the event were met, seeing that 70% were satisfied or very satisfied. On average, around 85% of the interviewees expressed their opinion to recommend the event to friends or relatives. In regard to the motivation behind the trip, past experiences and participation in main and other related events there was great variation from one event to the other, which can be partially explained by spatial factors (events which occur in places other than Funchal) and by the intrinsic appeal of the event (general or specific).

Samples reveal that the Carnival and Flower Festival result in a considerable number of visitors to the island. In turn, the Atlantic Festival and Wine Festival are well positioned to develop a sense of loyalty among partakers, but the number of interviewees that travel with the main purpose of enjoying the event is rather marginal.

As the literature suggests, high levels of satisfaction shared by participants in events lead to high levels of intention of recommending a destination (Jhamb and Fang, 2017) which may be associated to a positive word-of-mouth, positive assessment on Social Networks and return in the near future. Improvements in satisfaction and probability of return, besides a positive word-of-mouth, contribute towards the competitiveness of the destination.

### 3.4.2. Multivariate Analysis

The research hypotheses were successfully tested resorting to structural equation modelling (SEM), via STATA 13.0, in all four events. Table 4 shows the path coefficients of the four models. Model 1 refers to Carnival, Model 2 to the Atlantic Festival, Model 3 to the Flower Festival and Model 4 to the Wine Festival.

**Table 4.** Path coefficients

	Model 1: Carnival		Model 2: Atlantic		Model 3: Flower		Model 4: Wine	
	Coef.	Sig.	Coef.	Sig.	Coef.	Sig.	Coef.	Sig.
<i>Satisfaction</i>								
Beauty->Satisfaction	0,2594	0,001*	0,1556	0,002*	0,1787	0,032**	0,3661	0,006*
Creativity -> Satisfaction	0,2300	0,001*	0,1567	0,001*	0,0291	0,644	...	...
Organisation ->Satisfaction	0,1082	0,075***	0,0737	0,062***	0,2481	0,001*	0,2468	0,087***
Timetable ->Satisfaction	0,0757	0,165	-0,0047	0,899	0,9659	0,066***	0,0002	0,998
Divulgation->Satisfaction	0,0963	0,006*	0,0596	0,036**	0,0165	0,620	0,1178	0,087***
Motivation ->Satisfaction	0,0963	0,097***	0,0246	0,881	0,1779	0,049**	0,1797	0,715
<i>Recommendation</i>								
Satisfaction ->Recommendation	0,0709	0,000*	0,0987	0,000*	0,1304	0,000*	0,1905	0,000*
Timetable->Recommendation	0,0547	0,000*	0,0041	0,638	-0,0209	0,203	0,0675	0,052**
Motivation->Recommendation	0,0787	0,133	-0,0315	0,508	-0,0328	0,338	0,0598	0,810
Divulgation->Recommendation	...	...	...	...	...	...	-0,0946	0,006*
<i>Expenditure</i>								
Satisfaction->Expenditure	-0,1156	0,036**	0,0442	0,603	0,1283	0,093***	-0,1904	0,028**
Income->Expenditure	0,3518	0,000**	0,3018	0,000*	0,2174	0,000*	0,3125	0,000*
Motivation->Expenditure	...	...	...	...	...	...	1,9528	0,007*
Divulgation->Expenditure	...	...	...	...	-0,1739	0,001*	...	...

Note: \*p < 0.01; \*\*p < 0.05; \*\*\*p < 0.10.

The models relate the observed variables according to the causal sequence and the estimates provide paths coefficients for each structural path (research hypotheses). Conventional tests were applied to assess the statistical significance of each hypothesized relationship. In order to assess the suitability of SEM to model the data we examined the

incremental and absolute fit indexes according to practice in addition to chi-square statistics. (Hair, Black, Barry, and Anderson, 2010).

The absolute fit indexes are employed in order to assess the extent to which (how well) the structural equation modelling “reproduces the sampling data” (Whittaker, 2006). The “most common fit indexes” available in standard software packages “include” Chi-Square statistics, Standardized Root Mean Residual (SRMR) and the Root Mean Square Error of Approximation (RMSEA). The most common incremental fit indexes are the comparative fit index (CFI), and the Tucker Lewis Index (TLI). By definition both the CFI and the TLI exhibit figures ranging between 0 and 1, with higher scores indicating greater improvement in the fit.

Table 5 highlights the Goodness of fit measures, for the different models related to each event, and the results of structural equation modelling are analysed as follows: Likelihood ratio (x), Prob > chi2, RMSEA, 90% CI, lower bound, upper bound, pclose, CFI, TLI, SRMR, CD. The results of the statistic goodness of it measures are shown in figures 3, 4, 5, 6 for each event.

**Table 5.** The goodness of fit measures

	<b>Carnival</b>	<b>Atlantic</b>	<b>Flower</b>	<b>Wine</b>
Likelihood ratio (x)	12,76	16,119	18,20	14,001
Prob > chi2	0,466	0,243	0,109	0,122
RMSEA	0,012	0,022	0,033	0,056
90% CI, lower bound	0,000	0,000	0,000	0,000
upper bound	0,047	0,053	0,062	0,111
pclose	0,975	0,927	0,809	0,375
CFI	0,998	0,989	0,970	0,969
TLI	0,996	0,979	0,939	0,927
SRMR	0,016	0,023	0,015	0,038
CD	0,547	0,353	0,290	0,563

The results of structural equation modelling (Table 5) reveal an acceptable fit for all models. Likelihood ratio figures (12,76; 16,119; 18,20; 14,001), Prob > chi2 = (0,466; 0,243; 0,109; 0,122), indicate an adequate fit for the data. The CFI (0,998; 0,989; 0,970; 0,969) and TLI measures (0,996; 0,979; 0,939; 0,927) are located above the recommended “cut-off point” of 9,9 for a well-fit model. The RMSEA (0,012; 0,022; 0,033; 0,056) figures are in conformity with the recommended “cut-off point” of 0,08 for an acceptable model fit (Hair et al, 2010).

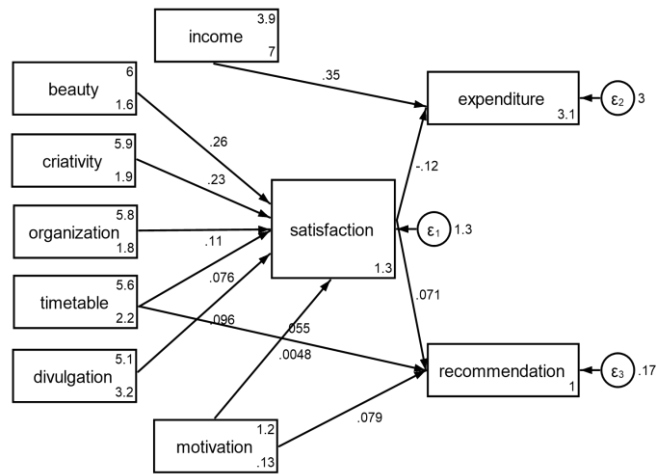


Figure 3. Structural Model of the Carnival Event

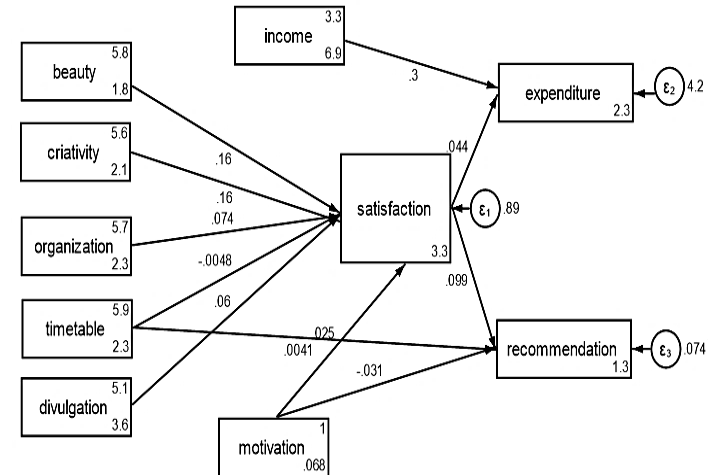


Figure 4. Structural Model of the Atlantic Festival Event

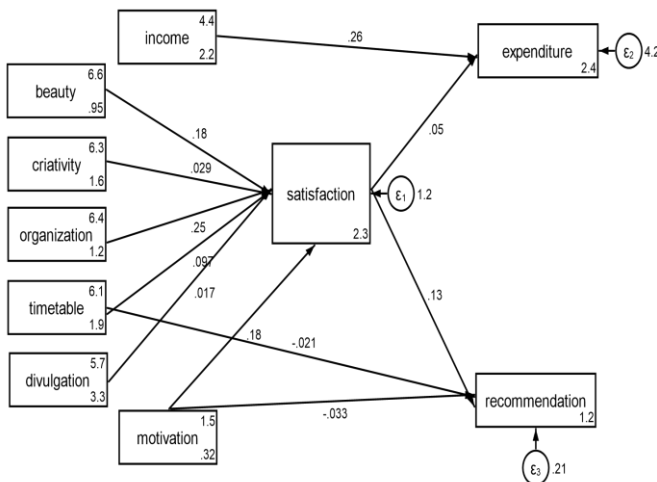


Figure 5. Structural Model of the Flower Festival Event

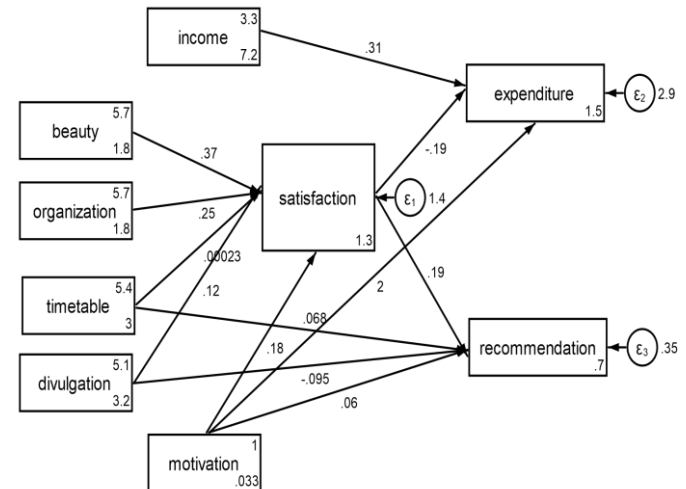


Figure 6. Structural Model of the Wine Festival Event

### 3.5. Discussion of the Empirical Results

The first hypothesis (H1): The beauty factor positively influences tourists' satisfaction levels in regards to a destination, is supported as the beauty factor shows a direct positive and strong relation to satisfaction in all models and events. These results are corroborated in several studies (Blanco-Cerradelo, Gueimonde-Canto, Fraiz-Brea, and Diéguez-Castrillón, 2018; Lowe, Maggioni, and Sands, 2018; Madzík, Pitekova, and Daňkova, 2015). Regarding the second hypothesis (H2): The creativity factor positively influences tourist satisfaction, it is clear that the creativity factor is irrelevant in the determination of the level of satisfaction at the Flower Festival and is rejected in this model but accepted in other events. It is not possible to, therefore, state that Hypothesis 2 is entirely confirmed. Being creative is equally important in this respect, but not decisive (Bittner and Heidemeier, 2013; Boytos et al., 2017; Przychodzen, et al., 2016).

In regards to the third hypothesis (H3): The quality of the organization of events is an important factor towards the competitiveness of the region, the variable organization is statistically significant in all models and therefore the hypothesis is accepted. However, the coefficient path of creativity in regards to satisfaction is merely statistically significant in two models (Carnival and Atlantic). It is possible, nonetheless, to advance that matters of organization, information and accessibility are considered important for most of the respondents.

From this we can conclude that they value all the information and support, which allows one to know how to get to the area of the event and understand its choreography. In this sense, it is possible to refer that the organizers of the event are forced to stand out in offering attractive, well-planned and aesthetically appealing events. This result is in line with previous studies in the literature. The respondents seem to be time sensitive individuals willing to recommend well-planned events (Abebe, 2014; Fraj et al., 2015; Shatrevich, 2014).

In what concerns the fourth hypotheses (H4): The scheduling of events is an important feature in tourist satisfaction, one can state that the schedule in which the event is carried out is only accepted in regards to the Flower Festival. The schedule variable is not statistically significant to explain the level of satisfaction reported by participants in the remainder events. Besides this, the scheduling variable seems to significantly affect the probability of recommending the event in Models 1, 2 and 4. Also, Marinao, et al., (2017) study refers to this aspect evidencing results in the same sense.

The fifth hypothesis (H5): The promotion of regional events influences tourist satisfaction and competitiveness, and in light of the results, does not seem to be at all relevant, as this hypothesis is merely supported in the model regarding the flower festival and rejected in the remainder events. Matters related to promotion and details of schedules are of less importance,

which suggests that the core of the concerns of the organization should be centred on creative solutions, which attract the attention of participants (Marinagi, Trivellas, and Sakas, 2014).

In what concerns the sixth hypothesis (H6): Motivation to participate in an event has a positive effect on the visitors' level of satisfaction, the results are not globally consistent. Significant results were only found in the Carnival and Flower Festival.

The results indicate a direct effect between motivation and satisfaction in model 1 (significance level of 10%) and model 3 (significance level 5%). It is possible to conclude that the events in analysis meet the expectations of motivated participants, besides also matching the interests of those who travel specifically for an event. These results emphasize the importance of attracting and "satisfying" not only tourists who travel on purpose as well as those who attend an event by chance. Event organisers have managed to create attractive events for an ample base of potential "clients", equally "satisfying" the interests of tourists travelling to the island for general purposes as some studies in the literature state (Molinillo and Japutra, 2015; Montenegro, 2017).

The seventh hypothesis (H7): The greater the level of expense of the events the greater the satisfaction level of the tourists, is only accepted in model 3 (flower festival) and rejected in the remaining models seeing that the highest level of satisfaction does not seem to positively influence the level of expense. Contrarily, greater levels of satisfaction are matched to lower levels of expense, which is the case for the Carnival, Atlantic and Wine Festival. However, higher levels of income lead to greater levels of expense. In other words, being a motivated participant leads to a higher level of expense. In addition to this, the promotion seems to lead to higher levels of expense, as evidenced in the study of Ferrari et al. (2018).

In regards to the eighth hypothesis (H8): The recommendation of an event has a positive effect on satisfaction. In turn we can observe that in terms of recommendation, travelling with the sole purpose of attending an event is relevant. This hypothesis is accepted in all the analysed models and events for which a recommendation may be considered as an important attribute for the destination and cultural events (Jhamh and Fang, 2017).

The ninth hypothesis (H9): Satisfaction based on the increase of revenue and the recommendation of the destination contributes towards regional competitiveness, refers that the most satisfied participants would be willing to recommend a destination and spend more money. The results indicate a statistically significant direct effect of satisfaction on the probability of recommending the destination in all models, for which this hypothesis is accepted. These results corroborate some of the studies revealed in the literature (Alegre and Garau, 2010; Parker, Charlton, Ribeiro and Pathak, 2017; Tsai, Song, and Wong, 2009).

Table 6 summarizes the results of the formulated hypotheses for each of the four events.

**Table 6.** Result of Hypotheses

Events Hypothesis	Carnival	Atlantic	Flower	Wine
H1 - Beauty	Not Reject	Not Reject	Not Reject	Not Reject
H2 - Creativity	Not Reject	Not Reject	Reject	*
H3 - Quality of Organisation	Not Reject	Not Reject	Not Reject	Not Reject
H4 - Timetable	Reject	Reject	Not Reject	Reject
H5 - Divulagation	Reject	Reject	Not Reject	Reject
H6 - Motivation	Not Reject	Reject	Not Reject	Reject
H7 - Expenditure	Reject	Reject	Not Reject	Reject
H8 - Recommendation	Not Reject	Not Reject	Not Reject	Not Reject
H9 - Satisfaction	Not Reject	Not Reject	Not Reject	Not Reject

\* Note: This variable was not analysed at the Wine Festival

The obtained results are used to relate event participation and the positive assessment of a series of technical features of events with greater satisfaction levels, resulting in a greater interest in returning to the destination. Generally speaking, results suggest that the organization of events reached a considerable level of success in the transformation of cultural resources (which includes geography, history of the local streets, secular tradition in organizing events on specific streets of the city) and the value of decades-worth of experience in organizing attractive popular events such as the Carnival, for most of the respondents who travelled on purpose for such events or other reasons. The reliance of satisfaction levels with issues such as beauty and organization suggests two routes for event organization.

There is an obvious on-going focus on providing aesthetically appealing events that bear in mind the importance of factors such as the local natural beauty, comfort and safety that the island of Madeira offers as a destination. In this sense factors such as the venues for key events, accessibility issues (on foot, public transports), the interpretation of resources and downtime are continuously subject to improvements. Thus, in a general sense one can state that a greater level of satisfaction with technical features associated to local/regional events has an impact on the level of competitiveness.

### 3.6. Conclusions

The purpose of this study was to analyse the contribution of satisfaction levels with tourism events as a product of regional competitiveness. A few existing studies on motivation, satisfaction and destination competitiveness have been limited to the analysis of the tourist's perception regarding the destination, ignoring in practice the perception of tourists as consumers of tourism products. Studies have been focused on competitiveness yet they have ignored tourists' perceptions (Chen et al., 2016; Cracolici et al., 2008; Enright and Newton, 2004; Pansiri, 2014).

The results obtained in this study and answering the initial question raised, indicate that the organization of aesthetically appealing, well organized events with appealing schedules,

among other technical characteristics which offer experiences which lead to higher level of satisfaction, reflect greater competitiveness in terms of the destination.

We also sought to analyse the relation between the tourist's satisfaction and their intention to recommend the destination. In terms of implications it matters to refer that the results indicate that additional investments in terms of conception, production and organization of pleasant events are profitable as they contribute towards higher satisfaction levels and consequently a greater probability in recommending the event. It is of a greater implication of this study. As managerial implications, it is important that the DRT invests in technical skills in terms of the analyses of the partakers' preferences, and in the design and conception of scenarios and experiences. It is an essential investment for the reinforcement of destination competitiveness. Another relevant implication results from the fact that higher levels of satisfaction are related to a higher level of initial visits in the near future as well as the probability of an increased volume of positive publicity. Another result with implications is the number of participants who participate by chance. In this sense, there should be a concern with this segment, and action plans and strategies should be outlined in order to captivate and actively involve this type of participant. To sum up, we can conclude that events have an impact on tourist satisfaction, which leads to recommendations, tourist loyalty and an increase in tourism demand and regional competitiveness.

In terms of theoretical-practical contributions, it is important to emphasize the advantages of the simultaneous analysis of different events. Though the results were not all the same, due to the diverse nature of the events, it is clear that there regularity with greater theoretical interest. For example, the impact of the organization of events on tourists' level of satisfaction. Experience and improvements in terms of organization, consolidated in a cohesive team which ensures the management of certain components of the different events from January to December, enables the accumulation and transfer of knowledge and experience from one event to the other. Events seem to increasingly appear as one "mega event" throughout the year, rather than follow an individual line of action.

### **3.7. Limitations and Suggestions for Future Research**

Results have enabled the identification of several interesting results, which allow for a wider line of research and extension to other fields of research. For instance, due to the number of participants involved in a casual manner (who did not travel specifically to the island for an event) it would be interesting to analyse the reason behind their participation in the event (ex. information given by the hotel reception, advice and information passed on by other guests).

This is an issue of greater importance, seeing that the majority of participants end up casually involved in the events. Another line of research would be to identify the resources or tools, which may ease the involvement of participants in learning sessions regarding local

cultural resources. Only a small number of participants partake in other activities besides the key activities or sessions of the events. Another interesting issue to research would be to explore and analyse the role that some of these crafts may have on the island's competitiveness, that is, on the region's gross domestic product or even on a national level.

With the intention of an overall panorama it would be extremely interesting to also analyse competitiveness factors and the innovation of companies in the tourism sector. Thus, we would have an extremely important transversal analysis focused on the identification of research gaps, the analysis of tourist satisfaction with these products and their contribution towards regional competitiveness. In addition to that, other fields for future research may be to highlight the importance of local crafts as a competitive factor and advantage as well as the way that companies in the tourism sector work.

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## **CHAPTER 4**

# **Entrepreneurial Artisan Products as Regional Tourism Competitiveness**



# Entrepreneurial Artisan Products as Regional Tourism Competitiveness

## Abstract

The purpose of this paper is to explore and analyse the role of entrepreneurial artisan products in regional tourism competitiveness. This study applies secondary data from different sources (Regional Directorate of Statistics of Madeira, the Madeira Institute of Wine, Embroideries and Handicrafts) covering a temporal period spanning the last 15 years (2001 - 2015). This deployed quantitative data analysis through an econometric approach with recourse to regression models and the Pearson's correlation technique. According to the results, it is suggested that in terms of external support and funding, there should be a greater role and a boost in the number of projects carried out not only under the auspices of the European Union but also under the Autonomous Region of Madeira. Thus, participant companies may invest in greater business efficiency and entrepreneurship, in innovation, promotion and the internationalisation of their products, and thereby obtain greater overall regional competitiveness. The generalisation of results remains to a certain extent limited given the findings stem from only one particular region. The exclusive utilisation of secondary data may also undermine the robustness of the results obtained. The study provides empirical evidence that helps in identifying the role of artisan products within the capacity for regional tourism sector entrepreneurship and competitiveness. Furthermore, this also contributes to the knowledge of the scientific community particularly interested in artisan and cultural entrepreneurship and regional competitiveness in the tourism sector.

**Keywords** Artisan Products, Culture, Entrepreneurship, Tourism, Regional Competitiveness, Innovation.

**Paper type:** Research Paper

## 4.1. Introduction

Tourism represents one of the most important industries worldwide and performs a fundamental role in the development and competitiveness of many regions (Abreu et al., 2018; Ayikoru et al., 2013; Byun et al., 2017; Camisón and Forés, 2017; Cheng and Yiu, 2016). However, tourism does not only generate economic benefits but also brings socio-cultural gains (Hieu and Rasovska, 2017; Hwang, Baloglu, and Tanford, 2019).

This importance of entrepreneurship to economic development, job creation and innovation has deepened the interest of researchers, and decision makers across various levels, in studying and understanding just how they may in fact impact in terms of regional entrepreneurial activities (Aron et al., 2018; Niki and Konstantinos, 2018; Teixeira et al., 2017).

As regards cultural entrepreneurship, this has received growing recognition of both its potential and the relevance of the arts to economic development alongside their role in society and in regional development. Furthermore, there has been greater emphasis placed both on local and artisan goods and on regional tourism (Ratten and Ferreira, 2017).

According to Lounsbury and Glynn (2001), cultural entrepreneurship consists of a historical process that interconnects the existing resources with private entrepreneurship, and the subsequent creation of capital and wealth. This form of entrepreneurship has risen in keeping with how attentions have concentrated more closely on the cultural forms of business.

Prior research has shown how cultural heritage is gaining importance across different and distinct levels of the economy (Alberti and Giusti, 2012; Florida, 2002; Hesmondhalgh, 2002; Scott, 2002) and that regions may develop competitiveness through taking advantage of their cultural and artisanal heritage (Bandarin et al., 2011; Boix et al., 2012; Cooke and Lazzarotti, 2008; Pereira and Von, 2011).

Earlier studies on small cultural companies and contributions to regional development refer to how shortcomings remain in terms of studying artisanship (Tregear, 2005). Artisanal entrepreneurship encapsulates the manufacturing of artisanal goods and services that are then sold onto others. Generally, the majority of artisan entrepreneurs focus on the clothing and foodstuff industries as they prefer to produce their own products bound up with their own cultural heritage (Rahman and Ramli, 2014; Tregear, 2005).

According to Ndegwa, Groote and Gitonga (2015), different artisanal entrepreneurship projects have already prepared many artisans in the acquisition of entrepreneurial competences as well as providing technical skills and capacities, especially within the scope of developing countries above all focusing on the usage of new technologies.

Diverse studies have already approached themes such as artisanal products, artisanal entrepreneurship, and the direct or indirect relationship between tourism competitiveness and artisan activities (Abreu et al., 2018; Benur and Bramwell, 2015; Kies, 2013; Llonch, 2012; Moky, 2013; Norcliffe and Rendace, 2003; Pansiri, 2014; Ratten and Ferreira, 2017; Stewart et al., 2008; Thompson, 2014).

According to Costa and Buhalis (2006), there is a need for a new conceptual approach to tourism that incorporates the introduction of new products with emerging solutions and industries such as: reengineering established products and destinations, emerging destinations based on fashion and accessibility, products based on experience, products based on nature, eco and adventure tourism, sports and event tourism, urbanisation and residence tourism, new age travel/tourism: spiritual experiences, shopping and tourism, gastronomy, food and wines;

Thanatourism and Dark Tourism, (including spiritual tourism and pilgrimage) and as well as even space tourism.

There is furthermore still a need to attain a greater understanding about the relationships between culture and entrepreneurship due to their importance to management and strategic planning (Carlos, 2018; Daniela et al., 2018; Ferreira et al., 2016; Gërguri-Rashiti et al., 2015; Krueger et al., 2013; Ratten and Ferreira, 2017).

The success of regions in innovating stems from their capacity to take advantage of cultural entrepreneurial capacities. However, the literature contains very little detail on the issues around entrepreneurship and regional innovation (Ratten and Ferreira, 2017).

On the Autonomous Region of Madeira (ARM), a Portuguese island chain, tourism clearly prevails as the predominant sector and, according to various official sources (Regional Smart Specialisation Strategy (RIS3) ARM, and Regional Agency for the Development of Research, Technology and Innovation (RADRTI), there is a major lack of scientific studies on just how to best generate critical mass in this sector. Despite the growing controversy in the literature around cultural heritage clusters and tourism's contribution towards regional competitiveness, the relationship between cultural heritage and competitiveness still remains broadly unexplored, especially as regards the mediating role of the tourism sector's performance (Alberti and Giusti, 2012).

Indeed, there is a fairly clear gap as regards research on the contributions of entrepreneurial artisanship and artisan products towards the competitiveness of regions and how these may influence the perceptions of consumer products (Bhaduri and Stanforth, 2017). This article correspondingly seeks to overcome this issue through studying two regional products and analysing their contributions towards the competitiveness of the Madeira region.

The process of interaction between visitors and residents, specifically on island destinations, remains broadly unexplored (Moyle et al., 2010) all the while cold water and secondary islands also falls off the general scope of academic study (Brent and Mikko, 2006). Hence, understanding the value perceived by clients is important as luxury products frequently get purchased both due to the quality of the product and for the emotional and symbolic value that the products represent (Hwang and Kandampully, 2012; Rahman and Ramli, 2014; Santagata, 2004). This study thus seeks to explore and analyse the role of entrepreneurial artisan products in regional tourism competitiveness. Hence, this focuses on the following research question:

*RQ1.* What are the contributions and impacts of artisan entrepreneurship and its various outputs to regional tourism competitiveness?

The paper's structure is the following: after the introduction here in section 1, section 2 sets out a literature review on this theme. Section 3 characterises the methodology and methods used. Section 4 empirically analyses the data for two artisan products. Finally, section

5 contains a discussion of the results, some final considerations, the main study limitations and suggestions for future lines of research.

## **4.2. Literature Review**

### **4.2.1. Artisan Products**

Over the years, some studies have identified growing cultural diversity in the marketplace and the subsequent development of learning mechanisms adopted and adapted by both entrepreneurs and consumers (Elliot et al., 2018). In western traditions, the production of artisan goods reflects particular ethical qualities, attractive to a certain extent through embodying dignity, skill, integrity, self-confidence and also a special emphasis on the factors around the skills related to artisanal production. However, this does not only involve codified and cognitive knowledge but also tacit knowledge and the originality necessary to such products (Thompson, 2014).

Despite the diversity in the literature applying the expression “culture”, Mokyr (2013) refers to how there is a lack of knowledge about the ideas and beliefs that come to the fore in competitive markets. Apart from the limited scenario Santamaría and Lecuona (2016) describe in their study, artisanship and its products remain understudied. Such studies might enable improvements in and wider recourse to artisanal production with inputs worth taking into consideration when implementing projects designed to develop this sector.

According to the United Nations Educational, Scientific and Cultural Organization (UNESCO, 2011), the artisanal product classification incorporates the experiences of exporting products produced at the local level that enable the promotion of the image of a destination and that represent artisanal production, identified in the market with the presence of cultural, economic and commercial features of artisanal production and the image of a strong heritage that spans the competitiveness of the entire region.

The great importance attributed to artisanal products and their impact on regional competitiveness and development features in various different studies (Draper et al., 2016; Hassan, 2000; Mokyr, 2013; Ramadani et al., 2017; Santamaría and Lecuona, 2016; Thompson, 2014).

The artisan industry ranks as one of the major sectors not only for its ability to absorb a larger sales force in comparison with larger industrial sectors but also for making more significant contributions towards regional GDP - Gross Domestic Product (Tambunan, 2011). The artisan industry produces a diverse range of products such as textiles, handicrafts, paintings, clothing, batik, curtains and tablecloths, among others (Amin, 2006).

The tourism sector, in turn, plays a fulcral role in the economy of the Autonomous Region of Madeira (ARM), involving the most diverse sectors of its economic activities, including tourism operators, hotels and restaurants, travel agencies, retail and commerce, ports,

airports, airline companies, tourism entertainment companies, transport companies, teaching establishments and government entities as well as the companies producing regional and local products.

Thus, and taking 2013 as our year of reference, it is possible to verify that the overall impact of the tourism sector on the ARM economy represented around 30% of the GAV generated, 24% of GDP and over 15% of total employment in the region. Hence the importance of grasping what impact some of this sector's segments holds for the tourism competitiveness of the region and, to this end, it was carried out a study of two regional products, specifically Madeira Wine and Embroidery (RDSM, 2017).

Regional competitiveness and the wine sector have both come in for widespread debate and the subject of research undertaken by politicians, political decision makers as well as some academics (Viassone et al., 2016). The literature defines regional competitiveness as the capacity of a destination to deliver goods and services so that they function better than other destinations as regards aspects of the tourist experience deemed important by tourists (Dwyer and Kim, 2003) and the capacity to design and integrate products with added value that sustain resources while maintaining the market position in relation to other competitors (Hassan, 2000). There is consequently therefore a great need to study the factors shaping the wine sector and the questions surrounding regional attractiveness and competitiveness (Gardiner et al., 2004; Viassone et al., 2016). Furthermore, the rise in the number and volume of wine sector related events and festivals has resulted from the greater interest in this niche market by the tourism sector (Draper et al., 2016; Frost and Laing, 2015; Mare and Whitford, 2013; Viassone et al., 2016).

Wine tourism began emerging in importance from the mid-1990s onwards when there appeared constant growth in the number of tourists interested in wine and coupled with relatively high levels of purchasing power. This motivational facet to wine tourism involves services and products related to the region but complemented by wine (Brown and Getz, 2006; Carrà, 2016). This definition of wine tourism spans the activities of visiting vineyards, wineries and wine events, including the tasting and experiencing of the different attributes associated with wine (Chong, 2017; Hall and Mitchell, 2000). Regional competitiveness and the wine sector have received significant attention from politicians and political decision makers as well as academics (Viassone et al., 2016).

However, and despite some literature on the wine sector and regional competitiveness, there remain only scant measurements evaluating the contribution made by this relationship, thus, the importance the wine sector holds for regional competitiveness (Viassone et al., 2016). Nevertheless, some researchers have already turned their attention to this product, wine, in various different contexts and regions associated with regional competitiveness (Chong, 2017; Hira, 2013; Sarturi et al., 2016; Viassone et al., 2016; Wang, 2016).

Embroidery in Madeira represents a traditional activity that was subject to protectionist policies in 1926 and regulated by corporatist rules after 1935. Regional embroidery sector clusters, in this case that of Madeira, provide the grounds for analysing shared strategies for strengthening business competitiveness. The government strategy incorporated an initiative designed to improve the wellbeing and material conditions of workers through the launching of a collective brand, Madeira Embroidery. However, the state protection following 1926 and rules implemented in effect amounted to an excess of regulation that hindered companies seeking to innovate and compete (Câmara, 2011).

At that time, there was a common strategy to strengthen the business competitiveness of a range of export oriented artisanal production companies. This made recourse to a system for certifying product quality and promoting a collective brand.

Madeira Embroidery is traditional to the archipelago of Madeira in Portugal and involves such materials as linen, silk, cotton and organdie with manual techniques serving for the production of tablecloths, shirts, dresses, handkerchiefs and scarves, among other such items.

Some artisan villages have contributed by making these products for retail to the tourism sector but this does not reflect the extent of the opportunities and potential for tourism development and that also faces major challenges, including product competition and trends in the exchange rate markets (Hieu and Rasovska, 2017). Some studies have focused on this artisanal type, embroidery, as a competitive product, even while only a few studies have approached this question (Câmara, 2011; He and Zhang, 2013; Hieu and Rasovska, 2017; Patke, 2015; Scrase, 2003).

#### **4.2.2. Artisanal tourism entrepreneurship and innovation**

Handmade and personalised artisan goods have experienced a global resurgence in various market niche segments. While representing only a small scale of production and consumption, the perceptions of artisan goods fall within the scope of contemporary development and processes of production. Artisan production has since moved on from purely traditional methods and evolved to incorporate innovative practices (Lorella et al. 2017; Rao and Gopi, 2016).

The importance of families to economic success clearly represents a fulcrum dimension to those artisan masters that seek to expand beyond the small scale sphere of production and establish themselves as commercial or industrial producers (Ehmer, 2001).

The artisanal and small scale clusters form the central point of a local economic development strategy due to their intense capacity for labour and job creation, very often in regions where there are not many other economic opportunities (Milanez and Puppim, 2013). Hence, innovation in the artisan sector, in the tradition and the capacity of artisans, in the technical domain, in empowering the actors involved in new market trends, among other innovative characteristics so as to be able to attract tourism, helps in preventing the

authenticity of regions and their cultural heritage from dying out. Some studies have already approached these questions interconnected with artisanal innovation in the tourism sector (Hjalager et al., 2017; Milanez and Oliveira, 2013; Norcliffe and Rendace, 2003; Sundbo et al., 2007; Tregear, 2005), but few associate, this with an innovative capacity and a factor driving regional competitiveness.

The role of individual entrepreneurs in developing a destination often gets referenced as crucial to its potential for innovation and destination competitiveness (Pikkemaat et al., 2018).

Cultural entrepreneurship emerges out of the increasing rise in the recognition and importance attributed to the arts in the economic development of a region (Ratten and Ferreira, 2017). Diverse authors account for how global socioeconomic changes have driven innovation and the restructuring of rural spaces with the objective of participating in the service economy as tourism entrepreneurs (Prince, 2017). Some authors have also already approached the importance of questions of entrepreneurship as fundamental tools for artisanship and tourism (Mokyr, 2013; Ndegwa et al., 2015; Prince, 2017; Ratten and Ferreira, 2017; Stewart et al., 2008).

George and Zahra (2002) define culture as the enduring set of values of a nation, region or organisation and entrepreneurship as the acts and the processes by which societies, regions, organisations and individuals identify with the search for opportunities to generate wealth. This combined definition contains the values but also the role of persons in enabling cultural entrepreneurship to prosper (Ratten, 2011).

Unless there is the intention to discard the role of entrepreneurship and entrepreneurs in economic history, their role in focusing and coordinating cultural beliefs should remain on the historical economic agenda reflecting their role as a factor driving economic change (Mokyr, 2013).

Artisanal production has regained its value and again now perceived as a pillar of development with the measures applied by international organisms and states confirming this vision. Artisanal production may transform the creative value of an area or a region and therefore requires protection and support for growth so as to leverage its core essence. The productive potential should also not ignore the usage of tools that generate benefits while enabling interactions with other sectors might also provide a transcendental strategy (Santamaría and Lecuona, 2016).

### **4.2.3. Regional Tourism Competitiveness**

The competitiveness of a destination encapsulates a combination of competitive and comparative advantages. Comparative advantage incorporates the inherited resources such as the climate, landscapes, fauna, flora, handicrafts, traditional products; competitive advantage interrelates with created items such as the quality of management, tourism structures, the

competences of employees and government policies, for example (Dwyer and Kim, 2003; Wilde et al., 2017). Regional competitiveness can be defined with the capacity that the regions gain in terms of providing an attractive place for companies and inhabitants to live and work there (Annoni and Dijkstra, 2010). Dunning et al. (1998) argue that competitiveness represents a means of discussing the relative performance of an economy in comparative terms. Some authors consider any definition of competitiveness difficult beyond identifying Gross Domestic Product (GDP) as a key indicator. There are various studies of national levels of competitiveness (Alberti and Giusti, 2012; Eickelpasch et al., 2007; Guerrero et al., 2016; Neutzling et al., 2015; Porter, 2000; Wilde et al., 2017).

According to a study by Ritchie and Crouch (2003), there are six dimensions to the competitiveness of destinations: (1) economic, (2) political, (3) social, (4) cultural, (5) technological, and (6) the environment. These authors propose a rather vast framework for the competitiveness of destinations that includes both the main facets of macro (national) and micro (regional) competitiveness as well as the competitive and comparative advantage of tourism destinations. Other authors (Ferreira, et al., 2016; Jingyi and Chung-shing, 2018; Marica, 2014; Matthew, et al., 2016; Reve and Sasson, 2015; Ritchie and Crouch, 2003) in turn, propose that five main components make up the competitiveness of tourism destinations: (1) essential and attractive resources; (2) support factors and resources; (3) destination management; (4) destination policies, planning and development; and (5) determinants of qualification and amplification. The conceptual model set out in figure 1 conveys the factors that may positively contribute to regional tourism competitiveness in general terms. Among the multiple factors existing, this model identifies those factors that constitute the focus of this study: the importance of internal and external markets, artisan products, Madeira wine, Madeira embroidery, tourism innovation, touristic entrepreneurship and regional tourism competitiveness.

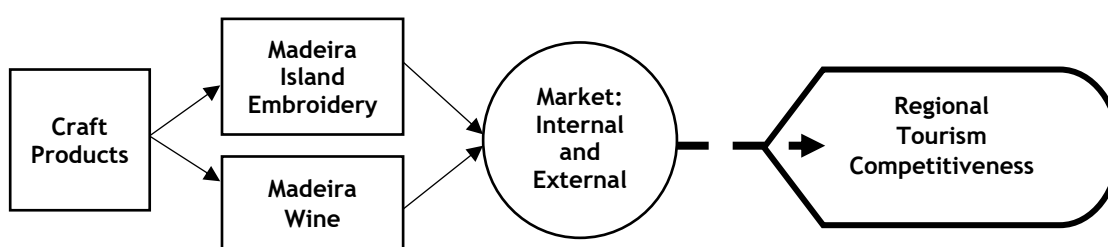


Figure. 1 Conceptual model

### 4.3. Methods and data

The selection of methods took place in accordance with the various means of data collection, such as observation and content analysis based upon secondary data so as to avoid any excessive dependence on any single source and therefore avoiding jeopardising the reliability of the

findings (Chong, 2017). Research into the winery sector has thus far tended to ignore the client perspective Dressler, (2016) and Garcia et al. (2013). The academic community identified the need to return insights derived from empirical studies and put forward analysis of segments (Barber et al. 2009), multidimensional approaches (Engelbrecht et al., 2014), analysis of the impacts of profit (Garcia et al. 2013) and researching client-side experiences (Fuller et al. 2009) as priorities. To this end, it was made recourse to the databases run by Regional Directorate of Statistics, Instituto Nacional de Estatística (*Statistics Portugal*), and Institute of Madeira Wine, Embroidery and Handicrafts. These databases contain information referring to the commercialisation of Madeira wine and embroideries ever since 1976 in the case of wine and since 1998 in the case of embroideries and artisan products.

The databases also detail the annual sales (whether at the regional or national levels) and as well as the main European markets alongside others worldwide. In the case of Madeira wine, it was verified production per litre and the total value of exports in euros; in turn, in the case of embroidered and artisan products, it was report on the annual production in euros and its main export markets. It nevertheless opted to analyse only the data for the last 15 years, from 2001 to 2015, covering the main export markets as well as Portuguese GDP, Portuguese Mainland GDP, Madeira GDP and EU (European Union) GDP. These data were subsequently transported to SPSS.23 before undertaking analytical regression processes both for National GDP and Madeira GDP for the aforementioned period.

It was applied Pearson's correlation to the data for Madeira wine and for the embroidered and artisan products. Then it was carried out variable normality tests, the *Kolmogorov-Smirnov* tests and correlation analysis for the variables. Pearson's coefficient serves to measure the intensity and direction of the association between two quantitative variables (Casaca, 2005) while multiple linear regression analyses the product impacts on regional GDP and its respective competitiveness. Based on this analysis, it was able to identify the weighting of these products in GDP and the products generating the greatest weighting in overall exports.

A correlation purely and simply measures the association between the variables and without any implication as regards cause and effect between the pairing. This coefficient varies between -1 and +1 =  $(-1 \leq R \leq +1)$ , in which  $r > 0$  means the variables vary in the same direction; while  $r < 0$  holds the variables vary in the opposite direction. In the present study, before carrying out the correlation study, the authors undertook analysis of the normality of the variables under analysis, especially the figures for National GDP, Madeira GDP and Mainland Portugal GDP for the period between 2001 and 2015. Hence, through the *Kolmogorov-Smirnov* test, it was verified the existence of a distribution for these three variables bordering on that of a normal curve ( $p > 0.05$ ), enabling the option in favour of parametric statistics for the subsequent analytical procedures.

#### 4.3.1. Unit of Analysis: ARM - Autonomous Region of Madeira

The Autonomous Region of Madeira is an archipelago located in the Atlantic ocean, to the Southwest of the Portuguese coast and a European Union region. This region spans, in conjunction with the islands of Porto Santo, Ilhas Desertas and Ilhas Selvagens, the archipelago of Madeira and thus forms the Autonomous Region of Madeira, which has the city of Funchal as its regional capital.

The island of Madeira was of volcanic origin and now covers an area of approximately 742.4 km<sup>2</sup>, with an average altitude of 1371.6 meters, a perimeter of 179.3 km, with its highest point at Pico Ruivo at 1,862m and endowed with extensive exotic flora and a subtropical climate. The regional economy focuses broadly on the tourism sector.

The Region contains eleven councils (see figure 2): Calheta, Câmara de Lobos, Funchal, Machico, Ponta do Sol, Porto Moniz, Porto Santo, Ribeira Brava, Santa Cruz, Santana and São Vicente, with a total population, according to the most recent census (2011), standing at 267,785 inhabitants, of whom 126,268 are male and 141,517 are female.

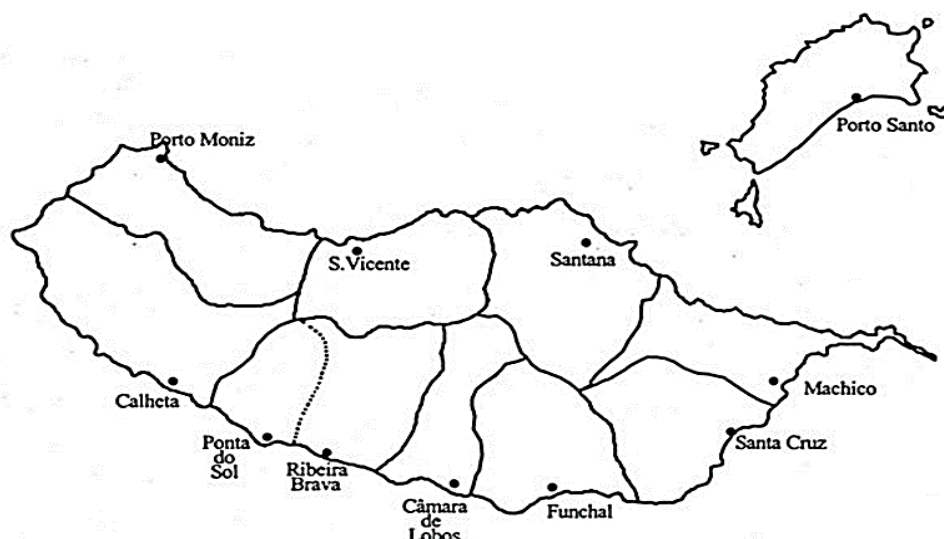


Figure. 2 Geographic map of the Autonomous Region of Madeira

According to IMWEH - the Institute of Madeira Wine, Embroidery and Handicrafts, there are currently (November 2017) 85 registered artisans and 70 productive artisan units, 30 companies producing Madeira embroideries and around 3,000 embroiderers dedicating themselves daily to this art. In the wine sector, there are eight major producers and exporters of Madeira wine alongside 2,044 designated wine producers registered with IMWEH.

#### 4.4. Results and Data Analysis

As regards the results, it was first opted to identify, as detailed in table 1, the main artisan products and the leading artisan productive units in each ARM council constituting the main artisan producers currently active in the region.

**Table 1.** Artisans and artisan productive units in the Autonomous Region of Madeira

Council	No. of Artisans	Activities - Artisan Types
Calheta	2	02.05 - Tiles; 02.01 - Ceramics; 02.06 - Painted Ceramics
Câmara de Lobos	7	05.16 - Production of Utensils and Other Wooden Objects; 02.01 - Ceramics; 02.05 - Tiles; 01.14 - Embroidered Products; 13.32 - Art of Working Synthetic Materials; 01.07 - Production of Clothing Accessories; 02.03 - Figurative Ceramics
Funchal	38	13.09 - Art of Glass Working; 13.27 - Art of Wax Working; 01.11 - Rag Doll Making; 13.12 - Jewellery; 05.13 - Cooperage; 13.32 - Art of Working Synthetic Materials; 01.07 - Production of Clothing Accessories; 02.01 - Ceramics; 13.18 - Production of Miniatures; 04.02 - Art of Leather Working; 13.07 - Art of Stained Glass Making; 06.06 - Art of Brass Working; 02.05 - Tiles; 01.12 - Making of Knitted Articles; 05.09 - Art of Gilding; 08.02 - Art of Paper Working; 05.16 - Production of Utensils and Other Wooden Objects; 13.32 - Art of Working Synthetic Materials; 13.36 - Production of Accessories
Machico	1	01.07 - Production of Clothing Accessories
Ponta do Sol	1	13.15 - Production of Musical Wind Instruments
Ribeira Brava	4	05.16 - Production of Utensils and Other Wooden Objects; 13.32 - Art of Working Synthetic Materials; 04.04 - Production and Repair of Cobblestones; 05.16 - Production of Utensils and Other Wooden Objects
Santa Cruz	22	01.07 - Production of Clothing Accessories; 01.06 - Production of Tailored Clothing; 02.03 - Figurative Ceramics; 01.13 - Production of Lace Goods; 01.09 - Production of Home Fabrics; 01.03 - Art of Printing; 05.06 - Wood Sculptures; 03.01 - Basket Weaving; 03.16 - Production of Straw and Other Similar Articles; 01.11 - Making of Rag Dolls; 13.36 - Production of Accessories; 01.12 - Production of Knitted Articles; 01.17 - Wool Felting; 13.09 - Art of Glass Working
Santana	8	13.18 - Production of Miniatures; 03.13 - Production of Corn Leaf Dolls; 03.01 - Baskets; 01.01 - Preparation and Weaving of Textile Fibres
São Vicente	2	02.01 - Ceramics; 01.07 - Production of Clothing Accessories
Total	85	Artisan Producers

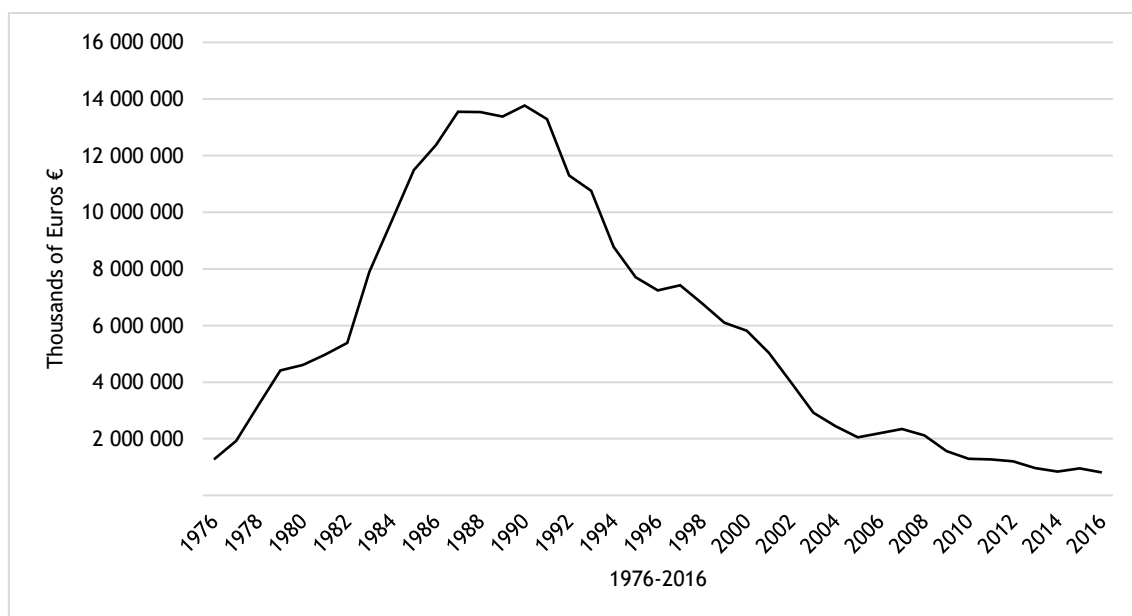
Source: Adapted from IVBAM (2017).

The quantitative analysis of the data refers to two artisanal products: Madeira wine and embroideries in accordance with the official data produced by IMWEH - Institute of Wine, Embroidery and Crafts of Madeira, I.P. and RDSM - Regional Directorate of Statistics of Madeira for the period between 2001 and 2015.

##### 4.4.1. Madeira embroideries and handicrafts

Madeira embroidery stems from a traditional activity undertaken to strengthen the competitiveness of a specific cluster of export oriented artisanal producers (Câmara, 2011).

Correspondingly, figure 3 sets out the data on the evolution in Madeira Embroideries and Handicrafts for the period between 1976 and 2016. It can thus be noted how this market experienced growth from 1976 to 1990 but has henceforth entered into a period of sustained decline.



Source: Adapted from IVBAM (2017) and DREM (2017).

Figure 3. Annual Sales of Embroideries, tapestries and similar articles from 1976 to 2015 - Global Market

Table 2 provides the results of the analysis of the market data for Madeira Embroideries and Handicrafts and the respective Pearson’s correlations.

Table 2. Pearson’s correlation between the GDP values and the Madeira Embroideries and Handicrafts Markets

	National GDP	Mainland GDP	Madeira GDP
Embroideries and Handicrafts - Total General Sales	-.870**	-.870**	-.860**
Embroideries and Handicrafts - Total National Sales	-.838**	-.838**	-.829**
Embroideries and Handicrafts - Madeira Sales	-.829**	-.828**	-.812**
Embroideries and Handicrafts - Mainland and Azores Sales	-.826**	-.825**	-.862**
Embroideries and Handicrafts - Total International Exports	-.893**	-.893**	-.882**
Embroideries and Handicrafts - Exports to Australia	-.920**	-.921**	-.861**
Embroideries and Handicrafts - Exports to Bermuda	-.934**	-.933**	-.937**
Embroideries and Handicrafts - Exports to Canada	-.634*	-.632*	-.717**
Embroideries and Handicrafts - Exports to Spain	-.808**	-.809**	-.740**
Embroideries and Handicrafts - Exports to U.S.A.	-.855**	-.854**	-.847**
Embroideries and Handicrafts - Exports to France	-.479	-.477	-.542*
Embroideries and Handicrafts - Exports to Italy	-.874**	-.874**	-.853**
Embroideries and Handicrafts - Exports to the U.K.	-.896**	-.895**	-.887**
Embroideries and Handicrafts - Exports to Switzerland	-.603*	-.604*	-.504

Note: \*\*  $p < 0.01$  and \*  $p < 0.05$

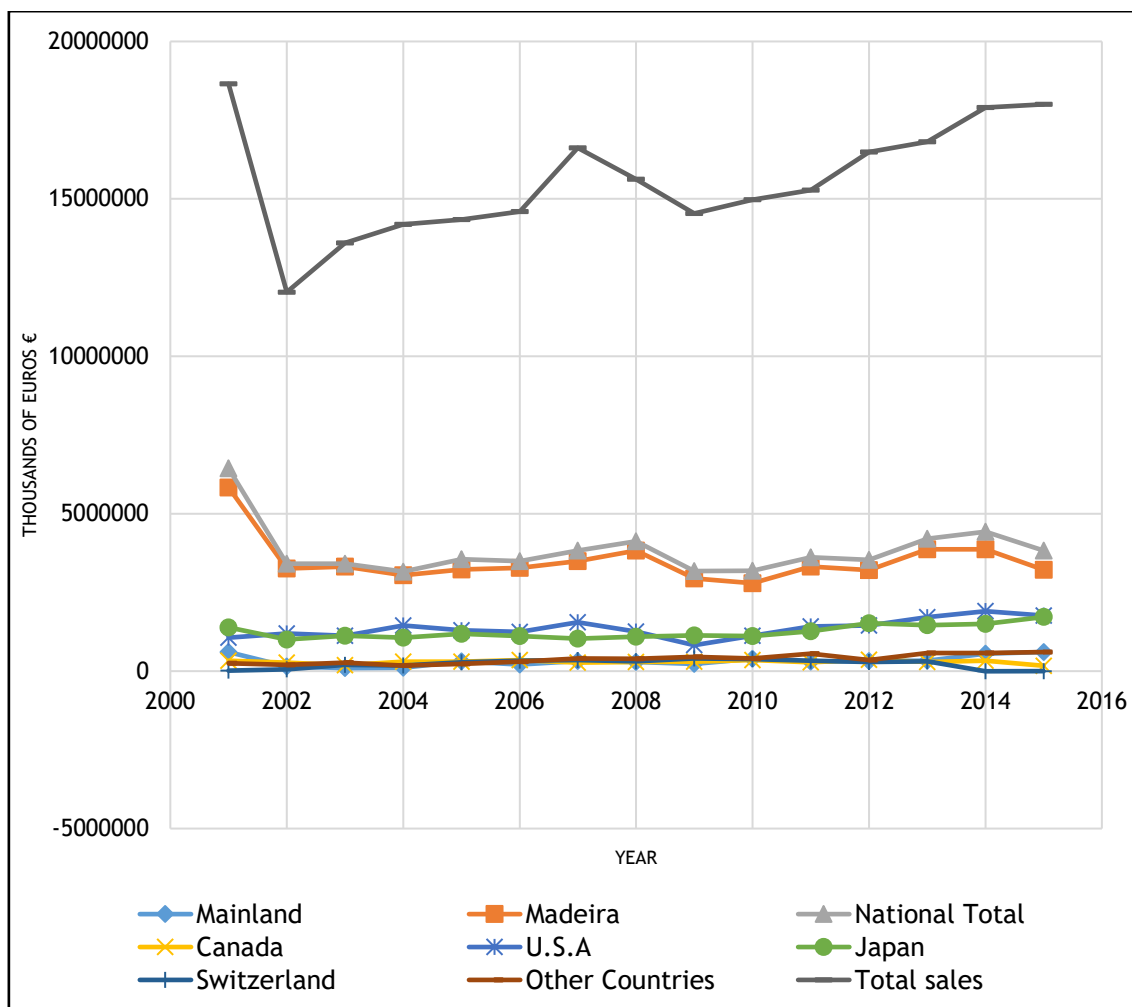
Given that the Pearson's correlation results for the GDP values and the sales figures for Madeira Embroideries and Handicrafts, both in national and international markets, return negative values and generally lack significance, it was concluded that while the GDP totals have risen, the sales of embroideries and handicrafts have tended to decline and hence there is no association with the rise in GDP.

It can therefore be concluded that the trend in the annual sales of embroideries, tapestries and decorative article to global markets stems from the fact that the artisans have encountered certain problems, such as limited access to financing, shortages in raw material supplies, limited production capacity, the interests of third party intermediaries, the non-existence of organised business structures, minimum access to technology and other resources in conjunction with the lack of organisation and low levels of associational activities (Ramadani, et al., 2017; Rubel, 2018).

#### **4.4.2. Madeira Wine**

Consumers are increasingly displaying a rising preference for regional and local products (Guy, 2011). The role of exports in the Autonomous Region of Madeira economy became a highly important factor within the scope of ascertaining to what extent exports may contribute towards the regional economy and how they might best contribute towards regional competitiveness.

This correspondingly aims to verify whether or not there is an interconnection between exports, in this case of artisanal goods (Wine and Handicrafts), economic growth and the respective regional competitiveness. This region produces a fair number of goods, services and products that contribute towards its wealth and the tourism activities for example that generate its main source of oncome. However, also playing a role in this story are the other goods that get exported, including those focused on by this study, Madeira Wine, Embroideries and Handicrafts. Figure 4 sets out the trends in these products for the period between 2001 and 2015, and their main exports by destination.



Source: Adapted from IVBAM (2017) and DREM (2017).

Figure 4. Commercialisation of Madeira fortified wines and main markets 2001-2015.

The measurements quantify the intensity and direction of association between these two variables. The results show that the financial output in euros have risen over the years and attaining €17,688,588.45 in 2015. Hence, it finds that the quantity produced does not hold any major influence over the revenues obtained from wine sales, which instead experience variations in the prices in effect for exports.

In table 3, it set out the data analysis steps taken for the Madeira wine market through recourse to Pearson’s correlation.

**Table 3.** Pearson's correlation between the GDP totals and the Madeira wine market

	National GDP	Mainland GDP	Madeira GDP
Wines - Mainland Sales	.242	.246	.089
Wines - Madeira Sales	-.446	-.442	-.543*
Wines - Total National Sales	-.344	-.340	-.459
Wines - Total General Sales	.284	.290	.137
Wines - Exports to Canada	.111	.108	.149
Wines - Exports to U.S.A.	.339	.343	.266
Wines - Exports to Japan	.247	.251	.091
Wines - Exports to Switzerland	<b>.924**</b>	<b>.923**</b>	<b>.939**</b>
Wines - Exports to Other Countries	<b>.760**</b>	<b>.763**</b>	<b>.652**</b>

Note: \*\*  $p < 0.01$ ; \*  $p < 0.05$

As regards the correlations for the Madeira wine data, and through the Pearson's correlation coefficient, it was analysed wine production revenues in thousands of euros, and comparing the trend in the GDP for the Autonomous Region of Madeira with the National, Mainland and Madeira figures (N=15) figures. It also analysed sales on the Mainland, on Madeira, the National Total, the General Total, and Exports to Canada, U.S.A., Japan, Switzerland and Other Countries.

Following the analysis of the earlier data (table 3), it is may report that there are only significant correlations, positive and strong  $p < 0.01$ , between the revenues from wine exports to Switzerland and the three GDP values. In addition to these values, it also returns significant correlations, positive and strong  $p < 0.01$ , for exports to other countries. Furthermore, account for another incidence of significant correlation, moderate and negative, between the totals for Madeira wine sales and the Madeira GDP performance. Thus, these variables display inverse behaviours as whenever there is an increase in one, there is a decline in the other. The remaining correlations turn out to be practically non-existent or weak and failing to attain statistical significance.

Multiple linear regression of national GDP assumes the existence of a linear relationship between variable Y (the dependent variable) and the k independent variables,  $j \times (j = 1, \dots, k)$ . The independent variables serve to explain the variation in Y when not predicting such variation. In this specific case, the objective is to understand to what extent may some variables (Wine exports to Switzerland) return predictive capacities as regards both National GDP and Madeira GDP so that, in the following step, it is able to define a regression model that enables us to estimate the values under similar conditions to our sample (data relative to a timeframe of 15 years), based on already known parameters. Furthermore, this ensures an understanding as regards the weightings these exports hold in terms of GDP variations over this same timeframe.

Given the reduced scope of the data, is not able to include more than two variables in the model and took the option to construct a multiple linear regression model in accordance with the *Stepwise* method that represents the strategy chosen by exploratory studies given that the selection of the entrance sequence for the predictors in the equation takes place statistically due to the lack of any alternative consistent theoretical model.

The model begins with all the variables in the set and progressively removes those returning the statistically least significant results. This process continues until the remaining variables all hold their own importance (statistically relevant), thus until there are also no further improvements in the performance of the model or there are no further variables for removal. The variable that attains the greatest correlation and the greatest significance is that for wine exports to Switzerland.

Hence, to explain National GDP, it was introduced the two variables for wine sales that attained pertinence (exports to Switzerland and to Other Countries) and, through the *Stepwise* method, it was obtained a significant model,  $F=75.854$ ,  $p < 0.001$  with the inclusion of one variable. The resulting linear regression model significantly explains 84.2% of the variations in National GDP (with results of  $r^2 = 0.854$  and of  $r^2$  adjusted = 0.842), with only a single variable achieving relevance to the model as detailed in tables 4 and 5.

**Table 4.** Summary of the Regression Model for Predicting National GDP

	R	R <sup>2</sup>	R <sup>2</sup> adjusted	F	gl	Sig.	Durbin-Watson
1	.924 <sup>a</sup>	.854	.842	75.854	13	.000	1.749

Note: a) Predictors: (Constants), Wine - Exports Switzerland

**Table 5.** Linear Regression Model for Predicting National GDP

Model	Non-standardised coefficients		Standardised coefficients	t	Sig.	Collinearity statistics	
	B	Standard Error	Beta			Tolerance	VIF
(Constant)	127141.080	4326.521		29.386	.000		
1 Wine Exports to Switzerland	.125	.014	.924	8.709	.000	1.000	1.000

National GDP may correspondingly be defined by the equation:

$$\text{National GDP} = 127141.080 + 0.125 \times \text{Value of Wine Exports to Switzerland.}$$

In order to analyse the quality of this model, it has to test the assumptions. Hence, beginning with analysis of the independence of errors, it is possible state that the Durbin-Watson test returns an inconclusive result (D-W= 1.749). Furthermore, whether through graphic analysis of the residuals or through descriptive statistics, it is found that these organise

themselves in a random fashion around zero and it can therefore be concluded that the errors are independent.

The multicollinearity prevailing among variables constitutes a serious problem in regression analytical procedures (Roosbeh, 2018). There may be another assumption, that of the absence of multicollinearity among the explanatory variables, through the results returned for Tolerance (which should be greater than 0.1) and VIF (Variance Inflation Factor, which should be below either 5 or 10). In the case of this regression model, the Tolerance stands at 1.000 and the VIF result is 1.000, therefore clearly indicating the absence of multicollinearity. In regression analysis, researchers generally encounter a problem with multicollinearity defined as the linear dependence between variables. The absence of multicollinearity may lead to either a broad range of confidence in the individual parameters or the linear combination of erroneous signals (Roosbeh, 2018).

The assumptions related with the normality of this residual distribution were also robust; K-S=113,  $p > 0.200$ . In sum, it is possible to state that this model is significant, robust and explains 84.2% of the variance encountered in the figures for National GDP while ensuring various indicators favourable to validating the assumptions.

In the construction of this regression model, it was adopted the same procedure as in the previous models with the introduction of the same variables in keeping with how these had correlated with Madeira GDP (Exports to Switzerland and to Other Countries). Therefore, in order to explain National GDP, it was introduced the two variables relating to the wine sales that had attained relevance (wine exports to Switzerland and to Other Countries) and, through the *Stepwise* method, the significant model was obtained,  $F=97.558$ ,  $p < 0.001$  with the inclusion of one variable as featured in the linear regression model set out in tables 6 and 7.

**Table 6.** Summary of the Regression Model for Predicting Madeira GDP

Model	R	R squared	R squared adjusted	F	gl2	Sig.	Durbin-Watson
1	.939 <sup>a</sup>	.882	.873	97.558	13	.000	2.299

Note: a) Predictors: (Constants), Wine - Exports Switzerland

**Table 7.** Linear Regression Model for Predicting Madeira GDP

Model	Non-standardised coefficients		Standardised coefficients	T	Sig.	Collinearity statistics	
	B	Stan. error	Beta			Tolerance	VIF
(Constant)	2723.049	124.838		21.813	.000		
1 Wine Exports to Switzerland	.004	.000	.939	9.877	.000	1.000	1.000

This model, in addition to attaining significance, explains 87.3% of the variations in Madeira GDP (value of  $r^2 = 0.873$  and  $r^2$  adjusted = 0.882).

Thus, the GDP of Madeira can be defined for the period under analysis by the equation:

$$\text{Madeira GDP} = 2723.049 + 0.004 \times \text{Value of Wine Exports to Switzerland.}$$

Furthermore, it was again validated the regression assumptions, especially the independence of errors (despite the Durbin-Watson result of 2.299, situated in this test's undefined zone of null hypothesis, the error distribution returns a zero average, and a random dispersion around this value), the nonexistence of any correlation between the explanatory variable (with Tolerance = 1.000 and VIF = 1.000) and a normal distribution of residuals (K-S= 0.197,  $p= 0.121$ ). In summary, it is possible to assume that this model holds significance, is robust and explains 87.3% of the variance verified in the Madeira GDP for the period under analysis while also returning various other indicators favourable to the validation of these assumptions.

#### 4.5. Discussion of the Empirical Results

The development of artisanal tourism has contributed towards the preservation and development of regional artisanal traditions in a sustainable fashion as this assists not only in expanding the market but also in opportunities favourable to developing production as well as preserving and promoting the cultural values of regions (Hieu and Rasovska, 2017).

Within the scope of its competences, IMWEH highlights its role as the entity issuing quality certificates for Madeira Embroideries, Handicraft and Wine as well as the organism responsible for promoting and raising the profile of these regional products both nationally and internationally.

Within the framework of a study analysing the behaviours of the artisanal Madeira Wine and Embroidery and Handicraft product sectors and in order to correlate these with regional competitiveness, the authors sought to achieve these aims through statistical tests and analysis, in particular correlation analysis and linear regression models.

In general, the results and some of their findings are necessary given the period of time for activity development both in terms of the commercialisation of wine and embroidered products and handicrafts as well as other regional products. In addition to activities interrelated with entrepreneurship, regional competitiveness and artisan culture rank as extremely important to the majority of regions and, as a result of these activities, local sales, service quality standards, market growth, relationships with clients, and the portfolio of products and services all clearly rose.

Correspondingly, this returned only a very weak correlation for Embroidered and Artisan products and a positive correlation for the Madeira wine variable in terms of GDP and the competitiveness of activities, thus, there are indeed some associations between the variables studied. Another relevant question stems from the fact that the regional artisan and embroidery

sector cluster provided a strategic base focused on strengthening business and industrial competitiveness (Câmara, 2011).

The proposal presented provides an important contribution to the sector, especially given the lack of studies approaching these analytical problems in wine companies. Furthermore, in keeping with the position of (Rodríguez et al., 2010), this affirms that rural territories, especially around tourism destinations, receive influences from increases in competitiveness arising out of their closest heritage and traditions as regards what they produce and what they have, products such as wine.

Indeed, as other studies carried out in the meanwhile point out, wine tourism represents an essential facet to boosting the competitiveness of wine producing regions, generally managed by small and medium sized companies (Alpizar and Maldonado, 2009; Medina and Tresserras, 2008; Millán et al., 2008; Rodríguez et al., 2010; Ruiz and Pelegrín, 2011). Our study does emphasise that their value is important and contributes towards a higher competitive level. It can thus be stated that, in order to overcome problems as regards exports of Madeira Embroideries and Handicrafts, there is a need to invest in innovation, quality and entrepreneurship without overlooking improvements to business infrastructures so as to keep up with the embroidered and handicraft products produced in other countries with lower quality standards.

It was compared GDP with exports for a given period of time so as to ascertain the extent to which export earnings contributed towards the creation of wealth for a determined year or period of years. This comparison demonstrated how the total weighting of handicraft and embroidered exports does not attain a very significant level in terms of GDP within the economy given its low percentage input over the period of analysis. Nevertheless, wine does display some impact on GDP even while Embroidered and Handicraft products hold practically no relevance, perhaps due to the sheer scale of the decline in exports over recent years. Hence, economic and political transitions bring unknown information and uncertain results, whether positive or negative (Ramadani et al., 2017).

However, despite the modest role played in exports, these two products, Wine and Embroideries, indirectly perform an important role for the regional economy due to the number of companies involved as well as the level of employment generated in addition to the economic activities generated by the production and spread effects of such activities and correspondingly contributing to the ARM economy.

#### 4.6. Conclusions

Tourism, in its artisan facet, plays an important role in commercialising the tourist basket of products that provide a fundamental input into regional tourism competitiveness.

The artisan industry ranks as one of the core industries in terms of its ability to absorb a larger sales force in comparison with other larger industries while also making significant contributions towards the region's GDP (Tambunan, 2011). The first major consideration and in accordance with the Animation Cell of the Portuguese Network Leader II (2003), artisanship performs a major cultural role and fulfilling functions such as: productive utility, aesthetic and decorative, cultural, heritage and symbolic, social, recreational and pedagogical and environmental roles and functions.

However, as a main contribution, these facets can be added to these other functions as inputs into the touristic, entrepreneurial, innovative, complementary product and regional tourism competitiveness dimensions.

Cultural entrepreneurship has received growing levels of recognition, which has arisen from the great importance of the arts to economic development, their role both in society and in regional development (Nur, 2016; Ratten and Ferreira, 2017). There has also been a greater emphasis on local and artisanal goods interconnected with culture and with the tourism of a region (Ratten and Ferreira, 2017). In turn, Lounsbury and Glynn (2001) understand cultural entrepreneurship as a historical process interconnecting existing and business resources with the subsequent creation of capital and wealth. This form of entrepreneurship rises in keeping with the extent to which persons concentrate on cultural forms of business (Lounsbury and Glynn, 2001).

Nevertheless, in studies of small cultural companies and their contributions towards regional development, there remains a significant gap as regards the relationship between artisan goods and artisans (Tregear, 2005). Artisanal entrepreneurship involves the production of artisanal goods and services then sold to others. Normally, the majority of artisan entrepreneurs operate in the clothing and food and beverage sectors as they prefer to produce their own products interconnected with their cultural heritage (Tregear, 2005). Another phenomenon emerging in recent years derives from the growing demand for protected food products that display constant quality over time and guarantee a high level of satisfaction in relation to both taste and emotion (Bellia, 2014). In July 2006, IMWEH - the Institute of Wine, Embroidery and Handicrafts of Madeira emerged out of the merger of the IVM - the Institute of Madeira Wine and IBTAM - the Institute of Embroideries, Tapestries and Handicrafts of Madeira.

In a global market in which the level of competitiveness requires a constant focus on quality and its promotion without ever losing sight of consolidation and sustainable growth in the production of the traditional regional products, there is correspondingly a requirement, in service of the goal of public service efficiency and economies of resources, to concentrate on the promotion and profile of these products within the framework of a single organism, endowed with administrative and financial autonomy. Within this framework, the IMWEH seeks to provide continuity to the support policies for regional embroideries and handicrafts and wine

and wineries while preserving all the capital of credibility built up in the meanwhile by IVM and IBTAM.

It is also important to state how these two products gain international recognition as high quality products and associated with the Madeira image, which certainly benefits emerging exports labelled with the “Madeira Product” brand, alongside other transformative industries such as the sugarcane derivatives, especially Madeira rum, honey and sweets/desserts based on sugarcane molasses, tropical fruits, and flowers and among others. Consequently, it should also mention that, based on this methodology and based on information from the territory analysed, it may also be proposed, as future research studies, comparative works enabling the presentation of solutions for the discrepancies observed and resulting from statistical analysis that better defines the best means of returning more reliable and realistic estimates of the products produced by winery and artisan activities on the island of Madeira as put forward by Beverland (2000).

Comparing the case studies on wine tourism across different geographic areas while applying similar methodologies, Mitchell and Hall (2006) report an influence on the relationship between tourism and companies and analysing each specific context, emphasising the festivals, wine routes and other wine related attractions.

Wine tourism, regional development, the socioeconomic impact of tourism and its respective host areas are susceptible to analysis, including restaurants, hotels, employment and local artisan and handicraft activities given the reported only modest strategy with its weak linkage with competitiveness. Hence, and taking the new scenario into consideration, the study here approaches this discussion in terms of both regional competitiveness and GDP.

The authors may thus conclude that in order to overcome the problems regarding the impact of artisan goods and exports, there is a need to invest in innovation, quality and entrepreneurship but while also without overlooking investments in boosting company infrastructures in order to avoid getting overtaken by the lower quality embroideries and handicrafts produced in other countries.

Within the scope of these conclusions, it would emphasise that the Madeira wine sector should consider the series of looming challenges to maintaining its position in the market and thus its overall competitive level.

Finally, it is possible confirm that in terms of external support and funding, there should be a greater role and a boost in the number of projects carried out not only under the auspices of the European Union but also under the ARM regional government so that participant companies may invest in greater business efficiency and entrepreneurship, in innovation, promotion and the internationalisation of their products.

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## **CHAPTER 5**

# **Innovation as a driver of business tourism competitiveness**



# Innovation as a driver of business tourism competitiveness

## Abstract

The objective of this study involves analysing the factors of and barriers to innovation and their respective impacts (directly and indirectly) on the competitiveness of both locations and their host companies. Based on primary data collected by questionnaire from a sample of 119 companies operating in the tourism sector in the Autonomous Region of Madeira (Portugal), we applied a quantitative methodology with recourse to econometric models and multiple linear regression. The study identifies and empirically tests the existing and underlying relationships between innovation (factors and barriers) as the means of leveraging the competitiveness of destinations and their companies. The results hold important theoretical and practical implications contributing towards innovation for competitiveness and furthermore contributing towards filling a shortcoming identified in the literature.

**Keywords:** Destination Competitiveness, Business Competitiveness, Tourism Companies, Innovation, Autonomous Region of Madeira, Tourism.

**Paper type:** Research Paper

## 5.1. Introduction

Despite the already existing contribution made by the literature on competitiveness and innovation in the tourism sector, there still remains a lack of clarity and consensus as regards the ways in which these facets interrelate (Henderson, Avis, and Tsui, 2018). Competitiveness has become one of the main concerns of regions and companies all around the world (D'Ippolito, 2014). With tourism representing a cluster important to both the development and competitiveness of regions, there is particular relevance in analysing the potential of this sector (Chhetri, Chhetri, Arrowsmith, and Corcoran, 2017).

Hence, the importance also of exploring, identifying and analysing the critical factors and barriers to the success of business models susceptible to ensuring ever greater innovation and market competitiveness (Long, Looijen, and Blok, 2018). Innovation plays a crucial role in economic policies due especially to its contribution as a factor for competitive advantage. Competitiveness is not only a concern for societies, industries, companies and governments but also for researchers studying this field in general (Abreu Novais, Ruhanen, and Arcodia, 2018; Armenski, Dwyer, and Pavluković, 2017; Ferreira, Fernandes, and Ratten, 2017; Ryan, 2018; Teixeira and Ferreira, 2018).

Academic studies have already generated a multiplicity of points of view on this theme (Abreu Novais et al., 2018; Zehrer, Smeral and Hallmann, 2016) even while there are only very

few studies exploring the relationships and variations in the factors of innovation in the relationship with the competitiveness of either the destination or its host companies (Abreu Novais, et al. 2018).

In some conceptual models of tourism region competitiveness, this competitiveness emerges as necessary to distinguishing between factors relating to the external and internal environment in addition to evaluating their impact on the development of regions, estimating their weighted coefficients (Cibinskiene and Snieskiene, 2015). According to this line of thought, the study of the sources of competitive advantage and taking into account the differences in the results returned by companies establishes the foundations for discussion, whether of economies or of tourism destinations, by researchers in this field of study (Camisón, 2015; Porter, 1991; Rumelt, Schendel, and Teece, 1991).

Over time, there has been growing evidence as to how tourism is a phenomenon particularly characterised by immense levels of innovation. Some studies focus their attentions on the role of individual in companies, considered especially distinctive and analysed and evaluated from diverse and different angles (Hjalager, 2010; Raposo, Ferreira, and Fernandes, 2014).

However, recent decades have seen a proliferation of tourism operators, which has simultaneously driven a rise in lifelong learning both in the younger and more elderly age groups as these have become perceived as providing endless opportunities for the development of new tourism products (McGladdery and Lubbe, 2017).

Within this scope, innovation related phenomena have received particular attention from researchers even while their efforts remain broadly isolated and disconnected from each other (Omerzel, 2015). Even while it would seem clear that innovations in the tourism sector were inspired by a series of internal and external factors, the questions approached in theoretical schools, with reference to the classical contributions to the literature on innovation (Hjalager, 2010), have not yet however established any understanding as regards the wide reaching drivers of tourism innovation.

Innovation accounts for a critical factor to the success of tourism destinations as they deal with competitors, with this constituting the social and economic determinants of market demand (Zach and Hill, 2017). The tourism products, for example, are the calling card for attracting tourists to specific destinations. The diversification, intensification and combination of these products may be crucial to the competitiveness of companies and to the sustainable development of regions (Benur and Bramwell, 2015).

Therefore, and underpinning the pertinence of this study, we identified the following six shortcomings in the literature: i) the concept of innovation has gradually risen in profile in the tourism literature but research into the strategies for tourism innovation has remained scant (Rodríguez, Williams, and Hall, 2014).

ii) Empirical knowledge still remains limited and the barriers to the tourism sectors amount to a major obstacle to the development of innovation strategies. The fundamental question is

guaranteeing the long term growth and ensuring national, regional and business competitiveness of tourism regions (Divisekera and Nguyen, 2018).

iii) The tourism sector also displays a need to evaluate and understand in depth and detail the relationships ongoing between tourism, community life, regional and business development based upon a local perspective as the studies generally adopt a descriptive approach focusing essentially on the perceptions and attitudes of both the local residents and the tourists but not the perspectives of businesses and companies (Dana, et a., 2014).

iv) The studies on destination competitiveness argue that the interested parties are unable to provide solutions to problems experienced in creating and aggregating the value of their supply of products and correspondingly resulting in shortcomings as regards the preferences of tourists and the products provided by regions (Dwyer, Cvelbar, Edwards, and Mihalic, 2012).

v) There are few studies analysing the business characteristics and influences of innovation and in addition to the importance of these characteristics for regional competitiveness, especially in tourism sector companies (Backman, Klaesson, and Öner, 2017; Camisón and Monfort-Mir, 2012).

vi) The studies on innovation in tourism have remained overly descriptive and analytical, with an existing need for further empirical studies and quantitative evidence, which put forward better evidence on the factors and barriers to innovation in the tourism sector and therefore enabling the evaluation of the impacts of business competitiveness (Clausen and Madsen, 2014; Divisekera and Nguyen, 2018).

Given the diverse gaps identified in the literature, this present study seeks to contribute towards filling some of these shortcomings through analysing the determinant factors and barriers to innovation and their influence on the competitiveness of both companies and the respective destinations.

The article is structured as follows: following this brief introduction, we set out some theoretical reflections on competitiveness and innovation in the tourism sector, analysing some of the studies produced within this field before moving onto building a theoretical framework, formulating the research hypotheses and proposing a conceptual research model. The following section details the methodology, data, variables and methods of empirical analysis applied. Subsequently, we set out our results and their respective discussion. Finally, the closing section conveys the main conclusions and implications along with the limitations and suggestions for future lines of research.

## **5.2. Literature Review**

### **5.2.1. Innovation and Competitiveness in Tourism**

The various perspectives in the literature on innovation agree on the benefits of not directly studying innovation but to instead interconnect this factor with others, such as regions and companies. However, the study of organisational concepts interrelates different types of

innovation, for example Hjalager (2010) distinguishes between types of innovation at tourism companies in order to propose five types of innovation: process, product, management, market and institutional (Kearney, Harrington, and Kelliher, 2017).

Innovation may generate efficiency and effectiveness even while these in themselves are not sufficient for a company to obtain any competitive advantage (Porter, 1996). Innovation has also begun to play a growing role in services (Mira, Moura, and Breda, 2016; Carvalho et al., 2015; Chong, 2017; Pikkemaat, Peters, and Chan, 2018; Island and Higgins-desbiolles, 2018; Nunkoo, 2017) and is undoubtedly particularly important to the tourism sector (Algieri, Aquino, and Succurro, 2018; Assaf and Tsionas, 2018; Aldebert, Dang, and Longhi, 2011). Innovation in products and service becomes perceivable to tourists in ways that may serve as decisive factors in their purchasing decisions (Fangxuan and Ryan, 2018; Hjalager, 2010).

In the Schumpeterian approach, research categorises the demand for innovation in the tourism sector, for example, as undergoing application through innovations to products, processes and services, integrating the management of innovation into organisations (Schumpeter, 1934).

Innovation is certainly a strategic tool for the competitiveness of companies so as to enable their processes of obtaining competitive advantages in the global marketplace, thus, innovative companies are able to improve their performance standards, build up competitive advantages over their competitors and supply value to other stakeholders (Karabulut, 2015).

The behaviours of small and medium sized companies, for example, conveys how innovation enables companies to establish effective competitive advantages, however, the innovation capacities of these companies depend on their innovative potential as regards both their immediate and distant environments (Sipa, Gorzeń-Mitka, and Skibiński, 2015).

However, companies also spend time on accounting for their innovation and the benefits expected from these same costs, which partially influences the future productivity of the respective company (Ranasinghe, 2017).

Intellectual knowledge on the theme of innovation and competitiveness in tourism is already significant and abundant in terms of the literature in publication. In an effort to provide a state-of-the-art perspective on this theme and thereby consolidate and strengthen the theoretical background, we carried out research of the Web of Science database in April 2018. This applied the keywords of “tourism and competitiveness and innovation\*”. We selected the last five years as our temporal framework and only scientific articles and correspondingly excluding proceedings and any other types of publication.

The research focused on articles published essentially in the following fields of study: “Management, Economics, Hospitality Leisure Sport Tourism, Environmental Studies, Business, Sociology, Geography, Green Sustainable Science Technology”. We thereby obtained 53 articles with only one subsequently then excluded due to its lack of relevance to this study. Table 1 provides, in summary form, a brief analysis of the studies returned by the search we carried out.

**Table 1.** Publications and intellectual knowledge: Innovation and competitiveness in tourism

Author (s)	Journal	Title	Research question	Approach	Method	Study Object
Nunes et al. (2018)	Competitiveness Review	Determinant factors of competitiveness in the hotel sector: the case of Portugal	The purpose of this study was to identify which main factors are considered crucial for the increase of competitiveness in hospitality, by applying the Porter's diamond model to this sector.	Quantitative	Structural equation model	285 hospitality companies in Portugal
Armenski et al. (2017)	Journal of Travel Research	Destination Competitiveness: Public and Private Sector Tourism Management in Serbia	This study explores the underlying dimensions of destination competitiveness, analyzing the contributions of government and industry stakeholders in enhancing the competitive position of Serbia on the international tourism market.	Quantitative	Exploratory and confirmatory factor analysis (EFA), (CFA)	Serbia's tourism industry
Backman et al. (2017)	Tourism Economics	Innovation in the hospitality industry: Firm or location?	This paper analyses the determinants of innovation in the hospitality industry by analyzing survey data gathered from over 900 firms in Sweden.	Quantitative	Dataset and econometric techniques	900 firms in Sweden
Mingaleva et al. (2017)	The International Journal Entrepreneurship and Sustainability Issues	Networking of small cities to gain sustainability	This paper describes results of the study carried to investigate network cooperation of small cities as a prospective way to improve their socio-economic positions.	Qualitative	Case Study	Two regions of Russia, namely Perm Krai and Vladimir Oblast
Kearney et al. (2017)	Irish Journal of Management	Managerial capability for innovation for microfirms: integrating theory with empirical evidence	This paper considers a recently developed conceptual model of managerial capability for innovation in the microfirm context and applies it to a pilot study in the tourism sector in Ireland.	Qualitative	Semi-structured interview	Tourism sector in Ireland
Klímová et al. (2017)	Review of Economic Perspectives	The 20th Jubilee Colloquium on Regional Sciences: A Conference Report	The contributions of this study focus on the issue of regional disparities, the impact of the public administration activities, the evaluation of the economic, innovation and knowledge potentials of regions.	Qualitative	Literature Review	International Colloquium on Regional Sciences
García-Almeida and Klassen (2017)	Tourism Management	The influence of knowledge-based factors on taxi competitiveness at island destinations: An analysis on tips	This study has analysed the influence of knowledge-based aspects on taxi competitiveness from the taxi driver perspective.	Survey	Factor analysis, Correlation matrix, Multiple regression	Gran Canaria, Spain
Rodríguez-Victoria et al. (2017)	Journal of Regional Research - Investigaciones Regionales	Economic Competitiveness: Effects of Clustering, Innovation Strategy and the Moderating Role of Localization in the Colombian Hotel Industry	This paper explores the relationship between clustering and hotel competitiveness in emerging economy destinations by analyzing potential mediation of the management innovations implemented.	Quantitative	Structural modeling and partial least squares	131 Hotels in Colombia
Fransi et al. (2017)	REVESCO. Journal of Cooperative Studies	Cooperativism: presence on the Internet and development of electronic commerce in the olive cooperatives of Catalonia	This research seeks to know whether the Web sites of the olive cooperatives facilitate effective communication with their target audiences and are tailored to electronic commerce.	Mixed	Model for structuring web content analysis	Cooperatives of Cataluña
Perles-Ribes et al. (2017)	Current Issues in Tourism	Is a cluster a necessary condition for success? The case of Benidorm	This paper analyses the application of the cluster concept to tourist destinations using Benidorm as a case study.	Quantitative	Questionnaire	Tourist destination Benidorm
Araújo (2017)	Worldwide Hospitality and Tourism Themes	Portuguese tourism strategy 2027 Leading the tourism of the future	This article concludes that there remain some challenges that the tourism sector faces, including the need to minimize the effects of seasonality, increase territorial cohesion, capitalize tourism companies, increase innovation and entrepreneurship, among others.	Qualitative	Analyse Strategy of Tourism 2027	Portuguese tourism

Author(s)	Journal	Title	Abstract	Methodology	Research Design	Case/Context
Della et al. (2017)	European Journal of Tourism Research	Smart Cities and Destination Management: Impacts and Opportunities for Tourism Competitiveness	This work analyses the point out the need for integrating tourist development and smart urban management, which directly influence technology, policy context, people, communities and the natural environment. With focus on Smart cities and destination management analysing impacts and opportunities for tourism competitiveness.	Quantitative	Empirical analysis Multiple case study	Smart cities: Milan, Singapore, London and Johannesburg
Kozak (2017)	Almatourism, Journal of Tourism, Culture and Territorial Development	Innovations in Tourism Policy: The Case of Poland	The main aim of this article is to evaluate the differences in innovations in tourism policy on the case of Poland.	Mixed	Research Hypotheses and Conceptual Model	Case of Poland
Kuščer et al. (2017)	Journal of Sustainable Tourism	Innovation, sustainable tourism and environments in mountain destination development: a comparative analysis of Austria, Slovenia and Switzerland	This paper contributes to the comparative tourism sustainability debate in the context of mountain tourism destinations, comparatively analyzed Austrian, Slovenian and Swiss mountain destinations.	Quantitative	Mann-Whitney U, and Kruskal-Wallis tests	Comparative analysis of Austria, Slovenia and Switzerland
Booyens and Rogerson (2017b)	Tourism Geographies	Networking and learning for tourism innovation: evidence from the Western Cape	This paper examines the nature of networking and learning by tourism firms in relation to accessing knowledge for innovation, in particular the Western Cape, South Africa.	Qualitative	Semi-structured survey questionnaire and Qualitative interview schedule	182 tourism firms Western Cape
Booyens and Rogerson (2017a)	Tourism Review International,	Managing Tourism Firms in South Africa for Competitiveness: An Innovation Perspective	This article draws on a cross-sectoral, firm-level survey of tourism innovation in the Western Cape region of South Africa, which determined that innovation by tourism firms is widespread, albeit predominantly incremental in character.	Mixed	Firm-level survey of tourism innovation	Western Cape region of South Africa
Garcia-Almeida and Klassen (2017)	PASOS: Revista de Turismo y Patrimonio Cultural	Sustainable tourism: a conceptualization of the viability in the city of Ibagué based in a relevant state of the art.	This research evaluates and measures the sustainability of tourism for its economic, environmental protection and social equity raised from the social realities of the strategic town of Ibagué.	Qualitative	Literature Review	The tourism of city Ibagué
Ganguli and Ebrahim (2017)	Tourism Management Perspectives	A qualitative analysis of Singapore's medical tourism competitiveness	This study shows the integrating diverse strategies for medical tourism development with sound government policies and proactive management practices have led to significant positive outcomes towards mutual success of tourism, healthcare and other economic sectors of Singapore.	Qualitative	Holistic approach	Medical tourism destination of Singapore
Cooper, Za, and Turizmu (2016)	Acta Turistica	Challenging Tourism Contexts for Innovation: The Revitalisation of Mature Destinations	This paper examines the context of these destinations in terms of their demand and supply side characteristics and goes on to analyses this context in terms of its ability to promote or hinder innovation.	Qualitative	Holistic approach	Stakeholders
Camisón et al. (2016)	European Journal of Management and Business Economics	Return on capital in Spanish tourism businesses: A comparative analysis of family vs non-family businesses	The objective of this research lies precisely in developing a diagnosis of the return on capital of the tourism sector and the determinants of its evolution in the family business (FB) vs non-family business (NFB).	Quantitative	Economic-financial analysis	1019 Spanish tourism firms, 748 FB and 271 NFB

Author(s) and Year	Journal	Topic	Abstract	Methodology	Research Design	Findings
Buonincontri and Micera (2016)	Information Technology and Tourism	The experience co-creation in smart tourism destinations: a multiple case analysis of European destinations	The main purpose of this paper was to contribute to the recent debate on innovation in tourism, by proposing an interpretative framework able to explain the way in which technological components in a smart tourism destinations (STDs) may improve the co-creation of tourism experiences.	Mixed	Empirical analysis and Triangulating qualitative methods	STD best practices, Venice and Salzburg
Coelho, Gosling and Berbel (2016)	PASOS-Revista de Turismo Y Património Cultural	Destination's attractiveness: stakeholders' perceptions from Ouro Preto, MG, Brazil	This paper was to identify the main elements of attractiveness perceived by stakeholders of a historical destination, based on in-depth interviews with local stakeholders from Ouro Preto, Minas Gerais, Brazil.	Qualitative	Research based on in-depth interviews	Stakeholders from Ouro Preto, Minas Gerais, Brazil
Dwyer et al. (2016)	International Journal of Tourism Research	Modified Importance-Performance Analysis for Evaluating Tourism Businesses Strategies: Comparison of Slovenia and Serbia	The modified nine-quadrant importance-performance analysis employed to assess the importance which Slovenian and Serbian tourism industry stakeholders attach to 48 nominated strategic activities to promote business and destination competitiveness.	Mixed	Questionnaire	Slovenian and Serbian tourism industry stakeholders
Camisón et al. (2015)	International Journal of Tourism Research	The Importance of Internal Resources and Capabilities and Destination Resources to Explain Firm Competitive Position in the Spanish Tourism Industry	This study draws on the Resource-Based View to analyze the effects of distinctive competences in tourism firms and location in a tourism district on competitive position, and explores the moderating effects of the tourism destination.	Mixed	Resource-Based View and Multiple linear regression	Spanish Tourism Industry
Sterquel et al. (2016)	PASOS-Revista de Turismo Y Património Cultural	Effects of tourism certification on territorial governance: the case of the Biosphere Seal, Olmué (Chile)	This study, the authors interviewed managers of the selected enterprises (hotels, restaurants, tourist operators), public officials and in particular those who are encouraged to implement cluster policies.	Qualitative	Territorial, cartographic, bibliographic analysis and individual interviews	Olmué (Chile)
Marcoz et al. (2014)	International Journal of Tourism Research	Benefits from Service Bundling in Destination Branding: The Role of Trust in Enhancing Cooperation among Operators in the Hospitality Industry	This paper analyses the shed light on the role of trust in cooperation among tourism operators in place branding strategy and investigates the impact of perceived benefits achievable through service bundling on hoteliers' orientation to networking, that is, willingness to cooperate with restaurants, theme parks, spas, and so on.	Quantitative	Survey	164 hoteliers
Booyens (2015)	Local Economy	Global-local trajectories for regional competitiveness: Tourism innovation in the Western Cape	This study proposes that responsible tourism can provide a framework for conceptualising and cultivating tourism innovation in the light of sustainability debates.	Mixed	Analysis of micro-data and Qualitative interview	Western Cape region, South Africa
Yang and Cai (2016)	Tourism Management	Do regional factors matter? Determinants of hotel industry performance in China	This paper highlights links between the hospitality industry and regional economic development, which should be considered by both the hotel industry and tourism policy makers.	Quantitative	Principal Component Analysis and Ordinary Least Squares	Hotel industry performance in China
Fominiené (2016)	Montenegrin Journal of Economics	The Importance of Tourism Websites to Tourism Services and Assurance of Their Competitiveness	The aim of this research was to evaluate website features from the internet tourism service users' point of view.	Quantitative	Questionnaire and simple random selection method	Tourism Websites and Tourism Services
Boes, Buhalis and Inversini (2016)	International Journal of Tourism Cities	Smart tourism destinations: ecosystems for tourism destination competitiveness	This paper explores the core components of smartness to present a framework for the development of the smart tourism destination	Case study	Secondary data analysis	Explore smart tourism destination

Author(s) (Year)	Journal/Source	Topic/Title	Abstract/Summary	Methodology	Methodology	Database/Source
Vukovic et al. (2016)	International Review	Snowflake Model of Regional Competitiveness - Evidence from Serbia	This paper, creates Snowflake model of regional competitiveness considering not only economic and social factors, but also infrastructure, innovations, geo-natural variables, institutional factors, culture and tourism.	Mixed	Quantitative Data and Conceptual Model	Regions of Serbia
Polukhina (2016)	Worldwide Hospitality and Tourism Themes	A cluster model of ethno-tourism organization in Russian regions	This study investigates the prospects for cluster modeling of ethno-tourism development in Russian regions.	Mixed	System and comparative analysis, mathematical statistics and others	Russian regions
Sanjeev and Teare (2016)	Worldwide Hospitality and Tourism Themes	Reflections on the theme issue outcomes: How is the need for innovation being addressed by the Indian hospitality industry?	The paper analyses theme issue of Worldwide Hospitality and Tourism Themes titled "How is the need for innovation being addressed by the Indian hospitality industry?"	Qualitative	Structured questions	Indian hospitality industry
Cruz, Martinez, Hincapié and Torres (2016)	Intangible Capital	Innovation in tourism companies, where are they and where are they going? An approach to the state of knowledge	This paper makes a literature review in order to analyze the current state of innovation in tourism companies and know the future research lines on the subject.	Mixed	Systematic Review of Literature	Science Direct, Taylor and Francis, EBSCOHost and REDALYC databases
Daries-Ramon, Cristóbal-Fransi and Marine-Roig (2016)	Cuadernos de Turismo	E-commerce adoption in mountain and snow tourism: analysis of ski resorts web presence through the eMICA model	This study focuses e-commerce adoption in mountain and show tourism: analysis of ski resort web presence through the EMICA model.	Mixed	Model of Internet Commerce Adoption (eMICA)	Ski resort web presence
Urrutia de la Garza and Cuevas Contreras (2016)	Cuadernos de Turismo	Business networks in tourism and service sectors for competitiveness improvement in Ciudad Juarez, Chihuahua, Mexico. a case study: Central Park Hermanos Escobar and surrounding sme's	This research shows existing cooperation and relationships between tourism and service sectors small and medium enterprises (SME's) surrounding Central Park Hermanos Escobar (CPHE).	Mixed	Questionnaire	Ciudad Juarez, Chihuahua (CJS)
Gomezelj (2016)	International Journal of Contemporary Hospitality Management	A systematic review of research on innovation in hospitality and tourism	The purpose of this paper is to identify the state of academic research on innovation in tourism systematic applying review of the literature.	Quantitative	Bibliometric analysis	SCI-EXPANDED, SSCI, A&HCI Data Bases
Reverté et al. (2016)	Investigaciones Turísticas	The location of the creative class in tourist cities. A local analysis of the Spanish Mediterranean urban System	The objective of this work was to analyze "locally and based on the calculation of a synthetic index of creativity" how creative economy activities are located in tourist destinations of the Spanish Mediterranean and the Canary Islands compared to other cities and between tourist cities according to their specialization.	Mixed	Exploration of microdata and application of the creativity index	Spanish Mediterranean and the Canary Islands
Romero-Padilla et al. (2016)	Journal of Sustainable Tourism	The potential of international coastal mass tourism destinations to generate creative capital	This study analyses the potential of international coastal mass tourism destinations to generate creative capital.	Mixed	Applying measurable and comparable indicators for creativity	Applying measurable and comparable indicators for creativity
Aznar and Bagur (2014)	Intangible Capital	Impact of service quality on competitiveness and profitability: The hotel industry in the Catalan coast	The aim of this work is the study and the discussion of the relationship between leadership styles and organizational commitment dimensions.	Qualitative	Extensive literature research	Leadership styles and organizational commitment dimensions

Author(s)	Journal	Title	Abstract	Methodology	Research Design	Sample
Razumova, Ibáñez and Palmer (2015)	Journal of Sustainable Tourism	Drivers of environmental innovation in Majorcan hotels	This paper examines several previously untested determinants of environmental innovations in hotels derived from the Porter hypothesis and from the specifics of knowledge transfer in the tourism industry.	Quantitative	Chi-squared test and Mann-Whitney	200 Majorcan hotels
Del Chiappa and Baggio (2015)	Journal of Destination Marketing and Management	Knowledge transfer in smart tourism destinations: Analyzing the effects of a network structure	This paper seeks to deepen the scientific debate around this topic by applying a network analytic approach to the cases of three tourism destinations with Knowledge transfer in smart tourism destinations: Analyzing the effects of a network structure.	Quantitative	Network analytic approach and spectral graph theory	Italian destinations of Elba, Gallura, and Livigno
Thomas and Wood (2015)	Annals of Tourism Research	The absorptive capacity of tourism organisations	This paper analyse means by which policy-makers might, for the first time, assess levels of absorptive capacity in destinations and absorptive capacity on tourism organisations.	Mixed	Interviews and Correlations analyses	Tourism organisations
Pappas (2014)	International Journal of Tourism Research	Achieving Competitiveness in Greek Accommodation Establishments during Recession	The article examines the strategies that Greek hotels have implemented to strengthen their competitiveness during recession. The research is based on a nationwide e-mail survey to hospitality managers/owners.	Quantitative	Survey	Greek hotels
Camisón (2015)	Tourism Management	Is tourism firm competitiveness driven by different internal or external specific factors? New empirical evidence from Spain	This study explores the relative importance of distinct external forces such as the general environment or country effect, the regional effect, the competitive environment or industry effect, the district effect, and internal factors such as the firm's tangible resources, capabilities and strategy selection.	Quantitative	Multiple linear regression	364 Spanish tourism firm
Cassel and Pettersson (2015)	Scandinavian Journal of Hospitality and Tourism	Performing Gender and Rurality in Swedish Farm Tourism	This paper analyse and discuss how women engaged in farm tourism perform rural and gender identities by producing experiences and services, and how these performances may reproduce or challenge traditional rural and gender identities.	Qualitative	Interviews semi-structured and Literature Review	Dalarna and Uppland tourism businesses farms
Padurean et al (2015)	Amfiteatru Economic Journal	Entrepreneurship in Tourism and Financing through the Regional Operational Programme	The main objective of the article was to determine the immediate effects of accessing the funds available under the Regional Operational Programme (ROP) for the tourism business environment.	Quantitative	ANOVA and Pearson Correlation	Structural Funds in the Romanian tourism industry
Lillestol, Timothy and Goodman (2015)	International Journal of Culture, Tourism and Hospitality Research	Competitive strategies in the US theme park industry: a popular media perspective	This paper examines the competitive strategies employed by two of the largest theme park operators in Florida, based on a content analysis of popular media articles about theme park giants in the USA.	Qualitative	Conceptual model	Parks giants in the USA
Plaza et al. (2015)	Annals of Regional Science	Culture-led city brands as economic engines: theory and empirics	This work aims to offer evidence that the Guggenheim Museum Bilbao brand generates tourism to the city of Bilbao.	Quantitative	Econometric Analyses	Tourism city of Bilbao
Borodako et al. (2014)	Tourism Economics	The potential of local KIBS companies as a determinant of tourism development in Krakow	The objective of this study is to analyse the relationship between the development in Krakow of tourism, on the one hand, and KIBS firms, on the other.	Qualitative	Review of the literature	Krakow's tourism companies
Zemla (2014)	Journal of Destination Marketing and Management	Inter-destination cooperation: Forms, facilitators and inhibitors - The case of Poland	This study analyses source of competitive advantage in the contemporary tourism market.	Qualitative	Case study research	Polish tourism market
Dwyer et al. (2012)	International Journal of Tourism Research	Tourism Firms' Strategic Flexibility: The Case of Slovenia	The paper explores the importance that is accorded to the facilitators or drivers of strategic flexibility by Slovenian tourism industry stakeholders.	Quantitative	Regression Models	Slovenia Tourism Firms

In keeping with the theoretical summary set out above, we may emphasise how innovation is susceptible to definition even while only in generic terms, such as the design, adaptation or adoption of products, processes and new or improved services (Cowan and van de Paal, 2000). Innovation may stem from the cultural context, the political, economic and social environments and also displays systemic characteristics (Cooke, 1998). Effective implementation has seen a rise in the recognition of innovation as synonymous with the building of competitive and sustainable advantages thus strengthening the levels of organisational performance (Ferreira, et al. 2017; Koc and Ceylan, 2007).

The majority of innovations take place in an incremental fashion, rather than as any radical break through. Especially in the tourism sector, innovations are also identified by competitors as means of obtaining significant competitive advantages and, therefore become the focus of government policies and other interventions in general (Rodríguez, et al. 2014). Innovation is observable in almost every field of life. The simplest interpretation of the term also refers to the capacity to adapt to changes and an openness to novelties and new ideas coupled with the capacity to communicate increases in innovative performances at the highest levels even while the actual study of innovation has received only a poor level of recognition among companies and businesses (Mahr, 2017).

With innovation a field holding the objective of evaluating progress across every area of company activity, according to its respective strategies and business models (Kozioł, Kozioł, Wojtowicz, and Pyrek, 2015), it is thus important to analyse the tourism company market segment in terms of its capacities for innovation. There has been a rising profile for innovation policies and across diverse contexts, whether national, regional and local, but very commonly based more on affirmations than on real empirical evidence and demonstrated facts (Rodríguez et al., 2014).

There is furthermore recognition, due to the nature of modern knowledge based economies and the accelerated and rising rate of change, growing complexity and insecurity, that companies need to develop extraordinary capacities so as to be able to adapt to their external surrounding environments and remain competitive and interconnected with their own capacities for innovation (Ahmedova, 2015). Innovation is thus considered significant to the competitiveness of companies operating in the tourism sector (Booyens and Rogerson, 2017a).

The competitiveness of a destination, for example, stems from an understanding about the capacity of the destination to raise the expenditure on tourism and attract rising numbers of visitors while providing them with pleasurable and memorable experiences and doing so in profitable approaches that simultaneously generate wellbeing for residents and preserve the natural capital of the destination for future generations (Ivanov and Ivanova, 2016).

Regional competitiveness positively influences the competitiveness of companies located in a particular cluster and in which companies are able to leverage the effects arising out of its network of interactions with other companies and driving the acquisition of still further competitive advantages (Lechner and Leyronas, 2011).

However, we would also refer to how the success of tourism destinations, in both world and regional markets, is to a certain extent influenced by its relative competitiveness (Enright and Newton, 2004). Hence, over the course of recent decades, academics and politicians have been increasingly involved in the study and analysis of clusters with a particular emphasis on the ambience prevailing in any regional context, thus enabling a great deal of diversity in the conceptual models (Estevão and Ferreira, 2012).

Other studies already developed on this theme do also enable a perception of progress and improvement in these concepts, which reflects in better examples and models for the tourism cluster (Borkowska-Niszczoła, 2015; Chhetri, et al. 2017; Flores, Farias, Andrade, and Russi, 2016; Kibicho, 2010; Lei and Huang, 2014; McLennan, Becken, and Watt, 2016; Yıldız and Aykanat, 2015). Emphasising this idea, tourism stands out as a fundamental catalyser of economic development, one of the industries with the most rapid growth rate in recent years due to the ease of travel around the world and driving the daily movements of millions of tourists (Michopoulou and Buhalis, 2013; Fundeanu, 2015; Ryan and Glendon, 1998).

Within this scope, regional development, fostered by tourism, tends to become more heterogeneous, a positive factor for cultural and local development that requires protecting as a resource for competitiveness. Governments consider local culture as capital and resources within the framework of competitive regional environments in which culture plays a role as a valuable asset and the foundation stone for the competitiveness of many regions. This correspondingly highlights the role played by governments as the local coordinators of regional development, leading more investors to engage with the local market within a well-developed economic and cultural environment that enables more competitive development and economic growth (Liang, 2018).

There are already various studies that approach these questions and the importance of regional development within the framework of tourism (e.g. Binfare, Galvão, and Castro, 2016; García-Rosell and Haanpää, 2017; Hsiao and Chuang, 2016; Luo, Qiu, and Lam, 2016; Manyara and Ndivo, 2016; Shenoy, 2018; Stoffelen and Vanneste, 2016; Woosnam, Draper, Jiang, Aleshinloye, and Erul, 2018; Yang, 2018).

These studies detail how the tourism sector aggregates a vast level of cooperation between tourism companies, destinations, regional and local authorities so as to meet a wide range of challenges while simultaneously seeking to maintain the competitive advantage of both the destinations and the companies (Angelkova, Koteski, Jakovlev, and Mitrevska, 2012).

The competitiveness of companies interrelates with that of the product and the efficiency of its production, the positioning and effectiveness of organisations in terms of their restructuring and their sales in addition to the prevailing stimulation of demand for these same products (Ahmedova, 2015).

One of the justifications for the interwoven association between the competitiveness of tourism companies and that of their respective host tourism destination stems from the nature and the integration of the tourism product (Camisón, 2015; Go, 1992). Tourism products

constitute a conglomerate, an amalgam, a set of tangible and intangible factors that derive from the competitiveness of companies located in a specific destination. In this sense, and to a greater or lesser extent, integrated tourism products provide every company with the potential for competitiveness through the inclusion of complementary activities and products such as accommodation, transport, restaurants and bars, and entertainment companies, incorporating attributes that the tourism consumers most value when making their purchasing decisions (Camisón, 2015; Loukissas and Triantafyllopoulos, 1997). Applying a macroeconomic approach, business competitiveness highlights the comparative advantage that tourism companies may obtain through different competences and costs for the resources available in their environment and alongside another set of variables for institutional, political, economic, social and legal factors that help in defining a given space as more attractive for the development of business activities (Camisón, 2015).

Therefore, the strategic decisions targeted towards the development of a company impact and shape its competitiveness. The capacity of a company to find or create a position in a market lies at the core of its strategic development (Yeung and Lau, 2005; Roth and van der Velde, 1991; Roth, 1993; Tsai, Song, and Wong, 2009). Hence, companies may attain a stage of maturity in which each company, through the formulation of corporate and commercial strategies, become able to ensure they remain more competitive than their respective competitors (Wong and Kwan, 2001; Hwang and Chang, 2003; Tsai, et al., 2009).

### **5.3. Conceptual Framework and Research Hypotheses**

#### **5.3.1. Factors and Barriers to Innovation**

Innovation has been subject to definition and interpretation in the broadest and most diverse of contexts. Within this framework and as emphasised in the academic literature, the performance of innovation plays a fundamental role in the construction of competitiveness (Batle, Orfila-Sintes, and Moon, 2018; Burrus, Graham, and Jones, 2018; Elbaz, Haddoud, and Shehawy, 2018; Henderson, et al., 2018; Mousavi and Bossink, 2018; Pikkemaat, et al., 2018; Plank and Doblinger, 2018; Zhao, Pan, and Chen, 2018).

While innovation interlinks with the risks inherent and with any success never guaranteed, innovation is nevertheless a necessary requirement for adapting to changing environments. Not only due to the strong competition, the countless technological advances and the changes in consumer tastes, the survival of companies depends on their capacity to develop or adapt their innovations. Throughout a long period of time, studies on innovation concentrated on technological aspects, however, the field of innovation interrelates with other aspects such as innovating business models, services and/or organisational innovation (Buhalis and Law, 2008; Damanpour, Walker, and Avellaneda, 2009; Danneels, 2002; Gallego, Rubalcaba, and Hipp, 2013; Mol and Birkinshaw, 2009; Nieves and Segarra-Ciprés, 2015).

Process innovation focuses essentially on improving productivity and the efficiency of a company with their implementation frequently taking place through new investments in intellectual capital and information and communication technologies (Backman, et al. 2017). There is clear importance in analysing some of the factors of innovation. Within a business context in which competition seems to be ever greater, innovation is increasingly a critical factor for companies striving to establish positions in the market (Cheng, Li, Petrick, and O'Leary, 2010) and thereby boost their competitiveness (Hu and Hsu, 2008).

Innovation is undoubtedly one of the main factors in adapting to dynamic surrounding environments undergoing constant change. Hence, there has been rising interest and efforts by locations to attract new businesses in keeping with the perception that such are a core factor in the development and revitalisation of certain regions (Fernandes, Ferreira, and Marques, 2015).

Innovation is important to the competitiveness of companies irrespective of their respective scales when engaged in competitive markets. Social relations become a fundamental strategy for companies due to the need to access appropriate resources such as information, technology, knowledge and access to networks of cooperation. Therefore, the concept around intellectual capital has become more complex and wider reaching with companies needing to consider both their importance and their effects. Intellectual capital represents the intangible value of a business and thus everything that is not physical but still serves to raise the productive capacity of a company. Intellectual capital generally encapsulates three key dimensions, human capital, structural capital, and relational capital (Wang and Chang, 2005; Poh, Kilicman, and Ibrahim, 2018; Trequattrini, Lombardi, Lardo, and Cuzzo, 2018). These exchange based relationships may facilitate product innovation, enable trading in resources, and attract and establish intellectual capital through the sharing of knowledge (Nahapiet and Ghoshal, 1998; Chen, 2008; Tsai and Ghoshal, 1998).

In order to sustain the longevity of a specific destination in the market, there is a fundamental need to define strategies so that the comparative advantages of a destination, positioned within a competitive and developing tourism market, are able to meet the demands present in the market while nurturing a strategic connection between the market, intellectual capital and competitiveness both of the destination and of the company (Hassan, 2000).

According to Cruz et al. (2016), intellectual capital arises from the relationship between the strategies adopted, learning, knowledge and cooperation among companies. In this sense, the management of the knowledge necessary to generate innovation is extremely important in keeping with the potential of intellectual capital to increase and aggregate value to the competitiveness of companies, enabling them to distinguish their unique and non-replicable characteristics. Based upon this framework, we put forward the following hypotheses:

**H1a\*** - Intellectual capital has a direct and positive impact on the competitiveness of a destination.

**H1b\*** - Intellectual capital has a direct and positive impact on business competitiveness.

**H1c\*** - Intellectual capital has an indirect but positive impact on business competitiveness as measured through the competitiveness of a destination.

The importance of management and strategic thinking has never been greater for tourism, and continues to represent a driver of tourism development in keeping with the needs for capital and long timeframes (Harrington and Ottenbacher, 2011; Sainaghi, Phillips, and Zavarrone, 2017).

For a destination to be competitive, some factors need providing across the macro and micro levels and otherwise rendering in vain all the other efforts by interested parties. Such conditions form integral facets to establishing destination market policies. Thus, whenever a particular territory has the vision to turn itself into a competitive tourism destination, it needs to decide on its respective mission and define the market strategies and positioning for adoption (Andrades and Dimanche, 2017; Crouch and Ritchie, 1999).

The evaluation of tourism destinations is playing an increasingly important role as a tool for the strategic positioning of the destination in its market and for analysing tourism marketing and its effectiveness in terms of raising the advantages of participating in the market, generating client loyalty and boosting the engagement with the respective destination and resulting in increased revenues from the tourism sector (Liu and Chou, 2016; Pawaskar and Goel, 2014; Peters, Siller, and Matzler, 2011). Such reasons ensure managers are constantly seeking to develop techniques able to leverage competitive advantages. Thus, the competitive advantage of companies or destinations depends on the successful formulation and implementation of competitive strategies applicable to the marketplace (Dimoska and Trimcev, 2012).

The business models may assist in positively incorporating the processes and goals of business sustainability and serve as a key factor for competitive advantage. In general terms, developing a business opportunity and communicating it to stakeholders, boosting the capital, organising and executing market strategies, implementing innovations to business organisational models are all fundamental questions that need answering whether in terms of destination competitiveness or business competitiveness (Mousavi and Bossink, 2018). Based on these findings, we may propose the following hypotheses:

**H2a\*** - Market strategies generate a direct and positive impact on the competitiveness of a destination.

**H2b\*** - Market strategies generate a direct and positive impact on business competitiveness.

**H2c\*** - Market strategies generate an indirect but positive impact on business competitiveness as measured by the competitiveness of the destination.

Over recent years, the tourism sector has gained recognition for its ability to implement high levels of innovation whether in terms of services and products, processes, management, institutional and other business innovations, as well as innovation to market strategies and others (Armenski et al., 2011; Charles and Zegarra, 2014; Dahles, 1998; Hjalager, 2010; Mira, et al. 2016; Rajapathirana and Hui, 2017; Ranasinghe, 2017; Sipa et al., 2015). However, there has also been the identification of certain barriers to the implementation of innovation processes. The marginal interest in the barriers from academia would seem to have reflected recently in the evolution in the political discourse, which has correspondingly changed over the course of recent times in terms of the barriers existing to accessing incentives for innovation (Coad, Pellegrino, and Savona, 2016).

In general terms, the classification of the barriers put forward by Madrid-Guijarro et al. (2009), and Saatcioğlu and Özmen (2010) refers to how each may serve for the evaluation of negative barriers to innovation at tourism sector companies. The evaluation of internal and external barriers needs to take into account some key signals. Based on these classifications, Müller-Prothmann et al. (2008) refer to how these barriers may negatively impact on the adaptation of innovation and require due evaluation. The internal barriers, such as the lack of financial resources or the high prices prevailing, as well as in terms of risk and human resources, also inherently interrelate with each other. Another example would be the resistance to change and the lack of ideas. The main external barriers include such examples as: the lack of government support, interrelated with the legislation adopted (Molinillo and Japutra, 2015), shortcomings in financing (Norasingh and Southammavong, 2017), access to technological suppliers and the lack of information (Jasinskas and Majauskiene, 2016).

The literature on technological transfers approaches technical skills and cultural differences as among the barriers to competition. According to Daghfous (2004), the cultural differences among companies and universities commonly get identified as barriers to innovation alongside institutional and social facets (Ankrah Burgess, Grimshaw, and Shaw, 2013), which often restricts and hinders the dissemination of knowledge (Bjerregaard, 2010).

Many companies and research centres develop tools that never make it to the market because barriers emerge to investment in research and development (R&D), issues over financing, imperfect capital markets, the intensity of assets and the lack of complementary assets such as infrastructures and inappropriate regulatory environments all represent obstacles to effective implementation (Kenney and Hargadon, 2012; Haley and Schuler, 2011; Polzin, et al. 2016). Within this context, we arrive at the following hypotheses:

**H3a** - The institutional and R&D barriers have a direct and negative impact on the competitiveness of a destination.

**H3b** - The institutional and R&D barriers have a direct and negative impact on business competitiveness.

**H3c** - The institutional and R&D barriers have an indirect and negative impact on business competitiveness as measured by the competitiveness of a destination.

The presence of barriers to innovation does not only stem from the results of “market failure” related problems but may also interlink with the very specific conditions that make up “systemic failures” to companies that are not only difficult to overcome but may also hinder their performance and productivity. The effect of the barriers to productivity may differ according to the type of barrier faced, characteristic of the respective company, including the performance of innovations in the marketplace (Coad, et al. 2016).

Despite these barriers, some venture capitalists (VCs) attempt to overcome the asymmetries in the underlying information along with others, such as the lack of talented management skills, shortcomings in the capacities present for setting up and implementing networks and marketing, thereby reducing problems around monitoring and moral risk (Da Rin et al., 2006; Repullo and Suarez, 2000; Holmstrom and Tirole, 1997; Polzin, et al. 2016). The motives that lead companies to lose motivation and turn to universities as sources of knowledge and innovation, fall into the category of barriers to knowledge transfers that are susceptible to measurement through indicators on whether companies spend enough resources on R&D for effective innovation.

Indeed, universities commonly do not understand the world of business and agreements thus become difficult to reach. The lack of confidence, the quality of research for companies is very often low with universities often attributing a greater priority to broader science, rendering difficult dialogue and compounded by issues surrounding intellectual property (Daghfous, 2004; Arvanitis, Kubli, and Woerter 2008; Ankrah et al., 2013; Subramonian and Rasiyah, 2016).

Adopting tourism strategies for target markets also implies changes that prove particularly relevant in terms of expanding a particular event to cater for a higher number of tourists and destination accommodation capacities (Armenski, et al. 2011; Kelly and Fairley, 2018).

As discussed in other studies, some researchers (Lozano-Oyola, Blancas, González, and Caballero, 2012; Thelle and Sonne, 2017) maintain that seasonal fluctuations in demand may be offset by the quality of management and the effective development of the destination brand and representing important strategies for the competitiveness of any destination. Such approaches attempt to ensure tourists spend more and stay longer through building up strong bonds with the stakeholders (Armenski et al., 2011; Lozano-Oyola et al. 2012; Mira et al., 2016; Torres-Delgado and Palomeque, 2014), correspondingly generating greater business competitiveness.

Another determinant factor is the application of information technology to bring about significant cost reductions (Pinho and Mendes, 2017; Ranasinghe, 2017), which leverage significant improvements to the competitiveness of companies and their levels of organisational

performance (Bevilacqua, et al. 2015; Vanpoucke, et al. 2017). In turn, such information technologies enable the efficient management of information through the exchange of appropriate and relevant information between companies and their members of staff and hence raising the performance standards of these same companies (Pinho and Mendes, 2017).

Managers and government officials alike, and for example, act as specialists in international tourism and enable local and regional government entities to draft strategies for the promotion of cities and plan destination management activities, including through education and training programs for present and future staff in the industry (Charles and Zegarra, 2014; Estevão, et al. 2018; Niewiadomski, 2015), designed to boost the length of stay and the expenditure of tourists (Armenski et al., 2011). Consequently, this renders feasible the supply of different levels of quality for various types of tourism experience (Estevão, et al., 2018; Crouch, 2011). The role and function of local government and marketing agencies are thus deemed to facilitate the development of a region's tourism sector, enabling companies to overcome the barriers to competitiveness (Herciu, 2013; Lozano-Oyola et al., 2012). Based on the discussion above, we may propose the following hypotheses:

**H4a** - Organisational and management barriers generate a direct and negative impact on the competitiveness of a destination.

**H4b** - Organisational and management barriers generate a direct and negative impact on business competitiveness.

**H4c** - Organisational and management barriers generate an indirect and negative impact on business competitiveness as measured by the competitiveness of the destination.

### **5.3.2. Destination Competitiveness and Business Competitiveness**

The competitiveness of a tourism destination, as well as that of any company or business, depends on various indicators. For example, the development of a strong destination image and brand represents one such indicator (Estevão, et al. 2018; Lozano-Oyola, et al. 2012; Sipa, et al. 2015). Based on case studies carried out by the International Hotel and Restaurant Association (1995), companies that engage in environmentally friendly recycling policies, for example, are able to return better client satisfaction levels and correspondingly improving their own images (Tan, Habibullah, Tan, and Choon, 2017).

According to various studies (Fu, Mohnen, and Zanello, 2017; Torres-Delgado and Palomeque, 2014), some of the characteristics unique to the tourism sectors and of importance to the competitiveness of destinations include cultural heritage, factors such as: historical remains, landscapes, habitat, ethical responsibility in relation to the surrounding environment and travel safety, which endow competitive advantage on destinations irrespective of the high associated prices and costs.

Correspondingly, marketing and tourism authorities both consider the development of a brand image and new products to be a critical factor within the context of the increasingly global competition in this sector and thus requiring surveys and analysis of such needs. For example, the Abdu and Jibir (2017) and Lozano-Oyola et al. (2012) studies report that factors such as R&D investment, formal training and preparation, company scale, the company's sector of activity all play significant roles as regards innovations to products, processes, organisations and marketing. These studies recommend that companies should take into account such factors so as to ensure their priorities serve to boost their levels of innovation.

Furthermore, conservation activities and community participation in sustainable development and planning help establish the development structures and strategies appropriate to ensuring favourable local attitudes, the protection of local resources and improvements to the quality of community life influenced by the local development of tourism (Malek and Costa, 2015; Faulkner and Tideswell, 1997; Milne and Ewing, 2004). According to Sofield (2003) and Malek and Costa (2015), community tourism thus represents a form of progression and a perspective on development through its incorporation of ideas around participation, empowerment and the importance of social facets and not only the economic or environmental dimensions to tourism development.

As regards the natural characteristics that contribute towards this competitiveness, we may also highlight cleanliness (Chirieleison, Montrone, and Scrucca, 2013; Estevão, et al., 2018; Dwyer, et al., 2014; Pavluković, et al., 2017), the attractiveness of the climate to tourism, the quality of research into tourism policies, their planning and development.

According to Charles and Zegarra (2014), factors including the preservation of nature, flora and fauna, traditional arts, architectural and artistic resources, historic sites, heritage, national parks, water and nature sports and activities, sporting facilities, adventure activities, gastronomic and restaurant services, the gastronomic range available, visitor access to natural areas all serve to directly or indirectly contribute to competitiveness.

Communication and trust between tourists and residents, the efficiency of borders and customs procedures, their attitudes, the hospitality of residents towards tourists, diverse shopping experiences, theme parks, financial institutions and the ease of making currency exchanges feature among the factors shaping regional competitiveness (Crouch, 2011).

The management capacities, existence of tourism programs, cooperation between the public and private sectors, spa and wellbeing resorts, tourism information and guidance, casinos, nightlife, and the usage of e-commerce rank among the aspects fundamental to the competitiveness of any destination (Armenski et al., 2011). The vision of the destination as regards the values of tourism, residents, stakeholders and the community also emerge as factors essential to tourism competitiveness according to the perspective of Armenski et al. (2011).

Other important characteristics of competition also include the recreational installations, congress tourism, rural tourism, the existence and effectiveness of teaching

tourism, the efficiency of tourism companies and the hotel sector, the appropriateness and relevance of tourism and hotel training as regards the needs of visitors, company recourse to information technologies, and the specific social tourism policies (Charles and Zegarra, 2014; García-Almeida and Klassen, 2017; Herciu, 2013; Mira et al., 2016).

The value for money of tourism experiences, of accommodation, and destination access also feature among the factors of competitiveness as discussed by Torres-Delgado and Palomeque (2014). In turn, Crouch (2011) approaches characteristics such as accommodation, the quality and efficiency of airports, entertainment, special events and festivals, quality of tourism services, telecommunications, visitor safety and security, political stability, quality of entrepreneurship in local tourism businesses as essential characteristics to the competitiveness of any destination.

Recognition by the public and private sector of the importance of sustainable tourism development (García-Almeida and Klassen, 2017), the development and promotion of new tourism products, international knowledge about the destination's products (Ochoa, Lara, and Parra, 2017), the match between the products available at a destination and the preferences of visitors (Sipa et al., 2015), and the development of tourism integrated into the general development of the tourism industry (Hassan, 2000) also emerge as facets contributing towards destination competitiveness. In keeping with the arguments set out above, we thus propose the following research hypothesis:

**H5a<sup>+</sup>** - Management and development policies generate a direct and positive impact on business competitiveness.

The attractive resources that a destination deploys do not necessarily experience exhaustion despite the fact that people pay for their usage, the phenomenon of tourism represents a form of economic exchange based upon the sale of physical resources. Both the comparative advantage and the competitive advantage hold importance to the competitive model of any destination (Ritchie and Crouch, 1993; Dwyer and Kim, 2003).

According to Delbari, Ng, Aziz, and Ho (2016), we may state that, out of countless other factors, the physical resources are a positive factor to business competitiveness. In turn, strategy, structure and rivalry reflect attitudes in relation to the competitiveness of institutions in the marketplace, the level of internal competition and other historical and cultural factors; as well as the terms of other factors such as human resources, capital, specialist infrastructures, physical and natural resources, which are all factors of business competitiveness (Imali and Wei, 2012). Therefore, we may propose the following research hypothesis:

**H5b<sup>+</sup>** - Physical resources hold a direct and positive impact on business competitiveness.

According to UNWTO (2008), the various segments of the tourism industry, as well as the performance of destinations, may be improved through means of establishing solid public and private partnerships.

The success of institutional practices for negotiating and implementing public and private partnerships reflects how these may serve to raise the competitiveness of tourism destinations as well as supporting and improving the quality of services (Kojcin, 2013; Armenski, Dwyer, and Pavluković, 2017). This quality business tourism connected products and services need developing by tourism operators committed to innovation through continued improvement and their own renovation and transformation (Armenski, Dwyer, and Pavluković, 2017).

According to Jonsson et al. (2009), a region positioned in the market as a quality destination, for example, needs to concentrate on brand facets such as “charm”, “cleanliness”, “safe environment”, and “providing the higher possible value” and thereby enabling a positive impact on the destination that reflects in the competitiveness of its companies. Therefore, we arrive at the following research hypothesis:

**H5c<sup>+</sup>** - Destination quality holds a direct and positive impact on business competitiveness.

Natural resources play a fundamental support role for companies undergoing economic development (Hayha and Franzese, 2014; Zhong, Geng, Liu, Gao, and Chen, 2016). Human resources, in turn, interrelate with the persons who work in a company or organisation and often represent one of the greatest barriers to efforts to adapt and implement innovation (Jasinskas and Majauskiene, 2016).

The tourism sector, for example, is endowed with the resources, whether created or existing at the destination and including both natural and human resources, which provide the basis for developing tourism products (Dwyer and Kim, 2003). This reflects in a positive and direct impact on the destination and also for business competitiveness. Consequently, the availability of resources facilitates or hinders the opportunities prevailing for the destination to attract tourists and obtain a differentiated competitive position in the marketplace (Andrades and Dimanche, 2017). Therefore, we also consider the following research hypothesis:

**H5d<sup>+</sup>** - Natural and human resources generate a direct and positive impact on business competitiveness.

In keeping with the theoretical framework set out above, we correspondingly propose the following conceptual model (figure 1).

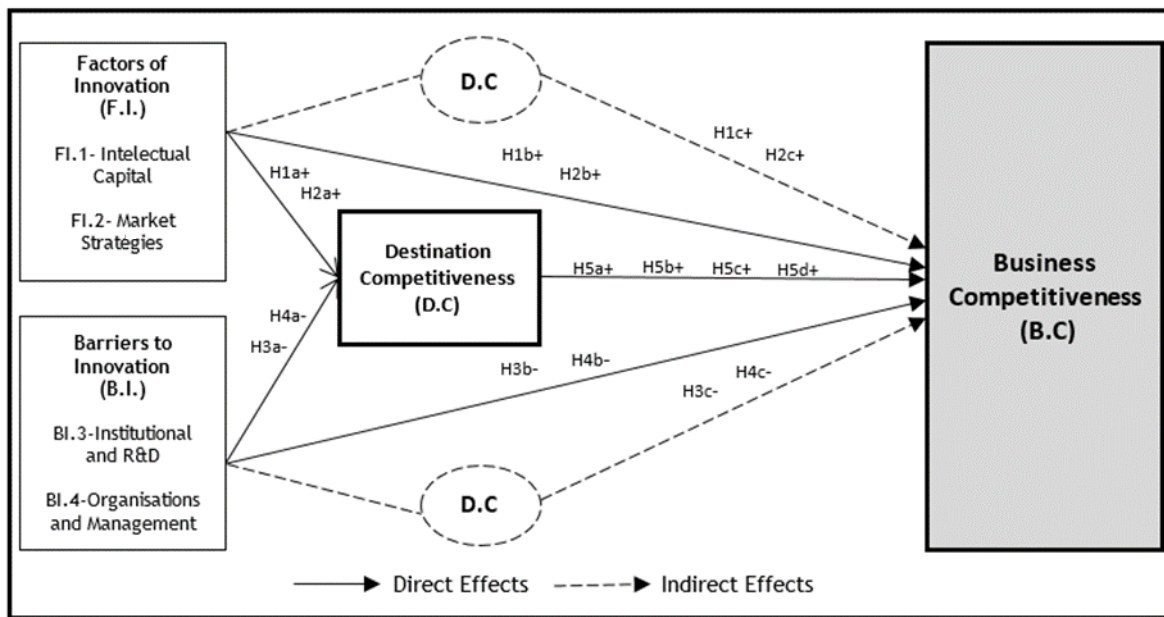


Figure 1. Proposed Conceptual Model

## 5.4. Methodology

### 5.4.1. Data and Sample

This study analyses the relationship between the factors and barriers to innovation and the competitiveness of destinations and their respective companies, with a specific focus on tourism sector firms. The study utilises primary data from a final sample of 119 firms operating in the Autonomous Region of Madeira (Portuguese acronym of ARM hereafter), a Portuguese island region located in the Atlantic Ocean. The sample universe started out at 500 companies selected on the bases of operating in the tourism sector on the island of Madeira in 2018 and hence reflecting a response rate of 23.8%.

Company selection took place in accordance with their registration code being CAE-Rev.3 so as to incorporate the maximum number of tourism sector companies from the region under study, for example hotels, restaurants, cafes, retail, travel agencies, entertainment and event organisation companies, among others. Prior to the effective collection of data and with the objective of guaranteeing the clarity, quality and full understanding of the questionnaire, we carried out a pilot test (Boley, Jordan, Kline, and Knollenberg, 2018) with 21 specialists from the business tourism sector so as improve the appropriateness of the questions. Hence, based on these suggestions and observations, we modified and improve some questions to avoid any ambiguity. The pilot study contained 13 questions with 184 sub-items, and in this phase gathered data from 25 companies with a general vision of the competitiveness and innovation related activities ongoing at their companies and their host destination, with responses gathered both via an email format and from in-person interviews.

Following this pilot test, the field work itself took place between 1 January and 31 March 2018. This data collection process obtained responses from 48 accommodations, 10 restaurants and similar, 25 service, 22 entertainment activity and 6 transport companies alongside 8 other types of firm.

The global margin of error comes in at  $\pm 0.05\%$  in the case of maximum determination with a confidence level of 95.5%. The study gathered a sample in a random approach so as to return a margin of error of below  $\pm 5\%$ . The senior management of these companies, whether entrepreneurs, directors, managers or owners or a representative in case of their absence whenever endowed with the specific technical competences and knowledge about the respective company, responded to the questionnaire. This data collection of the opinions and perspectives of company representatives enables the analysis of indicators of competitiveness and business innovation for companies located in the region.

## 5.4.2. Measures

### 5.4.2.1. Dependent Variable - Business Competitiveness

The construct spanning business competitiveness contains 24 items with a Likert type scale to evaluate their level of importance (1= not at all favourable to 7=very favourable). Exploratory factorial analysis (EFA) of 23 items generated two factors, with 14 and 10 items, which respectively explain over 60% of the variance in data (69.8%), with a very high Kaiser-Meyer-Olkin (KMO) result (0.927) and with both factors returning high levels of internal consistency (Factor 1: Alpha=0.955; Factor 2: Alpha=0.962) (Results in the Appendix). For each of these factors, we calculated the score corresponding to the average for the items.

### 5.4.2.2. Predictor Variables

In terms of the constructs predicting business competitiveness, factors of innovation and barriers to innovation, we applied 40 and 15 items respectively through Likert type scales (1= Not at all important; 7= Extremely important). As regards the factors of innovation, based on EFA, we extracted two components with 21 and 19 items respectively that explain over 60% of the variance in the data (60.78%), with a very high KMO level (0.912) and with both components displaying very high levels of internal consistency (Factor 1: Alpha=0.965; Factor 2: Alpha=0.932) (Results in Appendix).

In terms of the barriers to innovation, EFA retained two factors, with 10 and 5 items respectively, which explain over 60% of the variance in the data (64.8%), again with a high KMO result (0.892) and with both factors returning acceptable or very high levels of internal consistency (Factor 1: Alpha=0.925; Factor 2: Alpha=0.788) (Results in Appendix).

We furthermore calculated the scores corresponding to the average of the items included in each dimension of the factors of innovation and barriers to innovation.

### 5.4.2.3. Mediator Variables

In the case of the destination competitiveness construct, containing 70 items on a Likert type scale to evaluate ARM in relation to the competition/other destinations (1 = Well below the average to 7 = Well above the average), EFA determined the existence of four factors that account for over 60% of the variance in the data (61.3%) and with a high level of KMO (0.866) (Results in Appendix). The first (27 items) and second factors (22 items) explain 22.3% and 17.3% of the data variance and with the third (10 items) and fourth factors (10 items) accounting for 11.3% and 10.4% of this variation respectively. The four factors present very high levels of internal consistency with the Alpha varying between 0.903 and 0.75). For each of these factors, we calculated the score corresponding to the average of their items.

### 5.4.2.4. Control Variables

The control variables deployed were age, gender and level of education of the owner or manager, number of years of company activity, its location, whether or not its capital is owned by another company, its turnover and the total number of employees.

Table 2 presents an overall summary of the variables utilised in the study.

**Table 2. Measures and Variables**

	Variables	Units of measurement	Authors
<b>Dependent Variable</b>	Business competitiveness (two factors) (BC)	Likert type scale: 1 – Not at all important; 7 – Very important	Estevão et al. (2018); Camisón (2015)
<b>Predictor Variables</b>	Factors of innovation (FI)	Likert type scale: 1 – Not at all important; 7 – Very important	Fraj et al. (2015); Zhao et al. (2018)
	Barriers to innovation (BI)	Likert type scale: 1 – Not at all important; 7 – Very important	Cruz et al. (2016); Pikkemaat et al. (2018)
<b>Mediator Variables</b>	Destination competitiveness (four factors) (DC)	Likert type scale: 1 – Not at all important; 7 – Very important	Zehrer and Hallmann (2015) Wilde, et al. (2018)
<b>Control variables</b>	Age of company owner/manager (AGE)	Years	García-Villaverde et al. (2017); Garcia-Almeida and Klassen, (2017)
	Company owner/manager is male(MALE)	0 - No; 1 - Yes	Hew et al (2018) Zach and Hill (2017)
	Company owner/manager has university degree(UD)	0 - No; 1 - Yes	Costa et al. (2013); Garcia-Almeida and Klassen, (2017)
	Accommodation sector (AS)	0 - No; 1 - Yes	Zach and Hill (2017); García-Villaverde et al. (2017)
	Years of company operations	Years	Sainaghi et al. (2017)
	Location in Funchal (FUN)	0 - No; 1 - Yes	Britton (2004)
	Company capital is controlled by another company (CAP)	0 - No; 1 - Yes	García-Villaverde et al. (2017)
	Business turnover in excess of 100,000 euros (BT)	0 - No; 1 - Yes	Divisekera and Nguyen (2018)
	Number of staff (EMP)	Number	Divisekera and Nguyen (2018)

### 5.4.3. Data Analysis

The calculation of the EFA estimates took place according to the principal components methodology while determining the number of factors to retain requires criteria based on the respective values whenever able to explain in excess of 60% of the total variation (Hair, Black, Babin, Anderson, and Tatham, 2010). With the objective of facilitating the interpretation of the factorial solutions, we applied the VARIMAX rotation method (Hair et al., 2010). Furthermore, to evaluate the validity of the EFA, we applied the Kaiser-Meyer-Olkin (KMO) criteria to indicate the existence of sufficient correlation among the variables to advance with EFA (Hair et al., 2010). Following the estimation of EFA, we then evaluated the factorial weightings for each specific factor, having applied all items with an absolute factorial weighting of above 0.50, with these retained variables deemed of practical significance (Hair et al., 2010; Marôco, 2010).

In order to validate the study hypotheses, we initially made recourse to multiple linear regression models, specifically studying the existence of variables with any multicollinearity effects through the variance inflation factor (VIF), requiring the results to come in below 10 (Hair et al., 2010). In order to evaluate the mediating effects of destination competitiveness in relation to the factors of innovation and the barriers to innovation alongside business competitiveness, we applied the Sobel test (Sobel, 1982).

#### The econometric models subject to calculation were the following:

1.  $DC1_j = \beta_0 + \beta_1 AGE_j + \beta_2 MALE_j + \beta_3 UD_j + \beta_4 AS_j + \beta_5 CAP_j + \beta_6 BT_j + \beta_7 FUN_j + \beta_8 EMP_j + \beta_9 FI1_j + \beta_{10} FI2_j + \beta_{11} BI1_j + \beta_{12} BI2_j$
2.  $DC2_j = \beta_0 + \beta_1 AGE_j + \beta_2 MALE_j + \beta_3 UD_j + \beta_4 AS_j + \beta_5 CAP_j + \beta_6 BT_j + \beta_7 FUN_j + \beta_8 EMP_j + \beta_9 FI1_j + \beta_{10} FI2_j + \beta_{11} BI1_j + \beta_{12} BI2_j$
3.  $DC3_j = \beta_0 + \beta_1 AGE_j + \beta_2 MALE_j + \beta_3 UD_j + \beta_4 AS_j + \beta_5 CAP_j + \beta_6 BT_j + \beta_7 FUN_j + \beta_8 EMP_j + \beta_9 FI1_j + \beta_{10} FI2_j + \beta_{11} BI1_j + \beta_{12} BI2_j$
4.  $DC4_j = \beta_0 + \beta_1 AGE_j + \beta_2 MALE_j + \beta_3 UD_j + \beta_4 AS_j + \beta_5 CAP_j + \beta_6 BT_j + \beta_7 FUN_j + \beta_8 EMP_j + \beta_9 FI1_j + \beta_{10} FI2_j + \beta_{11} BI1_j + \beta_{12} BI2_j$
5.  $BC1_j = \beta_0 + \beta_1 AGE_j + \beta_2 MALE_j + \beta_3 UD_j + \beta_4 AS_j + \beta_5 CAP_j + \beta_6 BT_j + \beta_7 FUN_j + \beta_8 EMP_j + \beta_9 FI1_j + \beta_{10} FI2_j + \beta_{11} BI1_j + \beta_{12} BI2_j + \beta_{13} DC1_j + \beta_{14} DC2_j + \beta_{15} DC3_j + \beta_{16} DC4_j$
6.  $BC2_j = \beta_0 + \beta_1 AGE_j + \beta_2 MALE_j + \beta_3 UD_j + \beta_4 AS_j + \beta_5 CAP_j + \beta_6 BT_j + \beta_7 FUN_j + \beta_8 EMP_j + \beta_9 FI1_j + \beta_{10} FI2_j + \beta_{11} BI1_j + \beta_{12} BI2_j + \beta_{13} DC1_j + \beta_{14} DC2_j + \beta_{15} DC3_j + \beta_{16} DC4_j$

We applied IBM SPSS software version 25.0 (IBM Corporation, New York, USA) to process the data obtained.

## 5.5. Results

We present the results arising from analysis of the data on 119 companies in two sections with the first detailing the characteristics of the sample and with the second setting out the results of the various econometric calculations.

### 5.5.1. Sample Description

As regards the entrepreneur, owner or company manager, we may report that 68.1% were male in gender with an average age of  $47.8 \pm 10.2$  years and with 55.5% holding a higher education qualification (Table 3). As regards the companies, 40.3% focused on accommodation as their main activity, 21.0% were service companies, 18.5% engaged in artistic, performance, sports and entertainment activities, and in business for an average of  $15.6 \pm 27.2$  years. 52.1% had their locations in Funchal while 89.9% did not have their capital controlled by any other company, 41.2% recorded 2017 levels of turnover below €20,000 with 28.6% of these companies recording turnover in excess of €500,000 and with an average of  $19.1 \pm 54.2$  members of staff.

**Table 3.** Sample Characteristics

		N	%
Gender	Female	38	31.9%
	Male	81	68.1%
Age (in years), average $\pm$ SD / Median (Range)		$47.8 \pm 10.2$ / 48 (26 - 78)	
Higher education qualifications	Without higher education degree	53	44.5%
	With higher education degree	66	55.5%
Sector of Activity	Accommodation	48	40.3%
	Restaurants and similar	10	8.4%
	Services	25	21.0%
	Artistic. Performance. sports and recreational activities	22	18.5%
	Transport	6	5.0%
	Others	8	6.7%
Length of company duration (in years), average $\pm$ SD / Median (Range)		$15.6 \pm 27.2$ / 6 (0 - 181)	
Company location	Funchal	62	52.1%
	Other municipalities	57	47.9%
Company capital controlled by another company	No	107	89.9%
	Yes: from 25% to 50%	1	0.8%
	Yes: over 50%	11	9.2%
Turnover	Less than €20,000	49	41.2%
	From €20,001 to €40,000	12	10.1%
	From €40,001 to €60,000	3	2.5%
	From €60,001 to €100,000	6	5.0%
	From €100,001 to €200,000	7	5.9%
	From 200,001 to €300,000	2	1.7%
	From €300,001 to €400,000	5	4.2%
	From €400,001 to €500,000	1	0.8%
	Over €500,000	34	28.6%
Total number of employee, average $\pm$ SD / Median (Range)		$19.1 \pm 54.2$ / 3 (0 - 504)	

Note: SD - Standard Deviation

### **5.5.2. Econometric Modelling**

In a first phase, we evaluated the potential for the effects of multicollinearity through recourse to VIF (table 4) and correspondingly able to report that all results came in below 10 (with 8.32 the highest result) and thus concluding that there is no multicollinearity among the different exogenous variable in the econometric models estimated. In relation to the constructs, there were high average scores for business competitiveness (BC2-Corporative Social Responsibility = 5.8 and BC1-Marketing Policies = 5.6) as well as for the four factors of destination competitiveness (DC4-Natural and Human Resources = 5.8; DC3-Destination Quality = 5.5; DC1-Management and Development Policies = 5.2; DC2-Physical Resources = 5.0) and Factors of Innovation (FI2-Market Strategies = 5.3 and FI1-Intellectual Capital = 5.2). Despite reporting high values, the barriers to innovation returned lower average scores than the aforementioned constructs (BI2-Organisation and Management = 4.9 and BI1-Institutional and R&D = 4.7).

**Table 4.** Correlations among the variables applied in the econometric models (VIF in bold in the diagonal)

Variables	Average	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
(1) BC1	5.6	1.1	<b>NA</b>																	
(2) BC2	5.8	1.2	0.80	<b>NA</b>																
(3) DC1	5.2	1.0	0.50	0.41	<b>4.11</b>															
(4) DC2	5.0	1.0	0.51	0.46	0.78	<b>4.57</b>														
(5) DC3	5.5	0.8	0.59	0.53	0.72	0.77	<b>3.52</b>													
(6) DC4	5.8	0.9	0.57	0.52	0.72	0.77	0.73	<b>3.47</b>												
(7) FI1	5.2	1.1	0.28	0.22	0.39	0.37	0.35	0.36	<b>7.80</b>											
(8) FI2	5.3	0.9	-0.37	-0.28	-0.56	-0.47	-0.47	-0.46	-0.90	<b>8.32</b>										
(9) BI1	4.7	1.3	-0.37	0.26	-0.26	-0.30	-0.34	-0.41	-0.54	0.46	<b>5.64</b>									
(10) BI2	4.9	1.2	0.40	0.34	-0.38	-0.43	-0.48	-0.51	-0.61	0.54	0.88	<b>6.73</b>								
(11) AGE	47.8	10.2	0.09	0.05	0.12	0.00	-0.01	-0.04	-0.22	-0.20	-0.08	-0.15	<b>1.30</b>							
(12) MALE	0.7	0.5	-0.12	-0.08	-0.06	-0.14	-0.07	-0.05	0.00	-0.02	0.00	0.02	-0.06	<b>1.14</b>						
(13) UD	0.6	0.5	0.00	-0.03	-0.01	0.00	0.05	0.10	-0.08	-0.02	0.05	0.01	-0.17	-0.18	<b>1.36</b>					
(14) AS	0.4	0.5	-0.11	0.04	0.06	-0.01	0.14	0.07	-0.19	-0.12	-0.17	-0.04	0.00	0.05	0.08	<b>1.58</b>				
(15) CAP	0.1	0.3	0.06	-0.02	-0.02	-0.10	0.05	0.03	0.11	0.09	0.11	0.04	-0.03	0.17	0.08	0.01	<b>1.27</b>			
(16) BT	0.4	0.5	0.09	-0.05	0.05	0.02	0.01	-0.02	0.04	0.07	0.19	0.08	0.07	0.02	0.23	-0.38	0.29	<b>1.72</b>		
(17) FUN	0.5	0.5	0.28	0.29	-0.04	0.04	0.11	0.12	0.01	-0.06	0.21	0.11	0.09	-0.01	0.19	-0.28	0.15	0.26	<b>1.40</b>	
(18) EMP	19.1	54.2	0.06	0.00	-0.03	-0.09	0.02	-0.04	-0.08	-0.10	0.15	0.10	-0.05	0.07	0.23	-0.06	0.16	0.37	0.05	<b>1.34</b>

Note: NA - Not applicable; \* p < 0.05

Table 5 displays the linear regression models with the four factors of destination competitiveness as their dependent variables (econometric models 1 to 4), observing that the age of the entrepreneur/manager ( $\beta = 0.022$ ;  $p < 0.01$ ) positively and significantly interrelates with the scores for the first factor of destination competitiveness (DC1- management and development policies) and the fact that the company is located in Funchal ( $B = 0.337$ ;  $p < 0.05$ ), associates with, and attaining statistical significance, the scores for the third factor of destination competitiveness (DC3 - Destination Quality).

As regards the factors of innovation, we may observe how both factors display a positive and statistically significant relationship with the four dimensions to destination competitiveness (Model 1: FI1 -  $B = 0.530$ ;  $p < 0.01$  and FI2 -  $B = 1.09$ ;  $p < 0.01$ ; Model 2: FI1 -  $B = 0.352$ ;  $p < 0.05$  and FI2 -  $B = 0.687$ ;  $p < 0.01$ ; Model 3: FI1 -  $B = 0.445$ ;  $p < 0.01$  and FI2 -  $B = 0.760$ ;  $p < 0.01$ ; Model 4: FI1 -  $B = 0.412$ ;  $p < 0.01$  and FI2 -  $B = 0.669$ ;  $p < 0.01$ ).

In the barriers to innovation, the results feature the existence of a statistically significant negative relationship with the second dimension (BI2 - Organisation and Management), with the four dimensions of destination competitiveness (Model 1:  $B = -0.362$ ;  $p < 0.01$ ; Model 2:  $B = -0.515$ ;  $p < 0.01$ ; Model 3:  $B = -0.487$ ;  $p < 0.01$ ; Model4:  $B = -0.420$ ;  $p < 0.01$ ) and the first dimension (BI1 - Institutional and R&D), with the third dimension of destination competitiveness (DC3- Destination quality) ( $B = -0.222$ ;  $p < 0.05$ ).

**Table 5.** Linear Regression, Dependent variable: Destination competitiveness

	DC1	DC2	DC3	DC4
<b>Constant</b>	0.281 (0.615)	1.639 (0.68)	2.036 (0.565) **	2.383 (0.588) **
<b>AGE</b>	<b>0.022 (0.007) **</b>	0.007 (0.008)	0.006 (0.006)	0.006 (0.007)
<b>MALE</b>	-0.066 (0.149)	-0.236 (0.165)	-0.137 (0.137)	-0.044 (0.143)
<b>UD</b>	-0.039 (0.153)	-0.045 (0.170)	-0.050 (0.141)	0.125 (0.147)
<b>AS</b>	0.098 (0.166)	-0.018 (0.183)	0.231 (0.152)	0.068 (0.159)
<b>CAP</b>	-0.088 (0.242)	-0.268 (0.268)	0.122 (0.223)	0.077 (0.232)
<b>BT</b>	-0.007 (0.173)	0.049 (0.192)	-0.074 (0.159)	-0.191 (0.166)
<b>FUN</b>	0.069 (0.150)	0.172 (0.166)	<b>0.337 (0.138) *</b>	0.270 (0.144)
<b>EMP</b>	0.001 (0.001)	-0.001 (0.002)	0.001 (0.001)	0.000 (0.001)
<b>FI1</b>	<b>0.530 (0.151) **</b>	<b>0.352 (0.167) *</b>	<b>0.445 (0.139) **</b>	<b>0.412 (0.144) **</b>
<b>FI2</b>	<b>1.090 (0.170) **</b>	<b>0.687 (0.188) **</b>	<b>0.760 (0.156) **</b>	<b>0.669 (0.163) **</b>
<b>BI1</b>	-0.191 (0.119)	-0.259 (0.132)	<b>-0.222 (0.110) *</b>	-0.100 (0.114)
<b>BI2</b>	<b>-0.362 (0.134) **</b>	<b>-0.515 (0.148) **</b>	<b>-0.487 (0.123) **</b>	<b>-0.420 (0.128) **</b>
<b>R<sup>2</sup></b>	0.487	0.366	0.447	0.408
<b>R<sup>2</sup> Adjusted</b>	0.429	0.294	0.385	0.341
<b>N</b>	119	119	119	119

Note: \*  $p < 0.05$ ; \*\*  $p < 0.01$

In terms of the linear regression model for business competitiveness (Econometric models 5 and 6), we may report that the companies located in the Municipality of Funchal ( $\beta = 0.770$ ;  $p < 0.01$ ) return statistically higher average scores in the second dimension of business competitiveness (BC2- Corporate Social Responsibility) (Table 6). As regards the dimensions in the constructs for factors of innovation, barriers to innovation and destination competitiveness, there is only a statistically significant influence in the third dimension of destination competitiveness (DC3- Destination quality) with the first factor of business competitiveness (BC1 - Market/marketing strategy policies) ( $\beta = 0.461$ ;  $p < 0.05$ ).

**Table 6.** Linear Regression, Dependent variable: Business competitiveness

	BC1	BC2
<b>Constant</b>	-0.056 (0.84)	0.6 (0.974)
<b>AGE</b>	0.01 (0.009)	0.006 (0.01)
<b>MALE</b>	-0.238 (0.182)	-0.174 (0.211)
<b>UD</b>	-0.237 (0.187)	-0.346 (0.217)
<b>AS</b>	-0.274 (0.204)	0.106 (0.237)
<b>CAP</b>	0.079 (0.299)	-0.181 (0.347)
<b>BT</b>	-0.129 (0.212)	-0.234 (0.246)
<b>FUN</b>	0.44 (0.189)	<b>0.77 (0.219) **</b>
<b>EMP</b>	0.002 (0.002)	0.002 (0.002)
<b>FI1</b>	-0.276 (0.196)	0.213 (0.227)
<b>FI2</b>	0.395 (0.247)	0.342 (0.286)
<b>BI1</b>	0.105 (0.147)	-0.115 (0.171)
<b>BI2</b>	-0.002 (0.174)	0.176 (0.202)
<b>DC1</b>	0.004 (0.17)	-0.086 (0.197)
<b>DC2</b>	-0.05 (0.18)	0.008 (0.209)
<b>DC3</b>	<b>0.461 (0.178) *</b>	0.35 (0.206)
<b>DC4</b>	0.33 (0.175)	0.4 (0.203)
<b>R<sup>2</sup></b>	0.495	0.415
<b>R<sup>2</sup> Adjusted</b>	0.416	0.323
<b>N</b>	119	119

Note: \*  $p < 0.05$ ; \*\*  $p < 0.01$

Given the results set out above, we may conclude that the scores for the two dimensions of factors of innovation, thus, intellectual capital and market strategies and the two components for the barriers to innovation, thus, the institutional and the organisation and management aspects, do not have any statistically significant direct influence on the scores for the two business competitiveness factors.

Given that only the third dimension (DC3) of destination competitiveness returns a statistically significant impact on business competitiveness, especially the first dimension that refers to marketing/marketing strategy policies (BC1), destination quality

(DC3) may hold a mediating effect over the impact of the factors of innovation and the barriers to innovation. The four dimensions are significantly associated with the destination quality (DC3) and marketing policies (BC1). The Sobel Test reported that both the dimensions to the factors of innovation (FI1: Test Statistical Result = 2.01;  $p < 0.05$ ; FI2: Test Statistical Result = 2.29;  $p < 0.05$ ) return statistically significant indirect effects, mediated by destination quality (DC3) in the first business competitiveness component (BC1- Marketing Policies). In terms of the barriers to innovation, we may report a statistically significant indirect and negative effect (Test Statistical Result = - 2.17;  $p < 0.05$ ) for the second dimension (BI2- organisation and management) on the first component of business competitiveness, thus, market/marketing strategy policies (BC1), in an effect mediated by destination quality (DC3).

## 5.6. Discussion of the Empirical Results

The competitiveness of a tourism destination, as well as the competitive of its companies, depends on its capacities to innovate as well as to deal with the challenges posed by factors that may represent obstacles to innovation. According to the empirical results returned and the initially proposed hypotheses, we may make a series of observations.

Hypothesis (H1a<sup>+</sup>): Intellectual capital has a direct and positive impact on the competitiveness of a destination receives support from our results. Given that intellectual capital incorporates factors such as learning, strategies, knowledge and cooperation, we may affirm that these factors generate a positive impact on destination competitiveness (Liu, 2017). According to Schumpeter (1934), innovation in relation to the accumulation of intellectual capital implements and creates innovation with returns in the form of profits. Within this framework, some studies identify how the involvement of knowledge management to generate innovation conveys the great importance of organisations being able to appropriately manage their knowledge alongside the actual intellectual capital capacities that enable raising and aggregating value to the competitiveness of a destination that portrays and distinguishes its respective unique and non-replicable characteristics (Cruz, et al. 2016).

In turn, the hypothesis (H1b<sup>+</sup>): Intellectual capital has a direct and positive impact on business competitiveness does not receive such support. Indeed, the results do not display any direct effects of intellectual capital on business competitiveness. Intellectual capital is very often interrelated with the resources of a company that aggregates value for the various interested parties. However, this factor spans the management capacity of various factors such as human rights and the capacities whether for innovation, for ensuring swift and agile internal processes, for creating networks or for securing client loyalty (Omerzel and Jurdana, 2016). There may eventually be a relationship among the various facets making up intellectual capital and the capacity for

business innovation but this is neither always direct nor positive in terms of business competitiveness (Wang and Chang, 2005).

However, the results display how intellectual capital has a positive indirect impact on business competitiveness, mediated by the competitiveness of the respective destination (hypothesis H1c<sup>+</sup>). This research hypothesis receives partial support from our findings. Hence, intellectual capital does impact on business competitiveness while mediated by the factors of destination competitiveness (marketing and marketing strategy policies), which, in turn, generate an indirect but positive effect on business competitiveness. Intellectual capital inherently interlinks with the capacity for a company to innovate and constitutes one of the most important dimensions to business strategy. We may report that innovation activities influence the competitiveness of a destination and, furthermore, the competitiveness of its companies. According to Ormezel and Jurdana (2016), the components of intellectual capital indirectly shape the growth of companies.

The hypothesis (H2a<sup>+</sup>): Market strategies generate a direct and positive impact on the competitiveness of a destination, however, does receive support from our results. Evaluating the competitiveness of destination provides an increasingly important tool for strategic positioning and analysis of the destination market due to its capacity to raise market participation, generate client loyalty, boost involvement with the tourism destination and as well as raising the level of earnings. These constitute the reasons for which managers are constantly striving to develop market strategies capable of obtaining competitive advantages (Dimoska and Trimcev, 2012). On applying market strategies to tourism, both in terms of resources and/or capacities, tourism destinations need to deploy strategies able to capture the opportunities arising, face up to the challenges present in the market and thereby boost the competitiveness of the respective destination (Della Corte, D'Andrea, Savastano, and Zamparelli, 2017).

In turn, the hypothesis (H2b<sup>+</sup>): Market strategies generate a direct and positive impact on business competitiveness does not receive any backing. Nevertheless, the results do report that market strategies have an indirect but positive impact on business competitiveness mediated by the competitiveness of the destination (hypothesis H2c<sup>+</sup>). This hypothesis receives partial support and thus the market strategies do impact on business competitiveness whenever this relationship gets mediated by factors of destination competitiveness. Marketing and marketing strategy policies therefore produce an indirect but positive effect on business competitiveness. Innovation derives from the flexibility of companies to be able to opt for the demand of consumers (Banbury and Mitchell, 1995; Zainuddin et al., 2015) through market focused strategies in keeping with the resources and capacities of companies. These strategies ensure not only that the demand gets met but also contribute towards the future competitiveness of both the destination and its host companies (Barney, 1991; Ferreira, Fernandes, and Ratten, 2017). A consolidated and inclusive representation of the strategic factors contribute

directly to higher levels of business competitiveness as mediated by destination competitiveness (Stavroulakis and Papadimitriou, 2016).

The results convey how institutional and R&D barriers return a direct and negative impact on the competitiveness of a destination (H3a<sup>-</sup>), a hypothesis that receives partial verification as the direct relationship of R&D quality negatively shapes the competitiveness of a destination.

The literature on technology transfers identifies technical skills and cultural differences as barriers to competitiveness. These differences between companies and teaching establishments are normally portrayed as barriers to innovation and cooperation and restricting the dissemination of knowledge whether due to institutional and research barriers or to social and cultural barriers (Ankrah, et al., 2013; Bjerregaard, 2010; Daghfous, 2004).

However, the results do not lend any support to the hypothesis (H3b<sup>-</sup>): The institutional and R&D barriers have a direct and negative impact on business competitiveness. Thus, it would seem institutional and R&D barriers do not directly and negatively impact on business competitiveness. Many companies and R&D centres develop technologies that subsequently do not end up reaching the market as the level of investment in R&D or other barriers such as financing related issues, imperfect capital markets, the intensity of assets, the absence of complementary assets such as infrastructures or inappropriate regulatory environments all hinder their effective implementation (Kenney and Hargadon, 2012; Haley and Schuler, 2011; Polzin, et al. 2016).

Nevertheless, institutional and R&D barriers do report an indirect negative impact on business competitiveness as mediated by destination competitiveness (H3c<sup>-</sup>), a hypothesis that gains partial support. These findings corroborate the results of Coad et al. (2016), who refer to how institutional and R&D barriers negatively influence levels of both destination and business competitiveness. This highlighted certain financial and administrative barriers, such as the lack of an interface between innovation cycles and government support provided with the objective of overcoming the shortcomings existing in research and development. Some discoveries emphasise the intermediary role played by innovation institutions and may deal with some of the financial facets that limit the barriers throughout the cycle of innovation as this is a fundamental strategic factor for implementing research in organisations (Polzin, von Flotow, and Klerkx, 2016).

Regarding the impact of organisational and management barriers on destination competitiveness, these results convey how these barriers generate a direct and negative impact on destination competitiveness (H4a<sup>-</sup>), hence finding in favour of this hypothesis. Therefore, external factors to the destination or the company return a negative impact on destination competitiveness. These barriers include the lack of availability of information on the sector, the industrial infrastructures, human and natural resources, cooperation, organisation and management of the sector and political instability

(Sangpikul and Kim, 2009). Among the various barriers holding back destination competitiveness, we may highlight the poor level of skill and competence development, the lack of entrepreneurial and business capital, the lack of information management structures, internal barriers to commerce, the taxation system, infrastructural deficiencies, level of sector competitiveness in relation to the global levels, low rates of innovation to improve on production, shortcomings in the tools available for business support and the lack of opportunities for external commercialisation (Jasinskas and Majauskiene, 2016; Najda-Janoszka and Kopera, 2014; Parris, Bouchet, Welty Peachey, and Arnold, 2016; Pikkemaat, Peters, and Chan, 2018).

In turn, there was no evidence in favour of organisational and management barriers having a direct and negative impact on business competitiveness (H4b<sup>-</sup>), with these results therefore not supporting this hypothesis. They do convey how barriers to innovation do not directly interrelate with the capacity for business organisation and management but rather very often including the lack of financial capital, human resource management issues, and resistance to innovation. Another question also referred to knowledge barriers hindering the usage of technology for innovation, innovation processes, and as important barriers to cooperation (Pikkemaat et al., 2018). However, a study by Hoening identified various strategic, organisational and management factors and that generally impact on financial performance. According to these results, questions around sales and the size of organisations hold positive impacts on financial markets and company performance levels (Capon, Farley, and Hoening, 1990).

The organisational and management barriers provide an indirect and negative impact on business competitiveness, mediated by the competitiveness of a destination, with this hypothesis (H4c<sup>-</sup>) gaining partial support from the results returned here. Hence, interrelating the quality of a destination with its competitiveness produces an indirect and negative effect on business competitiveness. Barriers to organisation and innovation management at the level of company productivity, both of them primarily financial obstacles and with dissuasive impacts on the intensity of the investments made and the propensity to innovation, hold negative impacts both for destination competitiveness and company competitiveness (Coad, Pellegrino, and Savona, 2016).

The hypothesis (H5a<sup>+</sup>): Management and development policies generate a direct and positive impact on business competitiveness, does not receive support. Correspondingly, in keeping with the results returned, we are unable to affirm that management and development policies generate a direct impact on the competitiveness of companies. There is nevertheless the grounds for stating that management and development policies remain underdeveloped and lack any appropriate integration into the management policies of regions. Only some countries and regions have begun to formally implement management policies relevant to nurturing their own development (Chang, Lu, Chui, and Hartshorn, 2018). Correspondingly, Grundey (2008), Burinskiene and Rudzkiene (2009), through analysis of sustainable management and development

policies, report that the development of infrastructures, for example, represents one of the fields of strategic planning with positive impacts on development, fostering socioeconomic growth and the competitiveness of both companies and regions (Palei, 2015).

The hypothesis (H5b<sup>+</sup>): Physical resources hold a direct and positive impact on business competitiveness, does not receive support from our findings. Given the scope for importing technology, physical resources are non-replicable and poor differentiators for performance (Low and Lee, 2014). Despite the core technological knowledge of a company representing an intangible resource with a positive effect in terms of both quantity and quality, physical resources as a total asset do not hold any significant influence over business competitiveness (Plank and Doblinger, 2018).

However, the hypothesis (H5c<sup>+</sup>): Destination quality holds a direct and positive impact on business competitiveness, does gain partial support. Quality is undoubtedly a positive factor for the competitiveness of any destination as well as any company. The competitiveness of business services constitutes one of the most important aspects as regards the intensification of the knowledge, the services and raising the standard of both service quality and management efficiency as well as the level of education and training of human resources and sustainable development (Wilson, Wright, and Kacer, 2018; Teixeira and Ferreira, 2018).

The improvement of quality holds equal relevance for innovation in comparison to the competition given the emphasis placed on issues around quality, especially as price based competition seems to be becoming ever more difficult (Sundbo, Orfila-Sintes and Sørensen, 2007). Thus, it is important to highlight various factors among them the quality of the business environment and business efficiency within the framework of ensuring a positive impact on the development of the business sector that to a large extent derives from the quality of the respective destination (Čučković, Jurlin, and Vučković, 2013).

Finally, the hypothesis (H5d<sup>+</sup>): Natural and human resources generate a direct and positive impact on business competitiveness does not gain any empirical justification. Hence, in keeping with the results obtained, we are unable to verify any impact from natural and human resources on the competitiveness of companies.

According to Najda-Janoszka and Kopera (2014) and Pikkemaat et al. (2018), a major barrier to innovation stems from the motivation of human resources to engage with innovation processes. Furthermore, the excessive dependence on natural resources holds the potential to bring about a poverty trap in supplying a minimum level of earnings while removing the incentives to invest in education or take on the risks necessary to overcoming this scarcity (Delacote, 2009; Hayes et al., 2015).

## **5.7. Conclusions, Implications, Limitations and Future Research**

### **5.7.1. Conclusions**

This study strove to identify, explore and analyse the factors and barriers that determine the success of innovation implementation to both destination and business competitiveness as well as expanding the critical reflections around tourism sector companies operating in the Autonomous Region of Madeira.

The great surge in global competitiveness inherently means that some destinations and their tourism companies face major challenges over retaining their competitiveness and driving a large number of researchers to seek out the best approach to conceptualising and measuring the competitiveness whether of destinations or of tourism companies (Santos, Ferreira, and Costa, 2014).

The concept of competitiveness is wide reaching and encapsulates any resource that any particular tourism company may deploy so as to gain competitive advantage. Our analysis makes an important contribution to these studies and parties interested in measuring the performance of the tourism sector in keeping with that defined and identified through analysis of the articles, the collection and processing of empirical data and that needs taking into consideration in future lines of research (Sainaghi, Phillips, and Zavarrone, 2017).

We believe that the need to identify and combine factors, resources and the barriers to innovation may enable companies to raise and grow their performance and competitiveness (Ferreira and Fernandes, 2017).

Our findings enable insights into former discoveries that lacked consistency in their exploration of the factors and barriers to innovation in destination and business competitiveness, seeking to contribute towards overcoming these shortcomings. Considering the conditions appropriate to enhancing and valuing innovation and the combination of the respective factors may contribute towards boosting the competitive performance whether of the region or its businesses and firms.

### **5.7.2. Theoretical Implications**

From the theoretical point of view, this study provides and produces the core identification of the variables important to innovation and the respective implications for destination and business competitiveness as well as generating two management based implications. Firstly, our results demonstrate the importance of studying factors and barriers to innovation and competitiveness, in keeping with the respective approach to the theme as well as responding to the need to recognise the conceptual differences that appropriate innovation may provide through driving improvements in business competitiveness (Abdu and Jibir, 2017; Pikkemaat et al., 2018; Siriphattrasophon, 2017).

Furthermore, this contributes towards meeting a shortcoming in the existing literature and strengthening the importance of future studies due both to the overall

lack of research and the contradictions prevailing in this field both in our research and in the majority of other studies. Thus, this makes a clear if modest contribution to the literature on innovation and competitiveness based upon a tourism business sector perspective.

### **5.7.3. Practical Implications**

The conclusions of this study underpin some practical implications of potential benefit both to managers, whether of companies or destinations, and the respective political decision makers for the tourism sector. Based on the research findings, we may reflect on some of the business strategies able to return sustainable competitive advantages. This study thus identifies the existing and underlying relationships of innovation as a factor for leveraging destination and business competitiveness that had hitherto received little attention.

The results obtained provide managers with indicators able to serve as a strategic tool for action in the tourism sector. Factors of innovation such as intellectual capital and market strategies, as well as the obstacles for institutions undertaking R&D, its organisation and management are all dimensions that shape and influence business competitiveness and requires taking into consideration within the framework of formulating regional strategies. Furthermore, other variables, such as policies for management and development, physical resources, natural and human resources, and destination quality also all hold influence over the competitiveness of a destination and the companies it hosts.

### **5.7.4. Limitations and Future Research**

This study also seeks to contribute to the scientific community and beyond and hence correspondingly proposes certain future lines of research that simultaneously emerge out of the limitations of this study. The weaker the combination of factors of innovation and greater difficulties in overcoming the barriers to innovation drive greater difficulties in obtaining competitive advantages (Maury, 2018). Hence, there arises the need to understand just how a company might identify its own resources, their rare and valuable potentials susceptible to improving the levels of business competitiveness through either the factors of innovation or through other strategic factors (Ferreira and Fernandes, 2017).

One of the limitations of our study stems from the unit of analysis being specific both to one sector, tourism, and to one particular region, the Autonomous Region of Madeira. Hence, in the future, it would be worthwhile applying this study to the country as a whole, Portugal, or still furthermore to make comparisons with other countries or regions. We would also like to add the need for further research on destination and

business competitiveness related issues, the factors and barriers to innovation, making recourse to integrated quantitative and qualitative methodologies, and alongside the triangulation of methodologies in order to return more accurate and robust results on the factors influencing competitiveness (Santos, et al., 2014).

Finally, this quantitative approach helps and contributes to refuting some critical but separate directions proposed by previous studies and, therefore, advancing our understanding of the importance of the relationships among the factors and barriers to innovation within the scope of achieving competitiveness in terms of both the regional level and the combination of factors necessary to business competitiveness.

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## **PART III**



## **CHAPTER 6**

### **General Conclusions**



## 6.1. Final Considerations

This thesis, in the introductory section, mentioned and exposed the general objective of research - to analyze the importance of regional competitiveness and innovation for the tourism business sector, applied to the case of the Autonomous Region of Madeira (ARM) - and the specific objectives (i) Identify and carry out a mapping of structure and intellectual knowledge, through identification of the main publications and research trends related to regional competitiveness and innovation in the tourism sector, and existing gaps; (ii) To analyze the impact of tourist satisfaction, tourist product events and related technical attributes associated to this product, as an element of regional tourist competitiveness; (iii) Evaluate the contribution of entrepreneurial craft products in the region and their impact on GDP and regional competitiveness; (iv) Determine the contribution of innovation (factors and barriers) to the competitiveness of destination (regional) and tourism companies.

In chapter 1, it was approached the general framework of the subject, making reference to the importance of this study as well as the identification of the main research units and themes, followed by the definition of the several types of methodologies to be used, a brief approach to the chapters of this thesis, procedures and possible contributions of this study and, finally, the organization and structure of the thesis.

In chapter 2, a bibliometric study was carried out through a mapping of the principal and scientific publications, intellectual structure and research trends related to regional competitiveness, innovation and tourism cluster, using the WoS online database. From the trends identified in this first study, it was possible to define the focus of the following chapters: i) impact of tourism satisfaction with tourist product events; ii) analysis of entrepreneurial craft products in the region and their impact on competitiveness; iii) effects of innovation (factors and barriers) for the competitiveness of the tourism sector.

In Chapter 3, it was made an analysis of the impact and contribution of satisfaction with tourist events as a product of regional tourism competitiveness, as well as assessing competitiveness factors. For this, a questionnaire was conducted for the four major Madeira Island tourist events (Carnival, Flower Festival, Atlantic Festival, and Wine Festival), an island located in Portugal and structural equation models were used as a statistical method.

In Chapter 4, we opted to analyze and explore the role of craft products as a craft entrepreneurial product and to assess the impact that these products can have on regional competitiveness.

In chapter 5, the business tourism sector of ARM was the main focus of research, where the importance of innovation factors and barriers was analyzed, as a determinant for business and destination competitiveness.

In this final chapter, we sought to summarize the main conclusions drawn from the various chapters, reflecting on the issues and main conclusions, as well as the main theoretical and practical implications, and also the main limitations in the progress of the research, and suggest future and possible lines of research.

### 6.1.1. Main Conclusions

Arguments for or against scientific realism generally presume the major epistemic claim on theoretical and empirical questions, where we may have good reasons to conclude whether they are true or almost true (Lyons, 2016; Maki, 2012). A good idea needs to be realistic, sober and simple, as well as good research should begin by analyzing this idea, analyzing the state of art, i.e. identifying, analyzing, exploiting and contributing added value.

However, studies on the tourism industry and on the importance of innovation have been a trend that has aroused interest in researchers with an interest in this sector, since it is an industry with high potential (Garcia-Villaverde, Elche and Martínez-Pérez, 2017).

Competitiveness remains undoubtedly a key issue for the vitality of political economy and business worldwide (Abreu Novais et al., 2018). The evolution of the market, economic and financial performance require a discriminatory analysis of internal and external variables that have effects on the competitive advantage of a company, and this will allow us to identify deep causes of competitiveness factors. This function involves the exploration of resources and capabilities, together with some key innovation factors for a given company or destination, creating a competitive market, an advantage that will support a competitive position higher to their competitors in the sector (Camisón and Forés, 2015).

In order to answer the central questions initially raised in this research, four empirical studies were developed, using several types of methodologies and statistical software that compose this PhD thesis. The first study uses the techniques of bibliometric analysis using the VOSviewer software, in the second study the method of analysis of structural equations was used using STATA software, the third study uses multiple linear regression analysis using SPSS.24 software, in the fourth and last study, the empirical analysis used was through SPSS.24 and multiple linear regression and econometric models were used.

In this thesis, we sought to study regional competitiveness and innovation in the context of the tourism sector, using four perspectives: (i) knowledge and scientific intellectual mapping of this area of research, (ii) tourists' opinion about tourist product regional events, (iii) analysis of the contribution of handcraft entrepreneurship products, and (iii) the vision of companies / managers in the tourism sector operating in the ARM. Finally, the questions initially raised in this investigation will be answered. Table 1

summarizes the main conclusions and characteristics of each study, as well as the main outputs already achieved, at the level of scientific publications.

**What are the main trends and areas of scientific research to develop related to the area of studies of regional competitiveness and innovation in tourism?**

The issues of variable measurement derive mainly from reasons involving the complexity of gaps in regional competitiveness, tourism cluster and innovation in tourism, as well as lack of clear and accurate definitions and interpretations of these issues and intellectual knowledge (Omerzel and Jurdana, 2016). Depending on the methods described in the literature, they are not free from their own limitations regarding the issues surrounding regional competitiveness, tourism innovation, and tourism clustering (eg Almeida-Santana and Moreno-Gil, 2018; Barbosa, Oliveira and Rezende, 2010; Blazek and Csank, 2016; Booyens and Rogerson, 2017; Cracolici and Nijkamp, 2009; Esparon, et al, 2015; Maury, 2018). The bibliometric method is an innovative technique that allows to demonstrate, to enable and to identify less explored fields of research and to open new viable research paths by filling some of the gaps identified in the literature (Castillo-Vergara et al. 2018). The results show that the intellectual structure of the regions' competitiveness is divided into three main categories: regional competitiveness, tourism innovation and tourism cluster. The areas of study identified with less incidence and that may be areas of future research interest are: tourism clusters, touristic events, touristic product, model, touristic satisfaction, regional development, firm innovation and firm competitiveness.

**What is the influence of tourists' satisfaction with tourist product events and their attributes for regional competitiveness?**

The starting point of this research question was to analyze the influence of tourist satisfaction with the tourist product events and how it influences the regional tourist competitiveness. Based on this question, it was possible to perceive that the organization of the events and other attributes (creativity, recommendation, beauty, expense, satisfaction, disclosure, schedules, quality) associated to tourist events lead to higher levels of satisfaction, greater competitiveness of the destination (Wikhamn, 2019). It was possible to verify that higher levels of satisfaction are related to the greater number of visits in the near future, and increase in the number of tourists, as well as the region can benefit from a greater promotion through the hospitality of the visitors. Generally, we can conclude that the tourist product events have an impact on tourist satisfaction, leading to a higher destination recommendation by tourists, resulting in an increase in tourist demand and consequent increase in loyalty and regional competitiveness (Teixeira and Ferreira, 2018; Wikhamn, 2019; Chen, Chen, and Lee, 2011; Cibinskiene, 2012;

Esparon et al., 2015; Lai, 2018; Laing, 2017; Mackellar, 2015; Montenegro, 2017; Thomas and Wood, 2015; Yürük , Akyol, and Şimşek, 2017; Esparon et al. 2015).

**What are the contributions and impacts of artisan entrepreneurship and its products for regional tourism competitiveness?**

Associated to entrepreneurship and economic development, handcraft products allow the creation of employment, an increase in innovation, which leads to a positive impact on regional tourist competitiveness (Teixeira and Ferreira, 2018). Tourism, in its handcrafted aspect, plays an important role in the marketing of tourist products, which are fundamental for regional competitiveness. Crafts have gained room in regional policies regarding their cultural preservation. Thus, it creates facilities for encouragement credits, which are tools that will have a favorable impact on the competitiveness of these products (Tweneboah-koduah and Adusei, 2016). In addition, they allow the construction of formal partnerships with entities that support handcraft development, tax incentives for the marketing of handicraft products, making it possible to identify the main markets with an interest in local production. The craft industry is considered an industry that can absorb the largest sales force compared to other larger industries, which in turn can provide significant contributions to the GDP of a region and consequently higher levels of competitiveness (Alberti and Giusti, 2012; Balogh and Jámbor, 2017; Câmara, 2011; Dube et al., 2016; Flores et al., 2016; Neutzling, Santos, Barcellos, and Land, 2015; Prince, 2017; Teixeira et al., 2018; Viassone, Vrontis, and Pappasolomou, 2016).

**What is the importance of innovation as an engine of business tourist competitiveness versus competitiveness of the destination?**

It was possible to analyze factors and barriers to innovation and their impact (direct or indirect) on the competitiveness of the destination and business competitiveness. In this sense, it was possible to verify that innovation is undoubtedly an important factor both for the competitiveness of the destination and for the business competitiveness. However, innovation often faces factors and barriers associated with its effective implementation both in organizations and in the tourist destination (Banerjee and Homroy, 2018; Pikkemaat, Peters, and Chan, 2018; Rodríguez et al., 2014) such as: intellectual capital, market, institutional and R&D strategies, organization and management, management and development policies, physical resources, natural and human resources, and the quality of the destination. These factors can often have a direct or indirect impact on the competitiveness of the destination as well as on its companies (Banerjee and Homroy, 2018; Husain, Mousavi and Bossink, 2018; Plank and

Doblinger, 2018; Teixeira et al., 2018; Wikhamn, 2019; Zach and Hill, 2017; Zhao et al., 2019). For example, intellectual capital has a direct positive impact on the competitiveness of the destination, and an indirect impact on business competitiveness since it is only positive once mediated by the competitiveness of the destination. Market strategies have a direct positive impact on the competitiveness of the destination, but an indirect impact on business competitiveness, that is, it only has a positive impact on business competitiveness once mediated by the competitiveness of the destination. Institutional and R&D barriers obviously have a negative impact on competitiveness (of destination and business). The political factors of management and development, physical resources, quality of destiny, natural and human resources have a positive indirect impact on business competitiveness, once mediated by the competitiveness of the destination. Finally, it is important to note that the competitiveness of a destination and its companies are dependent on the differentiating and innovative capacity to face competitors and market tendencies, otherwise they will lose their competitiveness (Boschma, 2004; Tsai, Song, and Wong, 2009; Wikhamn, 2019; Ye et al., 2019).

## 6.1.2. Main Results of the Research

Table 1. Summary of the main results of the research

Chapter	Aim	Theoretical framework	Data	Methodology and Sample	Software	Method	Main conclusions	Publications
1	*	Introductions	*	*	*	*	*	*
2	This study's objective essentially strives to provide a mapping of the scientific publications and the intellectual knowledge therein contained while conveying past research trends and identifying potential future lines of research in the fields of regional competitiveness and tourism innovation.	Mapping and Intellectual Knowledge	WoS Data	Quantitative & [4684 articles]	VOSviewer	Bibliometric Analysis	The main conclusions of this study arise out of identifying the main research trends in this field and the respective shortcomings and specific needs for future scientific research. We believe that our study makes an additional and strong contribution to this scientific area by providing a systematic evolution of the concepts of regional competitiveness and tourism innovation and conveys the importance of these fields and furthermore deepening our understanding of the interrelationship between regional competitiveness and innovation in regional tourism sectors.	Teixeira, S., and Ferreira, J. [forthcoming]. "A bibliometric study of regional competitiveness and tourism innovation", <i>International Journal of Tourism Policy</i> [Indexed: SCOPUS].
3	This study aims to analyze the contribution of satisfaction with tourism events as a product of regional tourism competitiveness, as well as evaluate factors of competitiveness.	Tourism Events	Primary Data	Quantitative & [2262 tourists surveyed per 4 events]	STATA	Structural Equation Model (SEM)	The conclusions show that satisfaction is reflected in the loyalty of the customer to the choice of the tourist destination, and can contribute directly and indirectly to the competitiveness of the regional tourist. This study contributes to the valorization of local and regional events, perceived by the level of satisfaction and loyalty of tourists, as products of regional competitiveness of a tourist destination.	Teixeira, S., and Ferreira, J. [in review process]. "Satisfaction and tourist events as a product of regional tourism competitiveness", <i>Journal of Destination Marketing and Management</i> , [Indexed: SCOPUS; ESCI -Emerging Sources Citation Index].

4	The purpose of this paper is to explore and analyse the role of entrepreneurial artisan products in regional tourism competitiveness.	Artisanal Products	Secondary Data	Quantitative & [Statistical Data into 2001-2015 from DREM and IVBAM]	SPSS	Multiple Linear Regression Analysis	This study concludes that, to overcome the problems related to the impact of artisanal goods and exports, it is necessary to invest in innovation, quality and entrepreneurship, without neglecting the investments in fomenting the infrastructures of the companies, so as not to be overtaken by the market. Embroidery and artisanship of inferior quality produced in other countries. In the context of these conclusions, we would like to point out that the Madeira wine sector must consider the range of challenges that remain in maintaining its position in the market and, consequently, in its overall competitive position.	Teixeira, S.J. and Ferreira, J.J.M. (2018), "Entrepreneurial Artisan Products as Regional Tourism Competitiveness", <i>International Journal of Entrepreneurial Behavior &amp; Research</i> [Indexed: SCOPUS; ESCI -Emerging Sources Citation Index]. <a href="https://doi.org/10.1108/IJEBR-01-2018-0023">https://doi.org/10.1108/IJEBR-01-2018-0023</a>
5	The objective of this study involves analysing the factors of and barriers to innovation and their respective impacts (directly and indirectly) on the competitiveness of both locations and their host companies.	Firms Innovation and Competitiveness	Primary Data	Quantitative & [119 tourism companies]	SPSS	Econometrics Models and Regression Analysis	The results obtained allow us to conclude that by providing managers with indicators that can serve as a strategic tool for action in the tourism sector. Innovation factors such as intellectual capital and market strategies as well as institutional obstacles and R&D, organization and management are dimensions that influence business competitiveness and need to be equated when formulating regional strategies. Contributes to the reconciliation of some critical but separate directions proposed by previous studies and therefore advances our understanding of the importance of a link between factors and barriers to innovation in order to achieve competitiveness at both regional and combination of factors for the competitiveness of companies.	Teixeira, S.J. and Ferreira, J.J.M. [in review process]. "Innovation as a driver of business tourism competitiveness", <i>Journal of Hospitality &amp; Tourism Research</i> , [Indexed: SCOPUS; ESCI -Emerging Sources Citation Index].
6	*	Conclusions	*	*	*	*	*	*

## **6.2. Implications**

The conclusions of this study aim to provide, as any scientific study, several implications that can contribute to the theoretical and practical debate, and that can contribute to the scientific world, benefiting to a certain extent the several stakeholders (managers, directors, government representatives, decision makers) in the tourism sector. The implications of this study also allow the development of marketing and management strategies that enhance the competitiveness of companies and tourist destinations (Assaf and Tsionas, 2019; Ma, Huang, Lin, and Yang, 2019; Wikhamn, 2019; Yao et al., 2019).

### **6.2.1. Theoretical Implications**

From the point of view of the theoretical implications, there are several implications that we can highlight. In chapter 2, our findings show that the main scientific journals on these areas of study about regional competitiveness, innovation and tourism clustering have been instrumental in the dissemination of knowledge (Ferreira, Fernandes, and Ratten, 2016). Regions are tourist destinations to be explored and their findings reveal important implications for economic development, competitive relations and economic policy (Herrero-Prieto and Gómez-Veja, 2017). One of the main implications of this study arises from the identification of the main research trends in this field and the respective deficiencies and specific needs for future scientific research in areas of competitiveness and tourism. Through a bibliometric analysis it was identified some issues of tourism attractiveness that contribute to the regional growth and competitiveness of tourism (Firgo and Fritz, 2017). These theoretical implications allow researchers to establish and analyze research trends as well as to identify key scientific needs in the areas of tourist competitiveness and innovation (Cancino et al., 2017; Castillo-Vergara et al., 2018; Evren and Kozak, 2014).

In chapter 3, our findings evidenced the contribution of satisfaction levels with tourist product events in regional competitiveness. Some existing studies on destination motivation, satisfaction and competitiveness were limited to the analysis of tourists' perceptions of destination, ignoring in practice the perception of tourists as consumers of tourist products. In terms of implications, it should be noted that the results indicate that the additional investments in terms of design, production and organization of pleasant events are profitable as they contribute to higher levels of satisfaction and, consequently, a greater probability of recommending the event. Another result with implications is the low number of participants in the study. In this sense, there should be a concern in this area of research, outlining action plans and strategies to actively engage

this type of participant. We have verified that the events have an impact on the satisfaction of the tourist, which leads to the recommendation of the destination and, consequently, increases the tourist loyalty, and allows an increase in tourist demand reflecting regional competitiveness (eg: Chen et al., 2016; Cracolici et al., 2009; Enright and Newton, 2004; Pansiri, 2014; Ma et al., 2019).

In chapter 4, we mention that tourism in its craftwork aspect plays an important role in the marketing of tourist products, which are fundamental for regional tourist competitiveness (Teixeira and Ferreira, 2018). The development of craftwork tourism has contributed to the preservation and development of regional craft traditions in a sustainable way, as it helps not only the expansion of the market, but also brings favorable opportunities to the development of production, preserving and promoting the cultural values of the regions (Hieu and Rasovska, 2017). The study provides an important contribution to the industry, especially due to the lack of studies that address these analytical problems in wine companies. In addition, rural territories, especially around tourist destinations, are influenced by increases in competitiveness due to their heritage and closer traditions regarding what they produce and what they own (products such as wine).

Chapter 5, from a theoretical point of view, essentially provides and produces the identification of important variables in the relation between innovation and its implications for both the competitiveness of the destination and the business competitiveness. A company to be successful may involve some investment, as a result of its competitive advantage in meeting its social and business objectives (Porter, 1991; Camisón and Fores, 2015; Siriphattrasophon, 2017). Thus, chapter 5 reveals the importance of studying factors and barriers associated to innovation and competitiveness, and also responds to the need to recognize the differences in innovation concepts as well as how innovation contributes essentially to business competitiveness. On the other hand, it has implications for the filling of existing gaps in the literature, as well as it allows scientific advances within this area of knowledge. It also allows for an empirical contribution, although modest, to the scientific literature on innovation and competitiveness of the destination and tourism business sector.

### **6.2.2. Practical Implications**

Several practical implications of the results of this thesis can be approached. In chapter 2, the main practical implication of this study arises from the identification of the main gaps in the sector, indicating how companies, managers, entrepreneurs and policy makers can act to obtain a higher level of regional tourist competitiveness. It also allows a greater appreciation of cultural resources, as well as it reinforces the importance of well-organized events and their associated attributes, which consequently entertain the tourist that visits us and allows a greater loyalty and recommendation of the destination.

In chapter 3, and in terms of practical implications, it is relevant to emphasize the advantages of analyzing different events. The experience and the improvements in terms of organization, consolidated in a cohesive team that guarantees the management of certain components of the different events from January to December, allow the accumulation and transfer of knowledge and experience from one event to the other. Events seem to appear more and more as a "mega-event" throughout the year, rather than following an individual course of action (Kelly and Fairley, 2018; Santos, Vareiro, Remoaldo, and Ribeiro, 2016). As managerial implications, it is important for organizations to invest in technical skills in terms of participant preferences analysis, and in the design and conception of scenarios and experiences. It is an essential investment to strengthen the competitiveness of the destination.

Chapter 4, about handcrafts products, reveal that wine tourism has a socio-economic impact on regional development, as well as catering and hotel sector, since work and local activities linked to crafts have revealed a modest strategy linked to competitiveness (Balogh and Jámbor, 2017; Bellia, 2014; Rendleman et al. 2016; Porter, Takeuchi, Baibakova and Weigand, 2013; Sarturi, Vargas, Boaventura, and Santos, 2016; Rooyen, Stroebel, and Esterhuizen, 2010; Viassone, Vrontis, and Papasolomou, 2016; Viassone et al., 2016; Faithfull, Rodríguez, and Kuncheva, 2019). Therefore, and considering the current competition scenario, the study discussed here in terms of regional competitiveness and in terms of GDP allows its leaders to reflect on their policies and actions on the management of local products. The craft industry is considered to be one of the leading industries that can not only absorb the largest sales force compared to other larger industries, but can also provide significant contributions to the GDP of a region (Tambunan, 2011).

The study developed in chapter 5 about innovation as an engine of business tourist competitiveness, allows in a way the existence of practical contributions that can benefit, somehow, both managers, decision makers, companies and destinations as well as their political and governmental decision makers. From this study it is possible to reflect about some business strategies that are the basis of sustainable behavior to obtain competitive advantages (Nunkoo, 2017; Tambunan, 2011; Nieves and Segarra-Ciprés, 2015; Zach and Hill, 2017).

From this thesis it was possible to obtain practical implications, regarding the strong link between innovation and competitiveness, i.e. according to the evidence it is possible to see that innovation contributes effectively to competitiveness. Our results not only allow theoretical encouragement (Reve and Sasson, 2015), essentially practical, but also provide future orientations for the importance of innovation for competitiveness and boost island tourist development and reduce some economic asymmetries with which the ARM still faces. Briefly, the specific implications most supported by stakeholders in the tourism sector were the organizations and institutions of the tourist destination that can play an important role as facilitating strategies between the regional government

and companies for better planning and development of tourist competitiveness (Banerjee and Homroy, 2018; Baptista, Lima, and Mendonça, 2011; Palei, 2015).

### **6.3. Limitations and Suggestions for Future Research Directions**

The generalization of the results remains somehow limited, since the results come from only one particular region.

As expected, some limitations are found in all investigations that serve as a way to encourage more solid investigations in the future that will fill some gaps in the scientific literature (Hjalager, Kwiatkowski, and Ostervig Larsen, 2017; Pansiri, 2014; Yao, Qiu, and Wei, 2019; Zhao et al., 2019). Measurement problems derive primarily from issues involving in this case the complexity of issues of innovation, regional competitiveness and competitiveness of companies operating in the tourism sector, as well as the poor definition and clear and accurate interpretation of these issues. In this sense, we approached the main limitations of this study.

Regarding the first study (chapter 2), a bibliometric analysis, we find that the methods described in the literature and the intellectual knowledge, are not exempt of their own limitations, regarding the problems around the areas of competitiveness and innovation in the cluster of the tourism sector, which are responsible for most of the issues that have arisen throughout this literature. One of the limitations of this study is that it is only used a single database, WoS, which excludes some publications and specialized intellectual knowledge in this field of study. As a future suggestion, it may be the use of longitudinal studies based on different databases, and it may result in different interpretations of results.

One of the main limitations of the second study (chapter 3), concerns the exclusive application of the questionnaire only to tourists who participate in events related to tourism. In addition, the fact that they are surveys and of closed response, which limits the access to some relevant qualitative information. As a suggestion of future research, it is recommended to investigate, for example, other activities, other products and events as well as analyze factors of innovation both in the competitiveness of the destination and in the business competitiveness in the valuation of its natural, physical and cultural resources.

The research discussed on issues of handcraft products in competitiveness (Chapter 4) presents as a limitation the generalization of the results, since it is based exclusively on secondary data from a specific region of ARM, which may limit its robustness of the obtained results. Another limitation concerns the focus of the research which is essentially based on craft tourist products, in this sense it may be interesting in the future, to analyze several or all products linked to the tourism industry. A further research suggestion could be the comparison with studies from different geographic areas using similar methodologies, in order to obtain greater reliable results.

As limitations of the fourth study (chapter 5), it can be mentioned that the study focuses on the tourism sector, and only the ARM. Another limitation has to do with the low collaboration and adhesion of the companies to participate in the study, and the probable difficulty in the interpretation of the questions of the questionnaires, about innovation processes and their reflection on the competitiveness of the company. However, it might be interesting, as a future suggestion, to apply the study to the whole Portuguese territory, or even compare the study with other companies from other regions, including international islands. Another suggestion concerns the need to develop further studies and empirical evidence in order to better analyze business performance, as well as the influence of innovation on its competitiveness, both of destination and of companies. It would also be extremely interesting to apply integrated quantitative and qualitative methodologies (Santos, Ferreira, and Costa, 2014).

In short, we can see that given the imminent changes in scale, both in terms of public and private policies, we believe that leveraging financing for both destinations and companies can effectively contribute to regional development and particularly to the competitiveness of existing or new ones that may emerge (Cowling, Ughetto, and Lee, 2018). Consequently, we believe that the overall results of this research provide a more in-depth and detailed view of this sector, namely the weak or almost non-existent research, particularly applied to ARM.

Finally, we could consider this step a conclusion of the study, however this investigation is only a beginning in the advance of what still needs to be explored in this area of investigation. Innovation for competitiveness is a means, a process to deal with the constant changes (Tuzovic, Wirtz, and Heracleous, 2018), so the challenge is to continue investigating these very interesting and relevant issues and gaps.

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## **Annexs**

## Annex I

## IMPACT OF TOURIST EVENTS SATISFACTION AS THE PRODUCT OF REGIONAL TOURISM COMPETITIVENESS

## EVENT - CARNIVAL

This survey intends to determine your overall level of satisfaction regarding the Carnival in Madeira.

We kindly ask you to answer honestly to all questions, estimated to take about 15 minutes. Please leave this document at the hotel front desk or hand it back to your interviewer.

Your opinion is very important for us so that we can always meet our visitors' expectations.

Thank you in advance for your participation.

Your answers are anonymous, and will be kept strictly confidential and used only for statistical purposes.

**A Demographic****Information/data 1 Age**

- 15 to 24  
25 to 34  
35 to 44  
45 to 54  
55 to 64  
65 or over

**2. Gender**

- F  
M

**3. Marital Status**

- Single  
Married/Non-marital Union  
Divorced  
Widower

**4. Country of Residence**

- Portugal  
United Kingdom  
Germany  
France  
Other Which?

**5. Net monthly household income**

- <500€  
501€ - 1000€  
1001€ - 1500€  
1501€ - 2500€  
2501€ - 3500€  
3501€ - 5000€  
5001€ - 7500€  
> 7500€

**6. Academic qualifications**

- Elementary education  
Secondary education  
University degree  
Master's / PH.D. degree

**B Trip Description****7. Is this your first trip to Madeira Island?**

- Yes  No

**8. If NOT - Have you attended the Carnival in Madeira before?**

- Yes  No

**9. Did you already know about the Carnival in Madeira?**

- Yes  No

**10. If YES - How were you informed?**

- Family/Friend's recommendation  
Through the Internet  
Travel Agency  
An article in the Press  
Television  
Outdoor Advertising  
Tourism Fair  
Other Which?

**11. Were the Carnival Festivities the main motivation for your visit to Madeira?**

- Yes  No

**12. In which hotel did you stay?****13. What was the duration of your stay?**

nights

**14. Including yourself, how many people did you travel with?**

- children (up to 5 years)  
children (6 to 14 years)  
young people (15 to 24 years)  
adults (+25 years)

**15. What was your group's total expense during your visit? (including travelling, accommodation and expenses in the island)**

- <500€  
501€ - 1000€  
1001€ - 1500€  
1501€ - 2500€  
2501€ - 3500€  
3501€ - 5000€  
5001€ - 7500€  
> 7500€

**C Satisfaction level**

16. Overall, how satisfied were you with the Carnival in Madeira?

(Please rate - 1 = Non satisfied to 7 = Fully Satisfied)

1  2  3  4  5  6  7

17. Are you considering recommending this event?

Yes  No

**What is your overall level of satisfaction regarding the following aspects?**

18. Saturday's night Great Allegoric Carnival parade

(Please rate - 1 = Non satisfied to 7 = Fully Satisfied)

1			2	3	4	5	6	7	Didn't attend
	Beauty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. Slapstick Parade on Shrove Tuesday afternoon

1			2	3	4	5	6	7	Didn't attend
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Artistic Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

20. Entertainment in downtown Funchal

1			2	3	4	5	6	7	Didn't attend
	Artistic Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

21. Did you participate in any other activity related with Carnival?

Yes  No

If YES > Which one and where?

22. Please, order by relevance the highlights of the Carnival in Madeira

(Please rank by order of significance 1= Most appreciated to 3=Less appreciated)

Great Allegoric Carnival Parade

Slapstick Parade

Entertainment in downtown Funchal

23. Suggestions/Remarks:

Date: \_\_\_\_\_

**Thank you for your participation!**  
**SÉRGIO TEIXEIRA**

## IMPACT OF TOURIST EVENTS SATISFACTION AS THE PRODUCT OF REGIONAL TOURISM COMPETITIVENESS

## EVENT - ATLANTIC FESTIVAL

This survey intends to determine your overall level of satisfaction regarding the Atlantic Festival.

We kindly ask you to answer honestly to all questions, estimated to take about 15 minutes. Please leave this document at the hotel front desk or hand it back to your interviewer.

Your opinion is very important for us so that we can always meet our visitors' expectations.

Thank you in advance for your participation.

*Your answers are anonymous, and will be kept strictly confidential and used only for statistical purposes.*

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**B Demographic Information/data**


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1Age 

- 15 to 24  
 25 to 34  
 35 to 44  
 45 to 54  
 55 to 64  
 65 or over

2. Gender

- F  
 M

4. Marital Status

- Single  
 Married/Non-marital Union  
 Divorced  
 Widower

4. Country of Residence

- Portugal  
 United Kingdom  
 Germany  
 France  
 Other Which? \_\_\_\_\_

5. Net monthly household income

- <500€  
 501€ - 1000€  
 1001€ - 1500€  
 1501€ - 2500€  
 2501€ - 3500€  
 3501€ - 5000€  
 5001€ - 7500€  
 > 7500€

6. Academic qualifications

- Elementary education  
 Secondary education  
 University degree  
 Master's / PH.D. degree

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**B Trip Description**


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8. Is this your first trip to Madeira Island?

Yes  No 

If NOT - Have you attended the Atlantic

8. Festival before?

Yes  No 

travel with?

11. Did you already know about the Atlantic Festival?

Yes  No 

17. If YES - How were you informed?

- Family/Friend's recommendation  
 Through the Internet  
 Travel Agency  
 An article in the Press  
 Television  
 Outdoor Advertising  
 Tourism Fair  
 Other Which? \_\_\_\_\_

11. Was the Atlantic Festival the main motivation for your visit to Madeira?

Yes  No 

13. In which hotel did you stay?

13. What was the duration of your stay?

\_\_\_\_\_ nights

14. Including yourself, how many people did you

\_\_\_\_\_ children (up to 5 years)

\_\_\_\_\_ children (6 to 14 years)

\_\_\_\_\_ young people (15 to 24 years)

\_\_\_\_\_ adults (+25 years)

15. What was your group's total expense during your visit? (including travelling, accommodation and expenses in the island)

- <500€  
 501€ - 1000€  
 1001€ - 1500€  
 1501€ - 2500€  
 2501€ - 3500€  
 3501€ - 5000€  
 5001€ - 7500€  
 > 7500€

**C Satisfaction level**

16.  Overall, how satisfied were you with the Atlantic Festival?  
 Not satisfied >  1  2  3  4  5  6  7 < Very satisfied

17.  Are you considering recommending this event?  
 Yes  No

What is your overall level of satisfaction regarding the following aspects?

18.  Pyro musical Shows  
 (Please rate - 1 = Non satisfied to 7 = Fully Satisfied)

1		2	3	4	5	6	7	Didn't attend
	Beauty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19.  Sixteenth Century Market

1		2	3	4	5	6	7	Didn't attend
	Beauty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

20.  Atlantic Roots Festival

1		2	3	4	5	6	7	Didn't attend
	Artistic Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

21.  Exhibits and Entertainment in downtown Funchal

1		2	3	4	5	6	7	Didn't attend
	Artistic Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22.  Did you participate in any other activity related with the Atlantic Festival?  
 Yes  No

If YES > Which one and where?

23.  Please, order by relevance the highlights of the Atlantic Festival  
 (Please rank by order of significance 1= Most appreciated to 4 = Less appreciated)

- Pyro musical Shows
- Sixteenth Century Market
- Atlantic Roots Festival
- Exhibits and Entertainment in downtown Funchal

24.  Suggestions/Remarks:

Date: \_\_\_\_\_

Thank you for your participation!  
 SÉRGIO TEIXEIRA

## IMPACT OF TOURIST EVENTS SATISFACTION AS THE PRODUCT OF REGIONAL TOURISM COMPETITIVENESS

## EVENT - FLOWER FESTIVAL

This survey intends to determine your overall level of satisfaction regarding the Flower Festival in Madeira. We kindly ask you to answer honestly to all questions, estimated to take about 15 minutes. Please leave this document at the hotel front desk or hand it back to your interviewer.

Your opinion is very important for us so that we can always meet our visitors' expectations. Thank you in advance for your participation.

*Your answers are anonymous, and will be kept strictly confidential and used only for statistical purposes.*

---

**C Demographic Information/data**


---

1 Age  15 to 24  
 25 to 34  
 35 to 44  
 45 to 54  
 55 to 64  
 65 or over

2. Gender  
 F  
 M

5. Net monthly household income  
 <500€  
 501€ - 1000€  
 1001€ - 1500€  
 1501€ - 2500€  
 2501€ - 3500€  
 3501€ - 5000€  
 5001€ - 7500€  
 > 7500€

5. Marital Status  
 Single  
 Married/Non-marital Union  
 Divorced  
 Widower

4. Country of Residence  
 Portugal  
 United Kingdom  
 Germany  
 France  
 Other Which? \_\_\_\_\_

6. Academic qualifications  
 Elementary education  
 Secondary education  
 University degree  
 Master's / PH.D. degree

---

**B Trip Description**


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9. Is this your first trip to Madeira Island?  
 Yes  No

If NOT - Have you attended the Flower Festival in Madeira before?  
 8. Yes  No

travel with?  
 12. Did you already know about the Flower Festival in Madeira?  
 Yes  No

18. If YES - How were you informed?  
 Family/Friend's recommendation  
 Through the Internet  
 Travel Agency  
 An article in the Press  
 Television  
 Outdoor Advertising  
 Tourism Fair  
 Other Which? \_\_\_\_\_

11. Were the Flower Festival the main motivation for your visit to Madeira?  
 Yes  No

14. In which hotel did you stay?  
 \_\_\_\_\_

13. What was the duration of your stay?  
 \_\_\_\_\_ nights

14. Including yourself, how many people did you  
 \_\_\_\_\_ children (up to 5 years)  
 \_\_\_\_\_ children (6 to 14 years)  
 \_\_\_\_\_ young people (15 to 24 years)  
 \_\_\_\_\_ adults (+25 years)

15. What was your group's total expense during your visit? (including travelling, accommodation and expenses in the island)  
 <500€  
 501€ - 1000€  
 1001€ - 1500€  
 1501€ - 2500€  
 2501€ - 3500€  
 3501€ - 5000€  
 5001€ - 7500€  
 > 7500€

**C Satisfaction level**

16.  Overall, how satisfied were you with the Flower Festival in Madeira?  
 Not satisfied >  1  2  3  4  5  6  7 < Very satisfied

17.  Are you considering recommending this event?  
 Yes  No

What is your overall level of satisfaction regarding the following aspects?

18.  Construction of the Wall of Hope  
 (Please rate - 1 = Non- satisfied to 7 = Fully Satisfied)

1		2	3	4	5	6	7	Didn't attend
	Beauty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19.  Float Parade

1		2	3	4	5	6	7	Didn't attend
	Beauty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

20.  Animation and flower carpets in downtown Funchal

1		2	3	4	5	6	7	Didn't attend
	Artistic Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

21.  Classic Cars Parade

1		2	3	4	5	6	7	Didn't attend
	Artistic Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22.  Concert "the sound of flowers"

1		2	3	4	5	6	7	Didn't attend
	Artistic Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

23.  Did you participate in any other activity related with Flower Festival?  
 Yes  No

If YES > Which one and where?

24.  Please, order by relevance the highlights of the Flower Festival in Madeira  
 (Please rank by order of significance 1= Most appreciated to 5 = Less appreciated)

- Construction of the Wall of Hope
- Float Parade
- Animation and flower carpets in downtown Funchal
- Classic Cars Parade
- Concert "the sound of flowers"

25.  Suggestions/Remarks:

## IMPACT OF TOURIST EVENTS SATISFACTION AS THE PRODUCT OF REGIONAL TOURISM COMPETITIVENESS

## EVENT- MADEIRA WINE FESTIVAL

This survey intends to determine your overall level of satisfaction regarding the Madeira Wine Festival.

We kindly ask you to answer honestly to all questions, estimated to take about 15 minutes. Please leave this document at the hotel front desk or hand it back to your interviewer.

Your opinion is very important for us so that we can always meet our visitors' expectations.

Thank you in advance for your participation.

*Your answers are anonymous, and will be kept strictly confidential and used only for statistical purposes.*

---

**D Demographic Information/data**


---

1Age 

- 15 to 24  
 25 to 34  
 35 to 44  
 45 to 54  
 55 to 64  
 65 or over

2. Gender

- F  
 M

6. Marital Status

- Single  
 Married/Non-marital Union  
 Divorced  
 Widower

4. Country of Residence

- Portugal  
 United Kingdom  
 Germany  
 France  
 Other Which? \_\_\_\_\_

5. Net monthly household income

- <500€  
 501€ - 1000€  
 1001€ - 1500€  
 1501€ - 2500€  
 2501€ - 3500€  
 3501€ - 5000€  
 5001€ - 7500€  
 > 7500€

6. Academic qualifications

- Elementary education  
 Secondary education  
 University degree  
 Master's / PH.D. degree

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**B Trip Description**


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10. Is this your first trip to Madeira Island?

Yes  No

If NOT - Have you attended the Madeira

8. Wine Festival before?

Yes  No

yourself)?

13. Did you already know about the Madeira Wine Festival?

Yes  No

19. If YES - How were you informed?

- Family/Friend's recommendation  
 Through the Internet  
 Travel Agency  
 An article in the Press  
 Television  
 Outdoor Advertising  
 Tourism Fair  
 Other Which? \_\_\_\_\_

11. Was the Madeira Wine Festival the main motivation for your visit to Madeira?

Yes  No

15. In which hotel did you stay?

\_\_\_\_\_

13. What was the duration of your stay?

\_\_\_\_\_ nights

14. Who accompanied you on this trip (not including

- children how many? \_\_\_\_\_  
 group how many? \_\_\_\_\_  
 husband /wife /partner \_\_\_\_\_  
 alone \_\_\_\_\_

15. What was your group's total expense during your visit? (including travelling, accommodation and expenses in the island)

- <500€  
 501€ - 1000€  
 1001€ - 1500€  
 1501€ - 2500€  
 2501€ - 3500€  
 3501€ - 5000€  
 5001€ - 7500€  
 > 7500€

**C Satisfaction level**

16.  Overall, how satisfied were you with the Madeira Wine Festival?  
 Not satisfied >  1  2  3  4  5  6  7 < Very satisfied

17.  Are you considering recommending this event?  
 Yes  No

What is your overall level of satisfaction regarding the following aspects?

18.  Historical Parade (03/09/2017)  
 (Please rate- 1 = Non- satisfied to 7 = Fully Satisfied)

	1	2	3	4	5	6	7	Didn't attend
Beauty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

19.  European Folclore Week (27/08/2017 - 31/08/2017)

	1	2	3	4	5	6	7	Didn't attend
Artistic Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

20.  Live Wine Harvest at Estreito de Câmara de Lobos (09/09/2017)

	1	2	3	4	5	6	7	Didn't attend
Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

21.  Exhibits and entertainment in downtown Funchal (27/08/2017 - 10/09/2017)

	1	2	3	4	5	6	7	Didn't attend
Artistic Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Event Promotion / Event General Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

22.  Did you participate in any other activity related with the Madeira Wine Festival?  
 Yes  No

If YES > Which one and where?

23.  Which one of following you consider to be the highlight of the Madeira Wine Festival?

- Historical Parade
- European Folclore Week
- Live Wine Harvest at Estreito de Câmara de Lobos
- Exhibits and entertainment in downtown Funchal

24.  Suggestions/Remarks:

Date: \_\_\_\_\_

Thank you for your participation!  
**SÉRGIO TEIXEIRA**

## **Annex II**

## Region of Madeira

Table 2. National, Mainland, Madeira and EC GDP figures per calendar year (in millions of euros) 2001-2015

		National GDP	Mainland GDP	Madeira GDP	EC GDP
Year	2001	130963	125444	2709	9155000
	2002	136897	130871	3065	5905199
	2003	141316	135071	3227	7265976
	2004	148800	142068	3570	7876789
	2005	153534	146511	3759	7497125
	2006	161116	153716	3981	7761259
	2007	170392	162659	4154	9179643
	2008	175817	167717	4342	8151584
	2009	173546	165391	4288	8233874
	2010	178779	170404	4378	8415254
	2011	176643	168341	4358	7809695
	2012	169070	161287	4014	8965766
	2013	166495	158922	3916	8251042
	2014	171790	163947	4110	8794721
	2015	175841	167907	4121	9551958

Source: Adapted from DREM (2017); <https://estatistica.madeira.gov.pt/>

Table 3. Distribution of Madeira Wine sales per calendar year (in thousands of euros) 2001-2015

	Wines - Mainland Sales	Wines - Madeira Sales	Wines - Total National Sales	Wines - Exports to Canada	Wines - Exports to U.S.A.	Wines - Exports to Japan	Wines - Exports to Switzerland	Wines - Exports to Other Countries	Wine - Total sales	
Year	2001	605673	5836141	6441814	327686	1063025	1390914	19106	253423	18650968
	2002	149955	3260867	3410822	272621	1195396	1005567	53233	195805	12038642
	2003	97700	3318840	3416540	192220	1127568	1128583	197939	269897	13598724
	2004	112675	3044572	3162063	297511	1447489	1060866	173835	175118	14193671
	2005	315817	3227716	3549938	300402	1295400	1187335	281525	231078	14342804
	2006	204702	3282148	3491866	348590	1243954	1113701	335351	304257	14598978
	2007	326083	3496063	3828146	274451	1548342	1036273	355221	401134	16623210
	2008	287996	3831450	4126344	291688	1259165	1092787	310430	389160	15621158
	2009	228510	2948940	3178980	305198	824716	1132860	403070	456526	14535224
	2010	395388	2792487	3190300	349415	1128398	1111775	382358	397815	14975315
	2011	296726	3318344	3616696	283333	1418443	1268666	327043	550466	15274343
	2012	321587	3212722	3534760	366766	1451474	1519669	292259	356535	16487228
	2013	334905	3869577	4205358	293975	1712032	1456813	316000	580537	16815757
	2014	556556	3870329	4428747	330795	1902983	1497230	0.125	579587	17904794
	2015	607326	3216655	3825134	170854	1767269	1719529	-4	606048	17999320

Source: Adapted from IVBAM (2017) and DREM (2017); <https://estatistica.madeira.gov.pt/> and <http://ivbam.gov-madeira.pt/>

**Table 4.** Distribution of sales of embroidery and handicrafts per calendar year (in thousands of euros) 2001-2015

	Embroideries and Handicrafts - Total General Sales	Embroideries and Handicrafts - Total National Sales	Embroideries and Handicrafts - Madeira Sales	Embroideries and Handicrafts - Mainland and Azores Sales	Embroideries and Handicrafts - Exports to Australia	Embroideries and Handicrafts - Exports to Bermuda	Embroideries and Handicrafts - Exports to Canada	Embroideries and Handicrafts - Exports to Spain	Embroideries and Handicrafts - Exports to U.S.A.	Embroideries and Handicrafts - Exports to France	Embroideries and Handicrafts - Exports to Italy	Embroideries and Handicrafts - Exports to the U.K.	Embroideries and Handicrafts - Exports to Switzerland	Embroideries and Handicrafts - International total
2001	5037955	2628256	2346928	281328	27195	124955	32116	12703	817544	39163	578580	563652	2409699	135827
2002	3998315	2030839	1802151	228688	33483	132795	7778	11968	706869	35818	497083	412931	1967476	81952
2003	2916220	1544145	1477036	67109	31244	108490	1252	15899	505596	9454	306001	305658	1372075	72500
2004	2442367	1285525	1203912	81614	20190	42891	0	8780	410860	122	254979	282118	1156842	119795
2005	2046169	1008823	990779	18044	22181	30323	0	8462	381673	2030	257756	240913	1037346	80945
2006	2202897	1061820	1018120	43700	12819	17605	492	10373	430858	1775	282615	225127	1141077	151133
2007	2339888	1316086	1269715	46370	3022	17671	0	3387	458424	785	203571	239365	1023802	85703
2008	2117593	1195503	1168898	26606	3406	11133	0	4348	367518	32453	220046	186130	922090	76850
2009	1560972	964745	952331	12414	2714	650	0	987	236553	7103	153187	142787	596228	40314
2010	1295872	742828	711146	31683	8981	0	2968	7996	204583	777	163837	115011	553043	38492
2011	1271292	652220	639962	12257	0	0	0	0	280378	6209	144535	114877	619073	70509
2012	1200230	608224	589858	18365	0	0	0	0	218415	3780	134279	100942	592006	31252
2013	961164	505726	502865	2861	0	0	0	0	198860	1105	91225	93006	455438	44571
2014	844373	493424	479733	13691	0	0	0	0	157107	12461	73604	67493	350949	14030
2015	953428	456188	452667	3521	0	0	0	0	275576	7834	69510	121590	497240	15442

Source: Adapted from IVBAM (2017) and DREM (2017); <https://estatistica.madeira.gov.pt/> and <http://ivbam.gov-madeira.pt/>

## **Annex III**

**Questionário de apoio à realização da Tese de Doutoramento  
em Gestão do Doutorando Sérgio Teixeira**  
(Estudo da competitividade e inovação empresarial turística na Região  
Autónoma da Madeira - RAM)



Neste questionário vai encontrar um conjunto de afirmações sobre dados gerais da sua empresa, atividades de inovação, competitividade. Dependendo do tipo de empresa assim a reação a estas afirmações poderá ser distinta. Assegure-se que as suas respostas são representativas do seu modo de agir às diferentes afirmações. Em cada um dos itens assinale com uma cruz (X) a resposta que lhe parece mais expressiva do modo como habitualmente encara as situações expostas.

## I. Dados Pessoais e Gerais

1. Perfil do Dono/Gestor	Dono/Gestor
1.1. Cargo	
1.2. Quando começou a fazer parte da empresa? (caso não seja o primeiro proprietário)	
1.3. Data de Nascimento/Idade (EMPRESARIO)	
1.4. Habilitações académicas (1=ensino básico, 2=ensino secundário, 3=Escola de Formação profissional, 4=licenciatura, 5=mestrado, 6=Doutoramento)	
1.5. Formação técnica (física, eletrónica, mecânica, engenharia,) (0=não; 1=sim)	
1.6. SEXO (F=feminino; M=masculino)	
1.7. Nasceu nesta localidade? (0=não; 1=sim)	
1.8. Cresceu nesta localidade? (0=não; 1=sim)	
1.9. Tinha alguma experiência anterior nesta área de negócio? (numero de anos)	

2. Perfil da Empresa	EMPRESA
2.1. CAE - Código	
2.2. Nome da Empresa	
2.3. Ano constituição empresa	
2.4. Localização da Empresa? CONCELHO	

3. O capital da empresa é controlado por outra empresa (aproximado).	
3.1. Não	
3.2. Sim: até ao montante de 25%	
3.3. Sim: de 25% a 50%	
3.4. Sim: mais de 50%	

4. No último exercício económico foi o volume de negócios.	
4.1. Menos de 20.000€	
4.2. De 20.001€ a 40.000€	
4.3. De 40.001 a 60.000€	
4.4. De 60.001€ a 80.000€	
4.5. De 100.001€ a 200.000€	
4.6. De 200.001€ a 300.000€	
4.7. De 300.001€ a 400.000€	
4.8. De 400.001€ a 500.000€	
4.9. Mais de 500.000€	

5. Número de funcionários ao serviço	2012	2017
5.1. Número total de trabalhadores		
5.2. Quantos trabalhadores com curso universitário?		
5.3. Quantos colaboradores CONTRATADOS trabalham para a empresa?		
5.4. Quantos colaboradores TEMPORÁRIOS trabalham para a empresa?		

6. Qual ou quais os sectores com maior participação no volume de negócios da empresa.	
	2017
6.1. Sector Público	
6.2. Empresas do sector Privado	
6.3. Particulares	
6.4. Outros, Quais? _____	

## II. Competitividade

<b>7. Por favor indique o quão favorável ou desfavorável considera cada uma das seguintes ações e estratégias de competitividade do destino Turístico RAM.</b>							
<b>Grau de importância: 1= nada favorável; 7=muito favorável</b>							
Fatores							
	1	2	3	4	5	6	7
7.1. O desenvolvimento de uma imagem de destino forte.	1	2	3	4	5	6	7
7.2. A seleção de mercados alvo apropriados (grupos de turistas).	1	2	3	4	5	6	7
7.3. O desenvolvimento de ligações fortes com grossistas e retalhistas turísticos.	1	2	3	4	5	6	7
7.4. Ultrapassar a sazonalidade (época baixa e época alta) nas visitas dos turistas.	1	2	3	4	5	6	7
7.5. Aumentar a duração da estadia do turista.	1	2	3	4	5	6	7
7.6. Uso de sistemas de informação e tecnologia avançada modernos (ex.: Internet)	1	2	3	4	5	6	7
7.7. Promoção e operação do turismo para atrair turistas e visitantes internacionais.	1	2	3	4	5	6	7
7.8. Aumentar o gasto dos turistas.	1	2	3	4	5	6	7
7.9. O estabelecimento de padrões para instalações turísticas.	1	2	3	4	5	6	7
7.10. Programas de educação e treino para o pessoal presente/futuro da indústria.	1	2	3	4	5	6	7
7.11. Estabelecimento do custo para fornecer diferentes níveis de qualidade para vários tipos de experiências de turismo.	1	2	3	4	5	6	7
7.12. O papel/função do governo local e das agências como facilitadores do desenvolvimento do turismo.	1	2	3	4	5	6	7
7.13. Os papéis de liderança do governo local e das agências no Marketing da região como destino turístico.	1	2	3	4	5	6	7
7.14. O desenvolvimento de programas e sistemas de segurança para os turistas e para a comunidade turística.	1	2	3	4	5	6	7
7.15. Recolher informação para fazer o levantamento dos produtos e serviços de um destino.	1	2	3	4	5	6	7
7.16. Um inventário de informações para monitorizar as atitudes da população local em relação ao setor de turismo.	1	2	3	4	5	6	7
7.17. Pesquisa que auxilia no desenvolvimento de novos serviços turísticos.	1	2	3	4	5	6	7
7.18. Proteger e melhorar mais o habitat da vida selvagem.	1	2	3	4	5	6	7
7.19. Promover a responsabilidade ética em relação ao ambiente natural.	1	2	3	4	5	6	7
7.20. Expandir as oportunidades educacionais para o público visitante em termos de qualidade e proteção do ambiente natural.	1	2	3	4	5	6	7
7.21. Encorajar a participação dos cidadãos na tomada de decisão do desenvolvimento do turismo.	1	2	3	4	5	6	7
7.22. Uso sensível de recursos naturais.	1	2	3	4	5	6	7
7.23. Considerações ambientais no marketing do turismo.	1	2	3	4	5	6	7
7.24. Treino ambiental da equipa do turismo.	1	2	3	4	5	6	7

**7a) Quais as regiões turísticas que na sua opinião, representam a maior concorrência internacional à Região Autónoma da Madeira?**

**R:**

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## II. Indicadores de competitividade

**8. De acordo com os seguintes fatores, como classifica a posição do destino RAM em relação à concorrência.**

**1 = Muito abaixo da média, e 7 = Bastante acima da média**

Fatores	1	2	3	4	5	6	7
8.1. Limpeza	1	2	3	4	5	6	7
8.2. Atratividade do clima de turismo	1	2	3	4	5	6	7
8.3. Natureza preservada	1	2	3	4	5	6	7
8.4. Flora e Fauna	1	2	3	4	5	6	7
8.5. Artes tradicionais	1	2	3	4	5	6	7
8.6. Recursos Arquitetônicos e Artísticos	1	2	3	4	5	6	7
8.7. Locais históricos	1	2	3	4	5	6	7
8.8. Patrimônio	1	2	3	4	5	6	7
8.9. Parques Nacionais	1	2	3	4	5	6	7
8.10. Atividades aquáticas	1	2	3	4	5	6	7
8.11. Atividades em Natureza	1	2	3	4	5	6	7
8.12. Instalações/Infraestruturas recreativas	1	2	3	4	5	6	7
8.13. Instalações Desportivas (Golfe, Tênis, futebol...)	1	2	3	4	5	6	7
8.14. Atividades de aventura	1	2	3	4	5	6	7
8.15. Instalações de serviços gastronômicos	1	2	3	4	5	6	7
8.16. Variedade Gastronômica	1	2	3	4	5	6	7
8.17. Acessibilidade do visitante a áreas naturais	1	2	3	4	5	6	7
8.18. Turismo de congressos	1	2	3	4	5	6	7
8.19. Turismo rural	1	2	3	4	5	6	7
8.20. Resorts de spa e saúde	1	2	3	4	5	6	7
8.21. Alojamento (qualidade e diversidade)	1	2	3	4	5	6	7
8.22. Qualidade e eficiência de Aeroportos	1	2	3	4	5	6	7
8.23. Informação turística e encaminhamento	1	2	3	4	5	6	7
8.24. Eventos especiais e festivais	1	2	3	4	5	6	7
8.25. Entretenimento (Teatros, galerias, cinemas...)	1	2	3	4	5	6	7
8.26. Casino	1	2	3	4	5	6	7
8.27. Apoio da comunidade para eventos especiais	1	2	3	4	5	6	7
8.28. Vida Noturna (bares, Discotecas...)	1	2	3	4	5	6	7
8.29. Transportes locais eficiência e qualidade	1	2	3	4	5	6	7
8.30. Diversidade de experiência de compras	1	2	3	4	5	6	7
8.31. Parques temáticos	1	2	3	4	5	6	7
8.32. Infraestruturas hospitalares e de saúde	1	2	3	4	5	6	7
8.33. Instituições financeiras e facilidade em fazer câmbio	1	2	3	4	5	6	7
8.34. Animação	1	2	3	4	5	6	7
8.35. Qualidade dos serviços Turísticos	1	2	3	4	5	6	7
8.36. Telecomunicações	1	2	3	4	5	6	7
8.37. Acessibilidade do destino	1	2	3	4	5	6	7
8.38. Comunicação e confiança entre turistas e residentes	1	2	3	4	5	6	7
8.39. Eficiência dos serviços de Alfândega e Emigração	1	2	3	4	5	6	7

**9. Face às afirmações, qual a sua percepção sobre a atitude do destino RAM em relação à concorrência/outros destinos.**

**1 = Muito abaixo da média, e 7 = Bastante acima da média**

9.1. Atitude dos serviços de Alfândega e Emigração	1	2	3	4	5	6	7
9.2. Hospitalidade dos residentes para com os turistas	1	2	3	4	5	6	7
9.3. Segurança dos visitantes	1	2	3	4	5	6	7
9.4. Estabilidade política	1	2	3	4	5	6	7
9.5. Value for Money em experiências turísticas	1	2	3	4	5	6	7
9.6. Value for Money em alojamento	1	2	3	4	5	6	7
9.7. Capacidades de gestão	1	2	3	4	5	6	7
9.8. Existência de programas turísticos	1	2	3	4	5	6	7
9.9. Reconhecimento pelo sector <b>público</b> da importância do desenvolvimento do turismo sustentável	1	2	3	4	5	6	7
9.10. Reconhecimento pelo sector <b>privado</b> da importância do desenvolvimento do turismo sustentável	1	2	3	4	5	6	7
9.11. Uso de e-commerce	1	2	3	4	5	6	7
9.12. Uso de tecnologias da informação pelas empresas	1	2	3	4	5	6	7
9.13. Cooperação entre empresas do sector público e privado	1	2	3	4	5	6	7
9.14. Qualidade de empreendedorismo nos negócios turísticos locais	1	2	3	4	5	6	7
9.15. Eficiência das empresas de turismo e hotelaria	1	2	3	4	5	6	7
9.16. Existência e adequação de ensino em Turismo	1	2	3	4	5	6	7
9.17. Adequação da formação em turismo e hotelaria relativamente às necessidades dos visitantes	1	2	3	4	5	6	7
9.18. Visão destino relativamente aos valores do turismo	1	2	3	4	5	6	7
9.19. Visão destino relativamente aos valores dos residentes	1	2	3	4	5	6	7
9.20. Visão destino relativamente aos valores dos <i>stakeholders</i>	1	2	3	4	5	6	7
9.21. Visão destino relativamente aos valores da comunidade	1	2	3	4	5	6	7
9.22. Desenvolvimento e promoção de novos produtos turísticos	1	2	3	4	5	6	7
9.23. Políticas concretas de turismo social (mobilidade reduzida, idosos...)	1	2	3	4	5	6	7
9.24. Qualidade da investigação para políticas do turismo, planeamento e desenvolvimento	1	2	3	4	5	6	7
9.25. Desenvolvimento do turismo integrado com o desenvolvimento geral da industrial	1	2	3	4	5	6	7
9.26. Imagem geral do destino	1	2	3	4	5	6	7
9.27. Conhecimento internacional dos produtos do destino	1	2	3	4	5	6	7
9.28. Enquadramento entre produtos do destino e preferências dos visitantes	1	2	3	4	5	6	7
9.29. Conhecimento internacional do destino	1	2	3	4	5	6	7
9.30. Estrutura/perfil dos profissionais do turismo	1	2	3	4	5	6	7
9.31. Desenvolvimento eficaz da marca do destino	1	2	3	4	5	6	7

**IV - Atividades de Inovação**

**10. Qual o grau de importância para a empresa que atribui aos seguintes aspetos**

**Grau de importância: 1= nada importante; 7=muito importante**

Questão	1	2	3	4	5	6	7
10.1. Os colaboradores da empresa reconhecem a importância da inovação para a competitividade.	1	2	3	4	5	6	7
10.2. A empresa tem mecanismos que a auxiliam na gestão de produtos novos desde a ideia do seu lançamento.	1	2	3	4	5	6	7
10.3. A estrutura da empresa não compromete a inovação, mas ajuda ao seu desenvolvimento.	1	2	3	4	5	6	7

10.4. Há um grande compromisso para com a formação dos colaboradores.	1	2	3	4	5	6	7
10.5. A empresa tem uma boa relação (win-win) com os fornecedores.	1	2	3	4	5	6	7
10.6. A estratégia de inovação da empresa é partilhada de forma clara junto de todos os colaboradores para que estes conheçam as metas a cumprir.	1	2	3	4	5	6	7
10.7. Os projetos de inovação são normalmente cumpridos dentro dos prazos e do orçamento.	1	2	3	4	5	6	7
10.8. Os colaboradores trabalham bem em conjunto e também para além das fronteiras departamentais.	1	2	3	4	5	6	7
10.9. A empresa despende tempo na revisão dos nossos projetos para assim os melhorar e ao desempenho nas ações seguintes.	1	2	3	4	5	6	7
10.10. A empresa compreende muito bem as necessidades dos seus consumidores /utilizadores finais.	1	2	3	4	5	6	7
10.11. Os colaboradores reconhecem que, para que a organização seja competitiva, é importante que tenha. competência(s) distintiva(S)	1	2	3	4	5	6	7
10.12. A empresa tem mecanismos que verificam se todas as necessidades dos consumidores são realmente entendidas (não apenas ao nível do marketing).	1	2	3	4	5	6	7
10.13. Os colaboradores estão envolvidos na sugestão de ideias para melhorar produtos ou processos.	1	2	3	4	5	6	7
10.14. A organização trabalha com universidades e outros centros de investigação que a possam ajudar a desenvolver o seu conhecimento.	1	2	3	4	5	6	7
10.15. A empresa analisa os seus erros de modo a melhorar as suas atividades e processos.	1	2	3	4	5	6	7
10.16. A empresa olha para o futuro de modo a antecipar as ameaças e oportunidades (utilizando ferramentas e técnicas de previsão).	1	2	3	4	5	6	7
10.17. A empresa tem mecanismos de gestão dos processos que permitem adequar procedimentos de modo a garantir o seu sucesso final.	1	2	3	4	5	6	7
10.18. A estrutura da empresa ajuda à rápida tomada de decisões.	1	2	3	4	5	6	7
10.19. A empresa trabalha muito perto dos seus consumidores de modo a desenvolver novos conceitos.	1	2	3	4	5	6	7

## 11. Qual o grau de importância que atribui aos seguintes aspetos relativamente à empresa

**Grau de importância: 1= nada importante; 7=muito importante**

11.1. A empresa compara sistematicamente os seus produtos e processos com os dos seus concorrentes.	1	2	3	4	5	6	7
11.2. Os colaboradores(/profissionais?) que ocupam cargos de topo têm uma visão da inovação como fator determinante para o desenvolvimento da empresa.	1	2	3	4	5	6	7
11.3. A empresa pesquisa novas ideias para novos produtos de forma sistemática	1	2	3	4	5	6	7
11.4. A comunicação entre os vários níveis de hierarquia funciona de forma eficaz.	1	2	3	4	5	6	7
11.5. A empresa colabora com outras empresas no desenvolvimento de novos produtos ou processos.	1	2	3	4	5	6	7
11.6. A empresa partilha experiências com outras empresas que a ajudam na compreensão das mesmas.	1	2	3	4	5	6	7
11.7. Quem ocupa cargos de topo mostra um compromisso para com o apoio à inovação.	1	2	3	4	5	6	7
11.8. A empresa tem mecanismos que garantem o envolvimento de todos os departamentos no desenvolvimento de novos produtos ou processos.	1	2	3	4	5	6	7
11.9. A empresa tem um sistema de apoio e recompensa às iniciativas de inovação.	1	2	3	4	5	6	7
11.10. A empresa tenta desenvolver redes externas com indivíduos que a podem auxiliar (por exemplo com especialistas em conhecimento específico).	1	2	3	4	5	6	7
11.11. A empresa regista a sua evolução de desenvolvimento de modo a que outras pessoas na organização possam tirar partido dessas aprendizagens.	1	2	3	4	5	6	7
11.12. A organização tem mecanismos para analisar os novos desenvolvimentos tecnológicos e de mercado e qual o seu impacto para a estratégia da organização.	1	2	3	4	5	6	7
11.13. A organização tem um sistema claro de escolha de projetos de inovação.	1	2	3	4	5	6	7
11.14. A organização tem um clima favorável à criação de novas ideias, que incentiva os colaboradores a fazer as suas propostas.	1	2	3	4	5	6	7
11.15. A organização partilha as suas necessidades e competências com organismos de educação.	1	2	3	4	5	6	7
11.16. A organização aprende com as outras organizações.	1	2	3	4	5	6	7
11.17. Existe uma ligação clara entre os projetos de inovação e toda a estratégia de negócio.	1	2	3	4	5	6	7
11.18. Sistema da organização é flexível e auxilia a rápida concretização de pequenos projetos.	1	2	3	4	5	6	7
11.19. A organização trabalha bem em equipa (ou equipas)	1	2	3	4	5	6	7
11.20. A organização trabalha de perto com os utilizadores dos seus novos produtos ou serviços.	1	2	3	4	5	6	7
11.21. A organização utiliza medidas que a ajudam a identificar onde e quando pode melhorar a sua inovação.	1	2	3	4	5	6	7

**12. Qual o grau de importância que atribui aos seguintes aspetos relacionados com a inovação?**

**Grau de importância: 1= nada importante; 7= Extremamente Importante**

Obstáculos							
	1	2	3	4	5	6	7
12.1. Financiamento	1	2	3	4	5	6	7
12.2. Capitais próprios insuficientes	1	2	3	4	5	6	7
12.3. Capitais externos insuficientes	1	2	3	4	5	6	7
12.4. Custos Salariais elevados	1	2	3	4	5	6	7
12.5. Difícil previsão da procura	1	2	3	4	5	6	7
12.6. Falta de pessoal qualificado:	1	2	3	4	5	6	7
12.7. Investigação e Desenvolvimento	1	2	3	4	5	6	7
12.8. Produção	1	2	3	4	5	6	7
12.9. Marketing e Vendas	1	2	3	4	5	6	7
12.10. Inovações difíceis de organizar	1	2	3	4	5	6	7
12.11. Possibilidades de cooperação Insuficientes:	1	2	3	4	5	6	7
12.12. Com outras empresas	1	2	3	4	5	6	7
12.13. Com organismos de pesquisa	1	2	3	4	5	6	7
12.14. Insuficiente acesso ao conhecimento produzido em universidades e centros de investigação	1	2	3	4	5	6	7
12.15. Insuficiente acesso a informações externas	1	2	3	4	5	6	7
12.16. Outros obstáculos	1	2	3	4	5	6	7

**13. Quantifique o número de inovações processadas nos seguintes parâmetros para 2012 e 2017**

Tipos de inovação	2012	2017
13.1. Inovações no produto/serviços		
13.2. Inovações no processo		
13.3. Inovações organizacionais		
13.4. Introdução de produtos já existentes em novos mercados		
13.5. Número de Patentes		
13.6. Criação de Marcas		
13.7. Criação de novos designs para o produto		
13.8. Criação de novos designs para os processos		
13.9. Descreva a principal inovação implementada no último ano		

Obrigado pela sua colaboração,

Muito Obrigado.

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# Appendix

**Table 5 - Descriptive statistics, Loadings Factor, commonalities and reliability of the construct business competitiveness**

		Mean	SD	Component		Communalities
				1	2	
Marketing policies	Setting standards for tourist facilities	5,4	1,4	0,78		0,667
	Establishing the cost to provide different levels of quality for various types of tourism experiences	5,2	1,6	0,78		0,649
	Overcoming seasonality (low season and high season) in tourists' visits	5,8	1,4	0,77		0,721
	Increase the duration of the tourist's stay	5,6	1,4	0,73		0,642
	The role / function of local government and agencies as facilitators of tourism development	5,8	1,4	0,73		0,655
	Education and training programs for present / future staff of industry	5,5	1,7	0,72		0,702
	Increase tourist spending	5,7	1,4	0,70		0,618
	The development of strong links with wholesalers and tourist retailers	5,3	1,5	0,70		0,502
	Collect information to survey the products and services of a destination	5,7	1,4	0,69		0,653
	The leading roles of local government and agencies in marketing the region as a tourist destination	5,8	1,5	0,68		0,605
	Promotion and operation of tourism to attract international tourists and visitors	6,0	1,3	0,67		0,734
	The development of security programs and systems for tourists and the tourist community	5,6	1,4	0,66		0,614
	The selection of appropriate target markets (tourist groups)	5,6	1,3	0,65		0,610
	Research that assists in the development of new tourist services	5,7	1,3	0,64		0,711
Corporate social responsibility	An inventory of information to monitor the attitudes of the local population towards the tourism sector	5,5	1,4		0,57	0,640
	The development of a strong target image	6,0	1,2		0,61	0,667
	Encourage citizen participation in tourism development decision-making	5,4	1,5		0,67	0,639
	Use of modern advanced information systems and technology	6,0	1,3		0,68	0,660
	Environmental training of the tourism team	5,7	1,5		0,80	0,759
	Sensitive use of natural resources	5,8	1,5		0,83	0,823
	Protect and further improve the habitat of wildlife	5,9	1,5		0,83	0,775
	Environmental considerations in tourism marketing	5,8	1,5		0,89	0,885
	Expanding educational opportunities for the visiting public in terms of quality and protection of the natural environment	5,8	1,4		0,91	0,895
	Promote ethical responsibility towards the natural environment	6,0	1,5		0,92	0,925
<b>KMO</b>		<b>0,927</b>				
<b>Own value</b>				<b>14,80</b>	<b>1,95</b>	
<b>Variance explained (%)</b>				<b>36,0</b>	<b>33,8</b>	
<b>Alpha by Cronbach</b>				<b>0,955</b>	<b>0,962</b>	

**Table 6 - Descriptive Statistics, Factor Loadings, Communities and reliability of the construct competitiveness of the destination**

		Mean	SD	Component				Communalities
				1	2	3	4	
Management and Development Policies	Development of integrated tourism with the general development of the industrial	4,7	1,2	0,791				0,812
	Quality of research for tourism, planning and development policies	4,6	1,3	0,775				0,774
	Destination vision regarding community values	5,2	1,2	0,747				0,815
	Development and promotion of new tourism products	5,0	1,3	0,739				0,817
	Quality of entrepreneurship in local tourism businesses	5,4	1,2	0,726				0,833
	Destination vision regarding tourism values	5,3	1,2	0,706				0,832
	Destination vision regarding stakeholder values	5,0	1,2	0,704				0,768

	Mean	SD	Component				Communalities
			1	2	3	4	
Existence and adequacy of teaching in Tourism	5,0	1,4	0,698				0,838
Management skills	5,4	1,2	0,695				0,859
Specific policies on social tourism (reduced mobility, elderly ...)	4,7	1,3	0,692				0,720
Efficiency of tourism and hotel companies	5,5	1,1	0,678				0,849
Use of e-commerce	5,0	1,3	0,676				0,785
Effective development of destination brand	5,2	1,3	0,675				0,785
Destination view of resident values	5,2	1,3	0,675				0,811
Recognition by the public sector of the importance of sustainable tourism development	5,3	1,4	0,675				0,735
Adequacy of training in tourism and hospitality related to the needs of visitors	4,9	1,4	0,672				0,824
Framing between destination products and visitor preferences	5,3	1,1	0,669				0,835
Use of Information Technology by Companies	5,4	1,2	0,668				0,803
Structure / profile of tourism professionals	5,2	1,2	0,652				0,766
Cooperation between public and private sector companies	4,9	1,3	0,633				0,758
International knowledge of destination products	5,3	1,2	0,628				0,893
Recognition by the private sector of the importance of sustainable tourism development	5,4	1,2	0,596				0,777
Existence of tourist programs	5,5	1,1	0,559				0,776
Value for Money in tourist experiences	5,7	1,1	0,538				0,792
General image of the destination	5,8	1,1	0,518				0,757
International knowledge of destiny	5,4	1,2	0,516				0,825
Attractiveness of the tourism climate	6,1	0,9	0,483				0,722
Physical Resources	Diversity of shopping experience	4,6	1,3		0,730		0,810
	Casino	4,5	1,4		0,727		0,771
	Entertainment (Theaters, galleries, cinemas ...)	4,8	1,3		0,697		0,758
	Historic Places	5,1	1,2		0,674		0,878
	Nightlife (bars, discos ...)	4,7	1,4		0,652		0,804
	Facilities / Infrastructure	5,0	1,4		0,650		0,822
	Thematic parks	4,2	1,5		0,649		0,792
	Patrimony	5,3	1,2		0,639		0,838
	Architectural and Artistic Resources	5,0	1,1		0,615		0,787
	Congress tourism	4,6	1,3		0,614		0,702
	Gastronomic Variety	5,5	1,3		0,606		0,876
	Sports facilities (Golf, Tennis, football ...)	5,2	1,3		0,589		0,734
	Gastronomic service facilities	5,6	1,2		0,581		0,823
	Local transport efficiency and quality	4,9	1,4		0,551		0,738
	Spa and health resorts	4,8	1,4		0,550		0,852
	Community support for special events	5,1	1,2		0,493		0,771
	Tourist information and referral	5,2	1,3		0,490		0,765
	Traditional Arts	5,2	1,3		0,489		0,882
	Animation	5,1	1,2		0,489		0,835
	National Parks	5,3	1,4		0,488		0,723
Rural tourism	5,5	1,1		0,479		0,771	
Hospital and health infrastructures	4,6	1,5		0,407		0,712	
Qualit	Communication and trust between tourists and residents	5,9	1,0			0,683	0,800

	Mean	SD	Component				Communalities	
			1	2	3	4		
Telecommunications	5,6	1,1			0,618		0,744	
	Efficiency of Customs and Emigration Services	5,1	1,2			0,597		0,805
	Hospitality of residents with tourists	6,1	0,9			0,586		0,729
	Political stability	5,7	1,4			0,569		0,798
	Attitude of Customs and Emigration Services	5,0	1,2			0,556		0,745
	Visitor Security	6,3	1,0			0,534		0,792
	Financial institutions and easy exchange	5,0	1,3			0,518		0,803
	Quality of tourist services	5,6	1,1			0,506		0,801
	Destination Accessibility	5,0	1,3			0,503		0,743
Natural and Human Resources	Activities in Nature	6,1	1,0				0,742	0,837
	Flora and fauna	6,0	0,9				0,712	0,797
	Preserved nature	5,8	1,0				0,650	0,824
	Cleaning	5,9	1,2				0,611	0,774
	Adventure activities	5,6	1,1				0,567	0,782
	Value for Money accommodation	5,8	1,1				0,550	0,869
	Water Activities	5,4	1,2				0,535	0,765
	Accommodation (quality and diversity)	5,8	1,1				0,531	0,767
	Accessibility of visitors to natural areas	5,7	1,2				0,525	0,738
	Special events and festivals	5,6	1,2				0,492	0,793
	Airport Quality and Efficiency **	4,8	1,4					0,653
KMO			0,866					
Own value			33,5	4,1	3,1	2,3		
Variance explained (%)			22,3	17,3	11,3	10,4		
Alpha by Cronbach			0,975	0,958	0,903	0,918		

\*\* Item not included in any factor due to low factor loadings

Table 7 - Descriptive Statistics, Factor Loadings, Communities and reliability of the construct Innovation Factors

	Mean	SD	Component		Communalites	
			1	2		
Intellectual capital	The organisation has mechanisms to analyze the new technological and market developments and what their impact on the organisation's strategy	5,6	1,3	0,86		0,814
	The organisation has a clear system of choosing innovation projects	4,7	1,7	0,83		0,794
	The organisation uses measures that help you identify where and when you can improve your innovation	5,3	1,4	0,83		0,81
	There is a clear link between innovation projects and the whole business strategy	4,6	1,9	0,83		0,777
	The organisation works closely with users of its new products or services	4,9	1,6	0,78		0,81
	The company tries to develop external networks with individuals who can assist it (for example with specialists in specific knowledge)	5,5	1,5	0,78		0,789
	The organisation has a favorable climate for the creation of new ideas, which encourages employees to make their proposals	4,8	1,6	0,77		0,819
	The company records its developmental evolution so that other people in the organization can take advantage of those learning	5,6	1,3	0,77		0,803
	The organisation works well as a team (or teams)	4,9	1,8	0,74		0,811
	The company has mechanisms that ensure the involvement of all departments in the development of new products or processes	5,5	1,4	0,73		0,858
	The organisation's system is flexible and helps the quick realization of small projects	5,1	1,7	0,72		0,828

		Mean	SD	Component		Communalites
				1	2	
	The employees (professionals) Who occupy top positions have a come to innovation as a determining factor for the development of the company	4,9	1,6	0,66		0,845
	The company shares experiences with other companies that help them understand them.	5,4	1,3	0,65		0,691
	The organisation learns from other organisations	5,4	1,6	0,63		0,77
	The company spends time reviewing our projects in order to improve them and to perform in the following actions	5,6	1,2	0,61		0,862
	The company has a system of support and reward for innovation initiatives	5,3	1,5	0,60		0,571
	The company collaborates with other companies in the development of new products or processes	5,1	1,5	0,59		0,67
	The company's innovation strategy is clearly shared with all employees so that they are aware of the goals to be met	5,4	1,4	0,56		0,69
	The organisation shares its needs and competencies with education	5,6	1,2	0,55		0,724
	Employees are involved in suggesting ideas to improve products or processes	5,5	1,3	0,52		0,769
	The organisation works with universities and other research centers that can help you develop your knowledge	5,5	1,1	0,41		0,546
Market Strategies	The structure of the company does not compromise innovation, but helps its development	5,7	1,2		0,85	0,763
	The company works very close to its consumers in order to develop new concepts	5,6	1,2		0,80	0,773
	Company structure helps rapid decision-making	5,8	1,0		0,78	0,841
	The company analyzes its errors in order to improve its activities and processes	5,2	1,4		0,78	0,835
	The company has mechanisms that help it in the management of new products from the idea of its launch	5,4	1,3		0,77	0,75
	The company has a good relationship (win-win) with suppliers	5,5	1,2		0,71	0,741
	Innovation projects are normally met within the deadlines and budget	5,3	1,3		0,70	0,755
	The company has process management mechanisms that allow it to tailor procedures to ensure its ultimate success	5,4	1,2		0,69	0,784
	There is a great commitment to the training of employees	3,7	1,8		0,69	0,691
	Contributors acknowledge that, in order for the organization to be competitive, it is important that	5,5	1,1		0,66	0,805
	The company looks to the future in order to anticipate threats and opportunities (using tools and forecasting techniques)	5,4	1,4		0,65	0,726
	The company understands very well the needs of its consumers / end users.	5,3	1,4		0,64	0,751
	The company's employees recognize the importance of innovation for competitiveness	5,6	1,2		0,64	0,758
	Employees work well together and also across departmental boundaries	5,7	1,1		0,64	0,701
	Who holds top positions shows a commitment to support innovation	1,4	119,0		0,63	0,836
	Communication between the various levels of hierarchy works effectively	5,5	1,4		0,61	0,792
	The company has mechanisms that verify that all consumer needs are really understood (not just at the marketing level)	5,2	1,5		0,58	0,667
	The company searches for new ideas for new products in a systematic way	4,6	1,7		0,57	0,856
The company systematically compares its products and processes with those of its competitors	5,5	1,3		0,46	0,755	
<b>KMO</b>	<b>0,912</b>					
<b>Own value</b>			<b>21,5</b>	<b>2,8</b>		
<b>Variance explained (%)</b>			<b>53,8</b>	<b>6,9</b>		
<b>Alpha by Cronbach</b>			<b>0,965</b>	<b>0,932</b>		

**Table 8 - Descriptive Statistics, Factor Loadings, Communities and reliability of the construct Barriers to Innovation**

		Mean	SD	Component		Communalities
				1	2	
Institutional and R&D	Insufficient access to knowledge produced in universities and research centers	5,3	1,8	0,88		0,646
	Insufficient access to external information	4,7	1,8	0,86		0,778
	With other companies	4,8	1,4	0,78		0,655
	Cooperation possibilities Insufficient	4,5	1,8	0,78		0,684
	Innovations difficult to organize	4,5	1,9	0,78		0,735
	High wage costs	4,7	1,6	0,71		0,564
	With research organisations	4,9	1,6	0,71		0,801
	Difficult forecast of demand	4,5	1,5	0,69		0,543
	Lack of qualified staff	4,4	1,6	0,65		0,555
	Investigation and development	4,6	1,6	0,57		0,594
Organization and Management	Marketing and Sales	4,6	1,7		0,86	0,754
	Production	4,3	1,7		0,83	0,711
	Financing	5,0	1,7		0,58	0,664
	Insufficient external capital	5,5	1,3		0,58	0,557
	Insufficient equity	4,9	1,7		0,53	0,475
	<b>KMO</b>	<b>0,892</b>				
	<b>Own value</b>			<b>8,4</b>	<b>1,4</b>	
	<b>Variance explained (%)</b>			<b>42,4</b>	<b>22,4</b>	
	<b>Alpha by Cronbach</b>			<b>0,925</b>	<b>0,788</b>	