Tourism Destination Performance and Competitiveness: The Impact on Revenues, Jobs, the Economy, and Growth

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Abstract
We analyzed the relationship between tourism destination competitiveness (TDC) and economic performance using the Travel and Tourism Development Index (TTDI) and various tourism metrics. Employing a Structural Equation Model (SEM) and the latest available 2021 data, we focused on factors such as connectivity, infrastructure, demand drivers, sustainability, and the enabling environment. The findings indicated a positive correlation between these factors and the pillars of destination competitiveness. Key elements such as connectivity, infrastructure, demand drivers, sustainability, and enabling environment significantly influence TDC in Asia. Our research demonstrates that these indicators strongly affect various aspects of performance in Asian countries, including tourism arrivals, revenue, and job creation. We found a negative correlation between certain aspects of destination performance and tourism growth, suggesting that highly competitive destinations may experience lower growth rates than less competitive ones, thereby affecting the overall development of the sector. This highlights the necessity of specific strategies to leverage the positive influence of competitive tourist destinations on economic dynamics and job creation within a destination. This study highlights the crucial role of core resources and infrastructure in enhancing tourism performance and competitiveness, and advocates targeted efforts for sustainable and resilient sector growth. These findings offer valuable insights into the relationship between competitiveness and performance in the Asian tourism industry.

1. Introduction

In 2019, international tourism arrivals reached nearly 1.5 billion trips, as reported by the World Tourism Organization (UNWTO), marking a 4% increase over 2018 and more than doubling the number recorded in 2000 (less than 700 million). In Asia, tourism contributes to almost 10% of the GDP, creating over 160 million jobs. International tourism receipts in Asia reached nearly 480 billion dollars in 2019. Countries like Bangladesh, Indonesia, the Philippines, and Malaysia nearly tripled their

tourism receipts between 2000 and 2019. India, Sri Lanka, Thailand, and Vietnam saw their international receipts rise sevenfold in the past two decades.

The increasing importance of tourism as a revenue generator, job creator, source of foreign currency, and magnet for investment has attracted both academic and policymaking attention. Scholars have explored factors influencing tourism's increasing contribution to economic growth (Michael et al., 2019; Gavurova et al., 2021), a phenomenon often investigated under the tourism-led growth hypothesis (Alkathiri & Soliman, 2020; Adeleye, 2023). Considerable focus has been on evaluating tourism competitiveness as a factor that can contribute to destination attractiveness (Kim et al., 2022; Mior Shariffuddin et al., 2022; Zadeh Bazargani & Kiliç, 2021), as well as factors enabling it (Stankova et al. 2019; Kurar, 2021). Competitiveness also increases the quality of offerings (Civelek et al., 2023a) and adoption of digital technologies (Civelek et al., 2023b). Although some studies have developed comprehensive frameworks that include indicators of tourism competitiveness, there is limited research examining the relationship between tourism competitiveness and performance (e.g., Hanafiah & Zulkifly, 2019; Zadeh Bazargani & Kiliç, 2021).

Shifts in tourism competitiveness may not consistently align with the economic dimension of destination performance, encompassing aspects such as visitor counts, market share, tourist spending, employment, and value added by the tourism industry (Abreu Novais et al., 2018; Heath, 2003). The literature highlights instances where improvements in destination competitiveness do not result in an increase in the number of visits, earnings from foreigners, employment opportunities, or investments in these locations. For instance, the Mediterranean region (Kunst & Ivandić, 2021) highlights this. Similarly, Croes and Kubickova (2013) noted that achieving a high ranking in the competitiveness index, based on indicators from the World Economic Forum (WEF), does not correlate with higher receipts or improved quality of life for residents in the destination country. Webster and Ivanov (2014) found that destination competitiveness did not significantly impact economic growth. Furthermore, Dwyer (2022b) emphasized that many tourism competitiveness models frequently overlook the link between destination competitiveness and residents' well-being. Although the correlation between destination competitiveness and the economic dimension of tourism competitiveness may not be immediately apparent, it can still affect factors such as "attractiveness and satisfaction" with the destination (Dwyer & Kim, 2003; Syofian et al. 2023) or sustainability (Mior Shariffuddin et al., 2022).

As not all destination competitiveness attributes equally promote high-performing tourism destinations, it is essential to evaluate which factors are more critical. Policymakers often rely on competitiveness indicators to evaluate the success of their destinations as tourist attractions (Domínguez Vila et al., 2015; Drakulić Kovačević et al., 2018; Lesmana et al., 2022). These indicators capture concepts, often in the form of indexes, but they do not suggest a "cause-effect relationship" or a "link between inputs and outputs." For example, appealing core resources (natural attractions, cultural sites, or unique species) or supporting conditions in place (ATMs, hotel rooms, or a visa-on-arrival) can be seen as possessing competitive attributes conducive to thriving tourism, according to the Travel & Tourism Development Index (TTDI) indicators. Nonetheless, assessing tourism performance metrics from an economic perspective (visitor arrivals, earnings, job creation, or contribution to GDP) should be an integral part of defining destination competitiveness and provide a more robust benchmark for evaluating competitiveness. Thus, it is crucial to investigate the relationship between attractiveness and tourism performance.

As tourism competitiveness assessment relies on proxy indicators, employing factor analysis with a reflective-measured property approach is a potential method for scrutinizing the link between competitiveness and performance. We further investigated this aspect by utilizing a structural equation model using the Partial Least Square - Structural Equation Model PLS-SEM approach. Supported by the literature on tourism destination competitiveness (TDC), we assessed whether TDC attributes could help explain tourism performance in Asian countries. We compared two sets of destination competitiveness indicators commonly employed by policymakers to determine the tourism

attractiveness of their countries: the TTDI and alternative destination competitiveness (TDI) indicators (including indicators from the UNWTO and others). Moreover, we employed a set of indicators to measure tourism performance, considering aspects related to tourism growth, contributions to destinations, arrivals, receipts, and financial performance indicators (i.e., income, job creation, exports, investment, and business expenditure).

This study makes several contributions. First, we employed two distinct models with different datasets to investigate the relationships between various destination factors and tourism competitiveness. The results highlight the positive contributions of several factors to destination performance—connectivity, infrastructure, travel and tourism demand drivers, sustainability, core resources, enabling environment, and the pillars of tourism competitiveness. Second, by delving into the relationship between TDC measures and destination performance, our analysis helps to understand whether increased competitiveness aligns with improved economic and tourism performance. Third, the findings underscore the pivotal role played by core resources and infrastructure in driving high destination performance. These elements are instrumental in increasing tourist numbers and revenue, and creating direct employment opportunities. Fourth, it emphasizes the substantial contribution of key destination aspects to the tourism sector's financial impact, incorporating expenditure, exports, business activity, and GDP growth, showcasing the broad economic impact of a well-developed tourism strategy. Our primary contribution pertains to evaluating whether certain tourism destination indicators utilized by policymakers effectively serve as benchmarks for guiding tourism competitiveness.

The remainder of this paper is structured as follows: Section 2 presents the theoretical background; Section 3 describes the Materials and Methods employed; Section 4 presents the results; and Section 5 presents the conclusions, including limitations and possible scope for future research.

2. Theoretical background

Four foundational theoretical studies have paved the way for the literature on TDC as an effective model for assessing tourism competitiveness (Dwyer & Kim, 2003; Gooroochurn & Sugiyarto, 2005; Heath, 2003). Subsequent research has expanded the conceptual and empirical understanding. The Crouch model (Crouch, 2011) emerged as a key reference, encompassing factors such as "core resources and attractions, supporting elements, qualifying and amplifying determinants, destination management, and destination policy." Numerous efforts have been devoted to devising indicators and establishing frameworks for evaluating destination competitiveness (Croes, 2011; Croes & Kubickova, 2013; Leung & Baloglu, 2013; Krivokapic, 2023). Disputes exist regarding concepts (Dwyer, 2022a; Luštický & Štumpf, 2021), indicators (Gooroochurn & Sugiyarto, 2005; Nadalipour et al., 2019), measurements (Aguiar-Barbosa et al., 2021; Pulido-Fernández & Rodríguez-Díaz, 2016; Perez Leon et al., 2021), and models (Mior Shariffuddin et al., 2022; Nematpour et al., 2022).

While the prevailing belief centers on TDC factors from destinations' comparative and competitive advantages (Domínguez Vila et al., 2015; Dwyer & Kim, 2003), several reasons underscore the necessity for new comparative studies. First, the dynamism inherent in tourism competitiveness calls for more recent indicators, concepts, and models to yield more precise measurements. Second, aspects related to escalating globalization, shifts in tourism pricing, national economic development trajectories, and the extent to which countries prioritize tourism earnings (Croes and Rivera, 2010; Y. R. Kim et al., 2022) often elude the literature's scope. Third, prevailing theoretical models on tourism demand overlook elements such as globalization, openness, and foreign direct investment as dimensions of competitiveness (Hanafiah & Zulkifly, 2019; N. Kim & Wicks, 2010). Furthermore, tourism performance is frequently limited to metrics linked to tourism arrivals and income within specific periods (Zadeh Bazargani & Kiliç, 2021), neglecting dynamic facets (rate of growth, market

share fluctuations, alterations in foreign income contribution, among others) and omitting the evaluation of impacts on economic variables like job generation, investment, exports, or societal contributions (Aguiar-Barbosa et al., 2021; Dwyer, 2022a; Luštický & Štumpf, 2021; Gavurova et al., 2021). Measuring performance solely through arrivals or income generation fails to capture tourism's holistic contribution to the economy (i.e., jobs, exports, etc.), or assess the destination's long-term sustainability (both in terms of growth and significance) (Hanafiah & Zulkifly, 2019).

Our first set of destination competitiveness indicators were published by the TTDI, while the second was developed from the TDC indicators proposed by Hanafiah and Zulkifly (2019). Regarding tourism performance indicators, we encompassed five categories to summarize the upsurge in tourism activities: economic contributions (GDP, exports, employment, and consumption), tourism destination achievements (arrivals and receipts), and financial performance (expenditure, capital investment, and direct and indirect GDP contributions). We employed data from 35 Asian countries to offer a robust benchmark for Asia. Our analysis incorporated the TTDI 2021 dataset, and an additional set of competitiveness indicators as suggested in previous studies (Drakulić Kovačević et al., 2018; Hanafiah & Zulkifly, 2019; Y. R. Kim et al., 2022).

The ability to grow at a faster pace and exhibit much better performance depends on destination competitiveness. Tourism performance indicators include tourism satisfaction (Grissemann & Stokburger-Sauer, 2012; Syofian et al., 2023; Ginting et al., 2023), arrivals (Heriqbaldi et al., 2023), income (Zadeh Bazargani & Kılıç, 2021), value added (Ragab & Meis, 2016), well-being (Dwyer, 2022a), and quality of life (Croes & Kubickova, 2013). Economies can increase income by improving community competitiveness through a consideration of internal and external factors (Hanafiah & Zulkifly, 2019).

A tourist destination's competitiveness is influenced by different internal and external factors that determine its general performance (Rodríguez-Díaz & Pulido-Fernández, 2019). Furthermore, as the competitiveness of destinations increases, the impact on economic growth and inhabitants' prosperity is expected to increase, consistent with the conceptual definition of competitiveness of Croes and Kubickova (2013) and Ritchie and Crouch (2003). Although economic performance is often considered in the causal chain of competitiveness (Croes, 2011; Gavurova et al., 2021), testing whether competitiveness is related to performance seems more appropriate. Furthermore, a comprehensive assessment of destination competitiveness rooted in performance metrics provides a more direct and responsive framework for shaping tourism policies, refining evaluation processes, enhancing promotional efforts, facilitating learning, and improving decision-making.

Previous studies have utilized the TTDI or its equivalent indicators to evaluate destination competitiveness. For example, Lesmana et al. (2022) built a framework to test indicators from the TTCI and UNWTO "Tourism Dashboard" to assess Indonesia. The authors identified 63 indicators within 12 dimensions with potential links to Indonesia's competitiveness as a tourism destination. However, the framework failed to test whether such competitiveness factors were related to performance (e.g., arrivals, receipts, jobs, and exports). Vila et al. (2015) tested the Crouch model in Australia and Spain, revealing significant disparities in the factors and attributes that impact competitiveness within each destination. Some studies linking competitiveness and performance include Zadeh Bazargani & Kılıç (2021) in which performance was proxied by receipts and arrivals. By employing the TTDI, indicators alongside destination performance metrics (arrivals, spending, T&T share of GDP, and employment), Rodríguez-Díaz and Pulido-Fernández (2019) found a positive correlation between tourism performance and competitiveness indicators, particularly pronounced within the resources category, whereas a comparatively weaker connection was observed within the T&T policy and conditions domains. Leung and Baloglu (2013) utilized the TTCI indicators from 2011 to assess the destination competitiveness of Asian countries, presenting clusters of competitiveness. While they underscored the diverse strengths of Asian countries, with significant practical implications, they did not explore the correlation between these clusters and destination economic performance.

Understanding the intricate relationship between competitiveness and performance is crucial to develop effective strategies and policies for international community development through tourism. However, the existing literature has predominantly examined instruments, models, and indicators or offered insights specific to particular locations, leaving a gap in comprehending the interrelationship between destination competitiveness and performance in an Asian context.

3. Materials and Methods

This study investigated two factors: the validity of tourism destination indicators commonly utilized by policymakers as proxies for guiding tourism competitiveness, and the impact of tourism competitiveness indicators on tourism performance. We presented two models to compare the competitiveness of different tourist destinations. We began by presenting the constructs used to assess tourism performance. Subsequently, we elaborated on two alternative frameworks of competitiveness to examine the correlation between competitiveness and tourism performance within Asia. To gauge tourism performance, we identified three constructs (dimensions) of performance variables that encompass aspects of tourism growth, economic contribution (Hanafiah & Zulkifly, 2019), and financial performance (Nematpour et al., 2022).

Table 1 provides an overview of these constructs along with their respective indicators and definitions. The tourism growth construct (referred to as growth) encompasses indicators presented as percentages that capture internal travel and tourism consumption growth, business tourism spending, government expenditure on tourism services, and growth in foreign tourism spending. The second, centered on tourism destination financial performance, includes tourism arrivals, tourism receipts, and employment creation indicators.

Table 1. **Constructs for Tourism Performance Indicators**

Construct	Indicator (Definition)	Variable name
Tourism Growth (Growth)	Business Tourism Spending % growth	BTS1
	Tourism Spending % growth	dts1
	Government spending on T&T service % growth	GST1
	T&T's direct contribution to GDP % growth	ttdcgdp1
Financial Performance (Value $)	International tourism, number of arrivals million	Arrivals
	International tourism, receipts (% of total exports)	TTCR5
	T&T's direct contribution to employment Thousands of jobs	Ttdce3
Economic contribution (Share GDP)	Government spending on T&T service % total tourism expenditure	GSTT2
	T&T's direct contribution to GDP % share of total GDP	TTDCGDP2
	Visitor Exports (Foreign spending) % exports	VE1

Source: WTTC and EIR raw data, IMF (*IMF*, 2021), UNDP (*UNDP*, 2021).

The third assesses economic performance by incorporating indicators regarding government investment, direct and total contributions to GDP, and various facets of economic contribution, including job creation (both direct and total), the contribution of tourism to GDP, and contribution of travel and tourism (T&T) to total spending. While most indicators were sourced from reputable entities such as the World Travel & Tourism Council (WTTC) through the Economic Impact Reports (EIR), International Monetary Fund (*IMF*, 2021) report, and United Nations Development Programme (*UNDP*, 2021) annual report, additional performance indicators were explored. These included metrics associated with capital investment, business expenditure, travel, and tourism contributions to total

employment, and exports. However, some additional indicators encountered challenges in terms of reliability and consistency.

Tourism competitiveness was assessed using two distinct frameworks. The first utilized the TTDI 2021 as an indicator of tourism competitiveness, encompassing five constructs composed of 29 indicators. We initially conducted tests to ascertain the presence of a significant correlation between these indicators and destination competitiveness. After verifying the validity of the framework and the suitability of the indicators for reliable measurements, we evaluated whether competitiveness-related constructs exhibited a significant relationship with tourism performance. Table 2 provides a comprehensive overview of the indicators used for the seven constructs of competitiveness derived from the TTDI 2021 and performance constructs.

Table 2. **Constructs for Tourism Indicators (Pillars based on TTDI 2021)**

Construct	Indicator	Variable name
Enabling Environment (ENABLING)	Health and Hygiene	Health Env
	Safety and Security	Safety Env
	Business Environment	business
	ICT Readiness	ICT
	Human Resources and Labor Market	labor
Infrastructure (INF)	Tourist Service	Infra 1
	Ground and Port	Infra 2
	Air Transport	Infra 3
Travel and Tourism Demand Drivers (DEM)	Natural Resources	TTDemand1
	Cultural Resources	TTDemand3
	Non-Leisure Resources	TTDemand
Travel and Tourism Sustainability (SUS)	Socioeconomic Resilience & Conditions	Socioeconomic
	T&T Demand Pressure & Impact	Env Management
	Environmental Sustainability	ENV Sustainability
Connectivity (CONN)	Air connectivity score	Air Transp
	Number of regional trade	FTAs
	Financial Openness	Openness
	Ground Transport	Ground Tra
	Logistic Index	Logistics
Pillars	T&T Development Index demand	T_demand
	T&T Policy & Enabling Conditions	TTDI2
	T&T Demand Drivers	ttdi4
	Enabling Environment	TTDI6

Note: Travel and Tourism (T&T)
Source: own elaboration

Variations in the competitiveness models stem primarily from the incorporated indicators. The TTDI model, structured around tourism pillars, presents two distinct constructs: one centered on the enabling environment for tourism and the other on indicators addressing tourism policy. In contrast, the TTCI offers a range of indicators concerning complementary conditions and destination management, a more comprehensive array of sustainability-focused indicators, and a broader scope encompassing infrastructure-connectivity indicators. Nonetheless, the distinctive sets of indicators within the two alternative models have demonstrated relatively modest explanatory efficacy in determining destination competitiveness (Gómez-Vega & J Picazo-Tadeo, 2019; Michael et al., 2019;

Rodríguez-Díaz & Pulido-Fernández, 2019; González-Rodríguez et al., 2023; Mwinuka & Mwangoka 2023). Our objective was to assess the potency of these indicators within this framework.

In the second framework, we employed eight constructs that cover the framework proposed by Hanafiah and Zulkifly (2019) and gathered indicators from different sources (See Table 3). The eight constructs were 1) Complementary Conditions, 2) Connectivity, 3) Core resources and attractions employed in previous studies (González-Rodríguez et al., 2023; Moradi et al., 2022; Nobre & Sousa, 2022), 4) Destination Management (Michael et al., 2019; Sul et al., 2020), 5) Infrastructure (Azzopardi & Nash, 2016; Sul et al., 2020; Mwinuka & Mwangoka 2023), 6) Sustainability, 7) Tourism pillars borrowed from the TTDI, and 8) Openness. Table 3 presents the indicators; however, not all met the required consistency and reliability standards for our use.

Table 3. **Constructs and Indicators TTCI 2021**

| Construct	Indicator	Variable Name
Complementary Conditions	Hotel room	cc1
	ATM	cc2
	Sanitation	cc3
	Internet	cc5
	Broadband internet	cc7
	Mobile broadband	cc8
Connectivity	Air connectivity score	CONNECT1
	Number of regional trade	FTAs
	Logistic index	Logistic Index
Core Resources	Natural sites	cr1
	Cultural sites	cr2
	Species	cr3
	Association meeting	cr5
Destination Management	Tourist Service Infrastructure pillar	service
	Quality education	dm4
	Specialized training	dm6
	Environmental management	dm7
Infrastructure	Air transport	inf1
	ICT	ICT
	Ground transport	inf4
Openness (Global)	Financial openness	Financial openness
	FDI Inflows (% of GDP)	FDI_GDP
	Trade (% of GDP)	Trade_GDP
Pillars	T&T Demand Drivers	TT_Demand
	Enabling Environment subindex	ENV
	Infrastructure subindex	INF
	Sustainability	SUST
Policy	International Openness pillar	Openness
	T&T Policy	Policy
	Prioritization of the T&T pillar	Priority

Note: Travel and Tourism (T&T)
Source: own elaboration

3.1 Conceptual Framework: Hypotheses

To discern the influence of various constructs on tourism competitiveness and their subsequent impact on tourism performance, we formulated two sets of hypotheses (one for each model) to address the research problems encountered in this study. Both models were constructed based on previous research that examined the connections between competitiveness and factors including connectivity, infrastructure (Michael et al., 2019; Fernández et al., 2020), conducive tourism environments, demand considerations, sustainability, core resources (Michael et al., 2019), destination management (Crouch & Ritchie, 1999), and openness. Similarly, the relationship between tourism competitiveness and destination performance has been explored in various studies. Our hypotheses were formulated based on four fundamental theoretical studies that have pioneered the literature on TDC in tourism competitiveness measurement (Dwyer & Kim, 2003, 2003; Gooroochurn & Sugiyarto, 2005; Heath, 2003), and others (Dwyer, 2022a; Grissemann & Stokburger-Sauer, 2012; Zadeh Bazargani & Kiliç, 2021; Ragab & Meis, 2016; Croes & Kubickova, 2013).

Figure 1. **Tourism competitiveness model employing TTDI 2021**
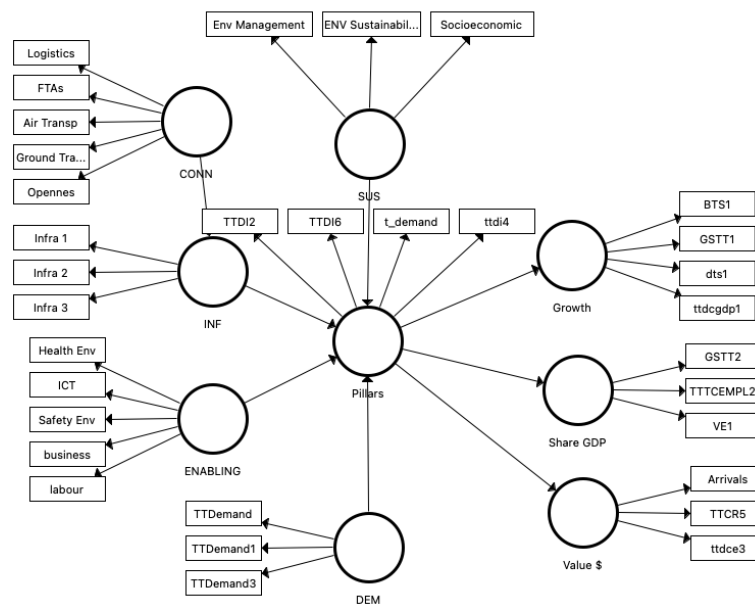
Source: own elaboration

First model

H1: Connectivity factors positively and significantly influence Asia's infrastructure competitiveness.

H2: Infrastructure factors positively and significantly influence Asia's tourism pillars of competitiveness in enhancing tourism performance.

H3: Enabling tourism environment factors positively and significantly influence Asia's tourism pillars of competitiveness to enhance Asia's tourism performance.

H4: T&T Demand factors positively and significantly influence Asia's pillars of tourism competitiveness in enhancing tourism performance.

H5: T&T Sustainability factors positively and significantly influence Asia's tourism pillars of competitiveness, enhancing tourism performance.

H6: Tourism pillars of competitiveness positively and significantly influence Asia's tourism performance regarding Growth, Share, and economic value.

H6 uses three distinct constructs: a) Tourism Growth (Growth), b) Financial Performance (Value $), and c) Economic Contribution (Share GDP).

Second model

H7: Connectivity factors positively and significantly influence Asia's infrastructure competitiveness

H8: Complementary conditions positively and significantly influence destination management competitiveness in Asia.

H8: Infrastructure factors positively and significantly influence Asia's tourism pillars of competitiveness, enhancing its tourism performance.

H10: Destination Management factors positively and significantly influence Asia's tourism pillars of competitiveness in enhancing tourism performance.

H11: Core Resource factors positively and significantly influence Asia's pillars of tourism competitiveness in enhancing tourism performance.

H12: Openness factors positively and significantly influence Asian tourism performance (Share GDP).

H13: Economic contributions (Share GDP) positively and significantly influence Asia's tourism policies.

H14: Tourism pillars of competitiveness positively and significantly influence Asia's tourism performance regarding Growth, Share, and economic value.

H14 uses three distinct constructs: a) Tourism Growth (Growth), b) Financial Performance (Value $), and c) Economic Contribution (Share GDP).

Figure 2. **Tourism competitiveness model employing T&T Competitiveness Report (TTCR 2021)**
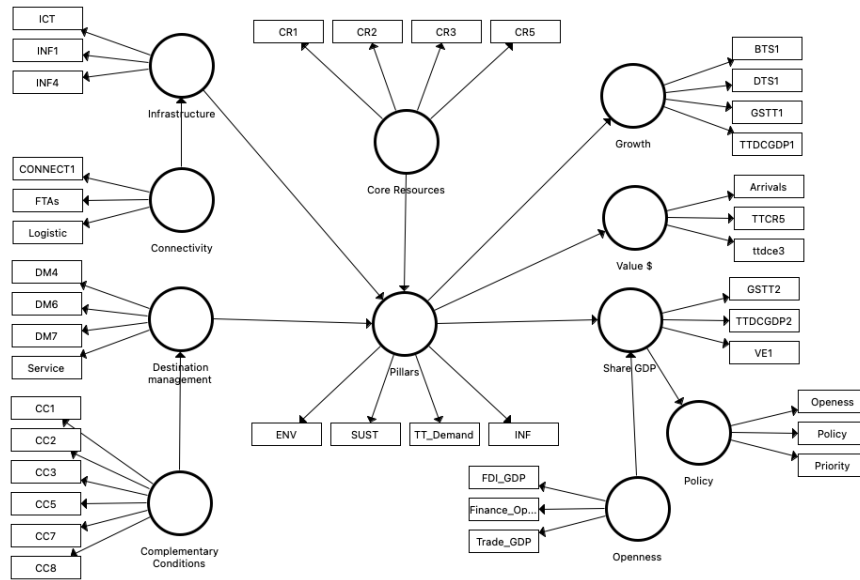
Source: own elaboration

3.2 Empirical analysis

We employed a PLS-SEM approach to examine the proposed empirical framework. PLS-SEM, as advocated by Hair et al. (2012), integrates principal component analysis and path analysis techniques seamlessly (Shariffuddin et al., 2023). Utilizing a principal component analysis enables the development of a reliable system for examining linear correlations between hidden constructs and observed variables (Chin et al., 2003). Considering our empirical strategy's predictive focus, the modest sample size (Wong, 2013), and potential non-normality in data distribution (Wong, 2013), PLS-SEM was a suitable option model evaluation. In addition, PLS-SEM is advantageous for conducting causal predictive analyses in complex situations with limited theoretical knowledge (Bamgbade et al., 2018; Hanafiah & Zulkifly, 2019). The inherent soft approach of PLS allows it to effectively account for theoretical and measurement conditions, distributional considerations, and practical factors (Barclay et al., 1995). Following the procedure recommended by Henseler et al. (2009), we evaluated the outer measurement model and inner structural model in PLS using a two-step process.

A concise description of the research steps can be summarized in the following steps:

- Step 1: Conduct an extensive literature review of tourism competitiveness and identify key theoretical approaches, empirical frameworks, measurements, indices, and data sources.
- Step 2: Formulate hypotheses aligned with the research objectives and propose two distinct frameworks with similar constructs but different indicators and data.
- Step 3: Collect data from various sources to identify indicators representing the constructs outlined in the hypotheses.
- Step 4: Evaluate various software options for conducting the required tests based on the empirical framework and the nature of the chosen constructs and indicators.
- Step 5: Rigorously assess the validity and reliability of the chosen framework (constructs and indicators).
- Step 6: Test hypotheses using the structural equation approach.

4. Results

We first conducted essential reliability, internal consistency, convergent validity, and discriminant validity tests to ensure the integrity of the measurement model components (Hair Jr et al., 2021), following Cenfetelli and Bassellier (2009) and Wong (2013). To ensure reliability, we examined the outer loading factors for each indicator and found that all met the minimum requirement of 0.5, as reported by Wei et al. (2021). In terms of internal consistency reliability, we evaluated the rho alpha values, composite reliability (CR), and Cronbach's alpha values (Hair Jr et al., 2021) to ensure accuracy. The latent construct values exceeded the minimum threshold of 0.7 and the reliability of the scales was reasonably high with Cronbach's alpha and CR greater than 0.7 (Nematpour et al., 2022). The convergence validity was confirmed by calculating the average variance extracted (AVE) for the various constructs proposed, following Fornell and Larcker (1981). It has been suggested that the AVE value should be greater than 0.5, meaning that the latent structure construct should account for at least 50% of the variation observed in the variables (Hair et al., 2012). The results for convergent validity, reliability, and loading factors (internal consistency) for tourism performance constructs and tourism competitiveness models 1 and 2, are presented in Tables 4, 7, and 8. Only the indicators that fulfilled the reliability and validity criteria are presented.

We show the results for each model in the following order: we presented and evaluated the validity of the inner structural model, then tested some main statistics for the external model to prove the 14 hypotheses, six for Model 1, and the rest for Model 2. Once the results were obtained, we discussed them and concluded with recommendations for policymaking.

4.1. Model 1: Tourism Indicators (Five Pillars) – inner structural model

Model 1 assessed the impact of the five constructs of competitive tourism pillars: T&T Policy and enabling conditions, infrastructure, connectivity, T&T demand drivers, and T&T sustainability (Figure 1). The strength of the relationships between the indicators and their corresponding latent constructs was assessed by examining the loading factors. These verified whether the indicators effectively contributed to the measurement of the latent construct (Sarstedt et al., 2014). Loading factors above 0.50 or 0.70 (Hair et al., 2012) are commonly used as a minimum threshold to ensure the indicators' meaningful association with the underlying variables. Our loading factors fulfilled the minimum requirement of meaningful indicators.

We used both Cronbach's alpha values and CR to examine internal consistency and construct reliability. The results of both methods yielded similar outcomes, with all values exceeding the threshold of 0.7. This indicates that all constructs met the required parameters, affirming their reliability. To assess convergent validity, we examined the AVE values for the proposed constructs, adopting a minimum threshold of 0.5, as recommended (Hair et al., 2012). AVE values of at least 0.5 indicate that the constructs account for more than 50% of the variance in the indicators (Table 4). The obtained AVE values greater than 0.6 suggest that the model fulfilled the requirements for convergent validity and demonstrated good internal consistency. This study assessed discriminant validity using the Fornell-Larcker criteria (1981). According to this criterion, a construct's square root of AVE should surpass its correlation values with other constructs.

4.2 Evaluation of the inner structural models

Once the minimum criteria for reliability and consistency were met and the indicators and latent constructs effectively represented the framework, we conducted a path analysis to determine whether the five aspects collectively shape a competitive destination and lead to significant tourism performance. To evaluate the predictive relevance of the models, we employed various metrics, including Q2, goodness-of-fit index (GOF), coefficient of determination (R2), path coefficient (B-value), and t-statistics, as suggested by Nematpour et al. (2022). To assess the quality of the path model and cross-validity redundancy, we followed Tenenhaus et al. (2005). The Q2 values for the constructs were greater than zero, indicating the predictive relevance of the model.

The model fit measures obtained through GOF were used specifically to assess whether the model adequately fit the empirical data and whether it was "parsimonious and plausible" (Henseler et al., 2016). GOF values range from 0 to 1, with values below 0.1 considered small fitness, around 0.25 as medium, and above 0.36 as large (Nematpour et al., 2022). The GOF index for the first model was calculated to be 0.573, indicating good predictive power (with AVEs of 0.68 and average R2 values of 0.483) (Tenenhaus et al., 2005). The Small Sample Root Mean Square Residual (SMRS) also fit well. The Normed Fit Index (NFI) was slightly below 0.9 but still fell within an acceptable range. Lohmöller (2013) suggested that NFI values are acceptable at or above 0.9. NFI values closer to one were more favorable. To assess this discrepancy, d_ULS and d_G values were compared with their respective confidence intervals (Henseler et al., 2016). A good fit is obtained if the confidence interval of the upper bound is greater than the original values of d_ULS and d_G.

Table 4. **Validity and reliability test results from tourism competitiveness indicators**

	Loading Factor	Cronbach's Alpha	rho_A	Composite Reliability (CR)	Average Variance Extracted (AVE)
Connectivity		**0.894**	**0.906**	**0.922**	**0.703**
Air Transp	0,887				
FTAs	0,743				

Ground Transp	0,867				
Logistics	0,879				
Openness	0,809				
T&T Demand		**0.872**	**0.991**	**0.916**	**0.787**
TTDemand	0,957				
TTDemand1	0,735				
TTDemand3	0,950				
Enabling Environment		**0.910**	**0.931**	**0.933**	**0.738**
Business	0,888				
Health Env	0,770				
ICT	0,907				
Labor	0,936				
Safety Env	0,782				
Infrastructure		**0.769**	**0.794**	**0.867**	**0.687**
Infra 1	0,909				
Infra 2	0,846				
Infra 3	0,719				
Pillars of Competitiveness		**0.774**	**0.816**	**0.858**	**0.608**
TTDI2	0,812				
TTDI6	0,683				
t_demand	0,627				
ttdi4	0,956				
T&T Sustainability		**0.720**	**0.800**	**0.841**	**0.643**
ENV Sustainability	0,621				
Env Management	0,898				
Socioeconomic	0,859				
Tourism Growth		**0.788**	**0.857**	**0.863**	**0.615**
BTS1	0,831				
GSTT1	0,672				
TTDCGDP1	0,698				
dts1	0,911				
Share GDP		**0.792**	**0.943**	**0.871**	**0.693**
GSTT2	0,754				
TTTCEMPL2	0,823				
VE1	0,912				
Value $		**0.767**	**0.790**	**0.895**	**0.810**
Arrivals	0,878				
TTCR5	0,921				
Ttdce3	0,886				

Source: own elaboration

Table 5 presents the results of the discriminant validity tests, as per the procedure outlined by Fornell and Larcker (1981). Validation of the measurement model's latent construct correlation confirmed the acceptability of discriminant validity.

Table 5. **Fornell-Larcker criteria for tourism competitiveness model employing TTDI 2021**

	CONN	DEM	ENABLI	Growth	INF	Pillars	SUS	Share	Value

			NG					**GDP**	**$**
CONN	0.847								
DEM	0.673	0.827							
ENABLING	0.724	0.253	0.823						
Growth	0.241	0.185	0.440	0.784					
INF	0.806	0.676	0.780	0.383	0.856				
Pillars	0.819	0.707	0.807	0.408	0.819	0.822			
SUS	0.673	0.282	0.812	0.508	0.719	0.779	0.802		
Share GDP	0.267	0.376	0.243	0.358	0.341	0.358	0.221	0.832	
Value $	0.591	0.780	0.247	0.061	0.557	0.565	0.136	0.114	0.841

Source: own elaboration

4.3 Estimation of R2, B, and T-values of the Model

The results indicate that all five aspects of tourism competitiveness (constructs) in the initial results significantly and positively impact the shaping of the tourism sustainability pillars. Table 6 shows that the constructs of Connectivity (CONN), Infrastructure (INF), Travel and Tourism Demand Drivers (DEM), Travel and Tourism Sustainability (SUS), Enabling Environment (ENABLING), and Pillars fulfill the necessary conditions for reliability. The five aspects of environment-enabling conditions, infrastructure, demand, and sustainability have positive and significant relationships with the pillars of tourism destination competitiveness.

Table 6. **Path Analysis TTDI 2021**

	Estimate (β)	Sample Mean (M)	SE	T-statistics	P values	Hypothesis
H1: CONN -> INF	0,947	0,950	0,014	67,703	0,000	Accepted
H2: INF -> Pillars	0,402	0,418	0,089	4,492	0,000	Accepted
H3: ENABLING -> Pillars	0,161	0,143	0,078	2,068	0,039	Accepted
H4: DEM -> Pillars	0,302	0,284	0,096	3,144	0,002	Accepted
H5: SUS -> Pillars	0,312	0,313	0,084	3,711	0,000	Accepted
H6a: Pillars -> Growth	-0,409	-0,441	0,149	2,749	0,006	Accepted
H6b: Pillars -> Value $	0,600	0,626	0,094	6,370	0,000	Accepted
H6c: Pillars -> Share GDP	-0,357	-0,398	0,146	2,439	0,015	Accepted

Note. Fit Statistics for the structural models: $p < 0.001$; CFI = 0.606 (accepted if below the maximum limit of 0.9); NFI = 0.508 (accepted if below the maximum limit of 0.90); and RMSE = 0.065 (accepted if below the maximum limit of 0.08). Collinearity Statistics were examined using VIF values.

Source: own elaboration

T&T demand drivers, including available natural, cultural, and non-leisure resources, positively relate to tourism competitiveness in Asian countries (B=0,302). Similarly, enabling an environment that considers the business environment, safety and security, health and hygiene, human resources and labor, and ICT readiness also explains tourism competitiveness in Asia (B=0.161). This suggests that enabling an environment around tourist destinations is crucial for achieving attractive destinations. Moreover, infrastructure positively relates to tourism competitiveness, considering that air transport, ground and port infrastructure, and tourist service infrastructure allow for more competitive destinations. Infrastructure is supported by strong connectivity between Asia and its partners through appropriate logistics, air and ground transport, financial openness, and trade integration.

Moreover, T&T policy and enabling conditions suggest that government intervention in prioritization, international openness, and price competitiveness modestly influences competitiveness. Sustainability is crucial for competitive destinations, indicating the importance of environmental sustainability, socioeconomic resilience and conditions, and T&T demand pressures and impacts.

Moreover, the pillars (our measure of destination competitiveness) positively and significantly related to tourism performance (value $), indicating that improving a destination's competitiveness is positively associated with tourism performance through more travelers, higher tourism receipts, and more job creation. The path analysis revealed significant effects on the relationship between tourism competitiveness (pillars) and tourism performance in terms of growth and economic contribution. However, the sign of this relationship was negative. One possible explanation is that highly competitive destinations might experience slower tourism growth rates, with tourism making a more negligible contribution to the overall economy than in less competitive destinations. This finding is crucial, as it suggests that countries striving to enhance tourism competitiveness may witness rapid growth in the tourism sector and an increasing contribution to the overall economy. This partially explains the race among emerging countries to promote tourism, expecting substantial impacts on job creation, spending, and investment. While the tourism sector in emerging Asian economies has experienced rapid growth, which has been closely linked to continuous improvements in tourist destinations (Anser et al., 2022; Esquivias et al., 2021; Heriqbaldi et al., 2023; Traskevich & Fontanari, 2023; Stankova et al. 2019), it has sometimes lagged behind those in more developed peer economies.

4.4. Model 2: Tourism Indicators – inner structural model

In Model 2, we incorporated several indicators (Figure 2). Like Model 1, we conducted all the necessary tests to validate the reliability, validity, and consistency of the data, constructs, and model (overall) (Table 7). Our research findings highlight the significance of the hypothesized aspects of destination competitiveness in shaping what we call "tourism pillars." These pillars include complementary conditions, core resources, destination management, infrastructure, connectivity, and sustainability, all of which contribute significantly to the development of competitive tourism destinations.

Table 7. **Validity and reliability test results from tourism competitiveness indicators**

	Outer Loadings	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Complementary Conditions		**0.864**	**0.871**	**0.898**	**0.595**
CC1	0,783				
CC2	0,760				
CC3	0,765				
CC5	0,847				
CC7	0,785				
CC8	0,680				
CC1	0,783				
Connectivity		**0.709**	**0.800**	**0.831**	**0.624**
CONNECT1	0,700				
FTAs	0,773				
Logistic	0,885				
Core Resources		**0.844**	**0.978**	**0.887**	**0.663**
CR1	0,820				
CR2	0,795				
CR3	0,767				

CR5	0,871			
Destination management	**0.808**	**0.848**	**0.872**	**0.633**
DM4	0,719			
DM6	0,797			
DM7	0,926			
Service	0,724			
Growth	**0.788**	**0.859**	**0.863**	**0.615**
BTS1	0,834			
DTS1	0,910			
GSTT1	0,671			
TTDCGDP1	0,696			
Infrastructure	**0.836**	**0.838**	**0.901**	**0.752**
ICT	0,853			
INF1	0,881			
INF4	0,868			
Openness	**0.741**	**0.991**	**0.844**	**0.656**
FDI_GDP	0,940			
Finance_Opennes	0,517			
Trade_GDP	0,904			
Pillars	**0.774**	**0.818**	**0.857**	**0.605**
ENV	0,804			
INF	0,958			
SUST	0,667			
TT_Demand	0,641			
Policy	**0.768**	**0.867**	**0.856**	**0.669**
Openness	0,643			
Policy	0,908			
Priority	0,877			
Share GDP	**0.715**	**0.845**	**0.830**	**0.622**
GSTT2	0,891			
TTDCGDP2	0,710			
VE1	0,752			
Value $	**0.813**	**0.906**	**0.879**	**0.709**
TTCR5	0,891			
Rear	0,729			
Arrivals	0,895			

Source: own elaboration

Table 8 presents the results of the discriminant validity tests following Fornell and Larcker (1981). The presence of appropriate correlations among the latent constructs validated the discriminant validity of the measurement model, indicating the conceptual model's acceptability.

Table 8. **Fornell-Larcker criteria** for tourism competitiveness model employing T&T Competitiveness Report (TTCR 2021)

	CONN	DEM	ENABLING	ENV	Growth	INF	PILLARS TTDI	Pillars	SUS	Share GDP	Value $
CONN	0.839										
DEM	0.614	0.854									
ENABLING	0.713	0.168	0.848								

ENV	0.720	0.180	0.702	0.847						
Growth	0.234	0.106	0.432	0.431	0.785					
INF	0.814	0.606	0.769	0.778	0.378	0.829				
PILLARS TTDI	0.822	0.676	0.782	0.790	0.358	0.803	0.819			
Pillars	0.811	0.376	0.813	0.816	0.448	0.807	0.802	0.872		
SUS	0.669	0.227	0.828	0.828	0.512	0.721	0.792	0.815	0.802	
Share GDP	0.256	0.389	0.234	0.239	0.323	0.334	0.314	0.262	0.206	0.830
Value $	0.554	0.757	0.255	0.262	0.065	0.514	0.571	0.352	0.157	0.136	0.886

Source: own elaboration

Core resources such as natural sites, cultural attractions, meeting venues, and unique species also significantly explain tourism competitiveness. This finding suggests that Asian countries can enhance competitiveness by improving and promoting these attractions, consistent with the findings of Heriqbaldi et al. (2023). Infrastructure, which includes airports, information and communication technology (ICT), and ground transportation facilities, is positively influenced by air connectivity, trade integration, and logistic performance. Infrastructure is positively related to tourism competitiveness, implying that countries can benefit by investing in more appropriate infrastructure, which is consistent with earlier findings for the UAE (Michael et al., 2019), top tourist destinations (Fernández et al., 2020), Indonesia (Santoso et al. 2023), and East Asia and the Pacific (Adeleye, 2023).

However, destination management exhibits a positive and significant relationship with the pillars of competitiveness. Tourism services, quality of education, training, and environmental management play significant roles in effective destination management. Moreover, destination management is enhanced by complementary conditions such as the availability of sufficient hotel rooms, ATMs, proper sanitation, Internet access, and mobile broadband, which positively and significantly relate to tourism competitiveness. Destination management and complementary conditions work synergistically to create attractive, competitive tourist destinations. Previous research has highlighted the significant influence of education, training, and skills on destination success (Fahlevi et al., 2020).

Moreover, we observed a positive relationship between improvements in tourism competitiveness and various tourism performance constructs (Table 9), including connectivity, tourism destination performance (international arrivals, domestic visitors, receipts, and job creation), and financial performance (business tourism spending, capital investment, contribution to GDP, and foreign spending). However, an intriguing finding emerged regarding the relationship between tourism pillars and performance growth and sharing. Surprisingly, we noticed a negative association, suggesting that countries with higher competitiveness indices might experience slower growth in tourism receipts and make fewer substantial contributions to economic factors such as exports and expenditure.

Reaching high levels of competitiveness may necessitate the exploration of other factors that foster growth in the tourism sector and its substantial contribution to the economy. Prior research has indicated that a destination's competitiveness, as measured by TTDI indicators, does not yield statistically significant effects on the relationship between tourism and economic growth (Webster & Ivanov, 2014). Similarly, top destinations based on tourism competitiveness do not necessarily reflect sizeable economic contributions (Croes & Kubickova, 2013; González-Rodríguez et al. 2023; Nazmfar et al., 2019). This observation aligns with previous studies that have highlighted how certain aspects of tourism, such as imports catering to tourists, repatriation of investment returns, and concentration of foreign expenditures in foreign-owned or large businesses (e.g., transportation and accommodation; Esquivias et al. (2021), may lead to adverse economic outcomes for destinations (González-Rodríguez et al. 2023; Tamene & Wondirad, 2019).

Table 9. **Path Analysis TTCR**

	Estimate (β)	Sample Mean (M)	SE	T-statistics	P Values	Hypothesis
H7: Connectivity -> Infrastructure	0.796	0.801	0.048	16.429	0.000	Accepted
H8: Complementary Conditions -> Destination management	0.842	0.853	0.033	25.344	0.000	Accepted
H9: Infrastructure -> Pillars	0.342	0.373	0.141	2.431	0.015	Accepted
H10: Destination management -> Pillars	0.493	0.449	0.144	3.437	0.001	Accepted
H11: Core Resources -> Pillars	0.329	0.310	0.095	3.476	0.001	Accepted
H12: Openness -> Share GDP	0.488	0.511	0.219	2.226	0.026	Accepted
H13: Share GDP -> Policy	0.442	0.487	0.170	2.600	0.010	
H14a: Pillars -> Growth	-0.406	-0.447	0.151	2.680	0.008	Accepted
H14b: Pillars -> Value $	0.576	0.620	0.088	6.513	0.000	Accepted
H14c: Pillars -> Share GDP	-0.388	-0.346	0.156	2.494	0.013	Accepted

Notes: Fit Statistics for structural models: $p < 0.001$; CFI = 0.501 (accepted if below the maximum limit of 0.9); NFI = 0.458 (accepted if below the maximum limit of 0.90); RMSE = 0.06 (accepted if below the maximum limit of 0.08). Collinearity Statistics (VIF) verified (no issues detected).

Source: own elaboration

Another noteworthy finding was the negative relationship between the construct of openness, encompassing factors like Foreign Direct Investment (FDI) inflows, financial openness, and the share of trade to GDP, with both tourism's financial and tourism performance (although this was not statistically significant). This suggests that higher levels of openness might be associated with lower financial performance indicators such as foreign spending, capital investments, and tourism contributions to GDP. One possible explanation for this observation is that countries experiencing substantial FDI inflows and increased financial openness may rely more heavily on non-tourism sectors such as manufacturing, finance, or primary industries. Consequently, focusing on these sectors could divert attention and resources from the tourism industry, potentially leading to reduced financial performance in the tourism sector. Another possibility is that an increase in FDI and exports may strengthen a country's currency, resulting in increased costs for foreign visitors interested in tourism products and services. This exchange rate impact can negatively influence tourism demand, and consequently impact financial performance in the tourism sector. Countries with high levels of FDI inflows and significant export orientations may prioritize the development of manufacturing and other sectors over the tourism industry. Consequently, less investment and promotion may occur in the tourism sector, leading to a detrimental effect on international tourism receipts.

5. Discussion

These results indicate significant factors that may contribute to more attractive tourism destinations. However, as countries compete to attract visitors, they must design appropriate strategies to maximize the advantages of their destinations. It is common for countries to utilize policies that facilitate more efficient tourist destination management, promote the attributes of these destinations through targeted marketing campaigns, invest in tourism infrastructure projects that enhance access to popular locations, sponsor a variety of events (such as cultural, sporting, and business), offer visa exemptions, improve various facilities and services for tourists (such as Internet access, healthcare, and business environments), focus on connectivity projects both within and outside of national borders, and undertake a range of other initiatives. Despite these efforts, our study found that not all of these

initiatives necessarily resulted in an increase in tourist arrivals, jobs, revenue, or acceleration of growth in the tourism sector.

Empirical evidence indicates how some countries have developed successful strategies to capture market shares. Brazil branded its attractions as a Dutch holiday destination (Benedetti et al., 2011), Iran portrays itself as a more open country (Nematpour et al., 2022), the UK rebranded its destination during the London Olympics (Bourgeois, 2019), Portugal developed a strong identity as a tourism destination with rich heritage (Nobre & Sousa, 2022), Korea and Spain have labeled their tourism sector as a smart destination (Koo et al., 2016; Rucci et al., 2022) by embracing IT, and natural, rural, and cultural tourism in Africa (Mangachena et al., 2022), among other cases. Key resources must be effectively linked with supporting factors to achieve optimal performance. Several factors, excluding the location's resources, are likely to affect a country's long-term competitiveness (Song et al., 2023). Governments can enhance their competitiveness and achieve prosperity by leveraging both economic and noneconomic factors. Azzopardi and Nash (2016) noted that more than 60 factors have significant power to explain tourism destination competitiveness in Malta.

Both tourism models show that the constructs measuring complementary conditions and sustainability in tourism have a significant positive correlation with connectivity and overall tourism performance. This implies that better complementary conditions and sustainability can improve tourism performance and increase connectivity. This finding is consistent with earlier studies noting the significant effect of complementary aspects on shaping tourism competitiveness in cases like Iran (Nematpour et al., 2022), Indonesia (Lesmana et al., 2022), Malta (Azzopardi & Nash, 2016), and the UAE (Michael et al., 2019), among others (Hanafiah & Zulkifly, 2019). Similarly, sustainability can positively impact tourism destinations, consistent with previous evidence (Michael et al., 2019; Rodríguez-Díaz & Pulido-Fernández, 2019). However, complementary conditions and sustainability do not significantly affect economic performance (share and growth aspects of destinations). This finding holds significant importance as it suggests that enhancing tourism competitiveness in Asia may not necessarily improve residents' well-being. This aspect is vital when evaluating the overall impact of tourism on the well-being of local communities (Dwyer, 2022a). Gómez-Vega & J Picazo-Tadeo (2019) also observed that competitive destinations often result in higher value added per visitor (as reflected in the value indicator). However, this may not necessarily translate into increased growth or greater economic contribution to the destination.

In both models, tourism competitiveness indices can help countries enhance their competitiveness and attract tourists, consistent with earlier studies (González-Rodríguez et al. 2023; Nazmfar et al. 2019; Özer, M et al., 2022). However, their impact may exhibit a decreasing trend over time. This insight underscores the importance of highly competitive countries exploring additional avenues to promote further growth in the tourism sector and maximize its positive impact on the broader economy, including employment and exports.

Our findings are consistent with those of previous studies highlighting infrastructure's positive impact on tourism competitiveness, suggesting its ongoing relevance to flourishing destinations (Azzopardi & Nash, 2016; Domínguez Vila et al., 2015; Lesmana et al., 2022; Michael et al., 2019; Sul et al., 2020; Adeleye, 2023; Zainuddin et al., 2012). Similarly, core resources are crucial in a tourist destination's competitiveness, often manifested in attractive natural resources (Mangachena et al., 2022), cultural aspects (Heriqbaldi et al., 2023; Nobre & Sousa, 2022), non-natural leisure, and events (Moradi et al., 2022; Bourgeois, 2019), among others (Michael et al., 2019). Resources (natural and cultural) have been identified as the indicators with the largest contribution to tourism competitiveness (Gómez-Vega & J Picazo-Tadeo, 2019).

However, a negative association exists between core resources, infrastructure, and tourism growth. This could be attributed to the fact that countries with less advanced infrastructure experience higher tourism growth rates than those with more developed infrastructure. This trend highlights the growing interest of developing countries in utilizing tourism as a catalyst for economic growth (Ibrahim

et al. 2022; Özer et al., 2022). While initial efforts to enhance infrastructure may substantially affect tourism arrivals, the marginal effect of infrastructure improvements may decrease over the long term.

By contrast, destination management significantly and positively influences tourism performance and connectivity, underscoring its importance in enhancing overall tourism outcomes. This highlights the need for effective coordination between tourism authorities and connectivity at national and international levels to have a meaningful impact on destination performance, as noted in earlier studies (Gómez-Vega & J Picazo-Tadeo, 2019). Moreover, several studies conducted in various regions, such as Korea (Koo et al., 2016; Sul et al., 2020), Iran (Nematpour et al., 2022), Malta (Azzopardi & Nash, 2016), Indonesia (Ginting et al., 2023), and others (Drakulić Kovačević et al., 2018), have emphasized the favorable effects of destination management. This suggests that government interventions aimed at improving support services, providing hospitality-related training, and enhancing a destination's image can significantly boost the attractiveness of a destination for potential tourists.

A key factor contributing positively to tourism competitiveness is the availability of an enabling environment for tourism, which is characterized by favorable ICT, business environments, health facilities, and labor market conditions. This study offers new insights into the function of enabling factors in competitiveness, a finding that has been inconclusive in several studies (Michael et al., 2019). Nevertheless, the effect remained relatively modest, which is consistent with findings from prior research. Enabling aspects have been successful drivers of tourism in several regions, and can be further enhanced in Asia. Improving ICT has been shown to benefit various aspects of the tourism sector. For example, it can enhance tourism services (Le & Tran, 2023), improve leisure experiences (Herrera-Prado et al., 2023), provide easier access to information (Anser et al., 2022; Rucci et al., 2022), increase tourism resilience (Traskevich & Fontanari, 2023), increase sectoral competitiveness (Sul et al., 2020), drive innovation (Santoso et al. 2023), promote sectoral growth (Adeleye, 2023), and lead to more effective marketing campaigns (Ide, 2021). Previous studies have highlighted the significance of health in driving tourism receipts (Konstantakopoulou, 2022), indicating that Asian economies can attract more visitors by enhancing the accessibility and quality of health services.

5. Conclusions

We employed two models to examine the relationship between destination factors and tourism competitiveness. Similarly, we analyzed the potential link between tourism competitiveness (TDC) measures and tourism performance using indicators of destination performance, economic impact, and growth. Our analysis was based on data from the TTDI and TDI indicators for 35 Asian countries. Although numerous studies have devised models, indicators, and measures to evaluate the competitiveness of tourist destinations, relatively few have investigated whether improving competitiveness leads to better economic, financial, and tourism outcomes.

Overall, the competitive aspects of tourism have varying effects on tourism performance indicators. Complementary conditions and sustainability positively influence connectivity and overall tourism performance but may not be the primary drivers of tourism or economic growth. Core resources and infrastructure have vital impacts on connectivity, performance share, tourism destination performance, and financial performance, although they may also obstruct tourism growth. Conversely, destination management is essential in enhancing overall tourism performance and connectivity. The findings underscore the crucial role of core destination resources and infrastructure in achieving high tourism performance, particularly in driving key outcomes such as increased tourist numbers, higher tourism revenue, and the creation of jobs. These elements contribute substantially to the tourism sector's financial impact and overall contribution to the economy, encompassing expenditures, exports, business activities, and GDP growth.

These findings highlight significant practical implications for nations seeking to enhance their tourism sectors. First, countries with appealing and diverse resources, whether cultural, natural, or specialized, hold an advantage in fostering a competitive tourism environment. Governments and tourism authorities can leverage these inherent assets to create unique selling points, drawing on diverse travel segments and experiences. Second, countries can separate themselves from the global tourism market by focusing on enhancing and preserving these assets, creating a distinctive space to attract visitors seeking authentic, memorable experiences. Third, strategic investments in the development of core resources, infrastructure, connectivity, tourism services, and support is yield direct economic benefits. Such investments generate a ripple effect, drawing more tourists, driving higher revenue, and creating job opportunities. Additionally, it stimulates ancillary business activities, such as hospitality, local crafts, and services, thus contributing significantly to local and national economies. Fourth, preserving and highlighting appealing resources not only elevates the destination's competitiveness, but also emphasizes the importance of responsible tourism. Balancing growth with conservation ensures long-term positive impacts on the environment and local communities. Fifth, governments can explore partnerships with private entities, local communities, and international organizations to facilitate the development, maintenance, and preservation of these resources. Sixth, although initial investment may require substantial resources, the long-term economic benefits of a thriving tourism sector are significant. Over time, higher revenues, increased employment opportunities, and a robust local economy could outweigh the initial investments.

Some limitations and possible future directions in the current study pertain to the sample, methods, and identified factors. We used a sample of 35 Asian countries for our model; however, it is recommended to run a similar model using a different sample to compare the results and extrapolate possible public policies. We employed a PLS-SEM method to uncover the dynamic relations amongst factors and indicators of tourism performance, which is generally considered ideal; however, refinements of the method, such as PLS-PM, using higher-order constructs (Crocetta et al., 2021), discriminant statistical analysis (Gabor et al., 2021), or the dual-stage analysis of SEM and Artificial Neural Networks (ANN) in order to provide linear and non-compensatory relationships among constructs (Albahri et al., 2022) could lead to more adjusted results. A final limitation and open line of work is the identification of other factors that could contribute to tourism performance and city development.

Tourism competitiveness indicators positively impact tourist arrivals, revenue, and jobs. However, their contributions to economic growth and structural factors, such as the share of GDP, expenditure growth, investment, and exports, require further research. Countries must develop comprehensive destination strategies that effectively integrate their resources and capabilities while leveraging key services to enhance their competitive advantages. To create thriving destinations, it is essential to focus on developing destination images and branding, specialize in tourism-related services, and support the tourism sector through human, physical, and intangible assets. Although tourism competitiveness indicators offer valuable insights, they may not sufficiently guide tourism growth. This highlights the importance of tailoring strategies to each destination's specific needs and strengths to foster sustainable and robust tourism growth. By adopting such tailored approaches, countries can exploit the full potential of their tourism sectors and create flourishing destinations. Policymakers should closely consider tourism competitiveness indicators like TTDI and TTCR when designing tourism policies. However, our findings do not show that improvements in these indicators necessarily result in a larger share of tourism in GDP or faster sectoral growth.

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