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The Cluster Approach for Destination Competitiveness: Evaluation of Competitiveness of Antalya Tourism Cluster

The clusters and networks are significant factors for sustainability and competitiveness of countries. There are not enough studies yet about the role of clusters and networks in the tourism destinations that want to attain competitive advantage and maintain their advantage on a global scale. Objective of this paper is to examine the competitiveness of Antalya Tourism Cluster according to basic features of the dynamics of the cluster by revealing the typology of Antalya Tourism Cluster in terms of economic sustainability on global scale and to contribute the literature related to subject. To this end, McKinsey's Directional Policy Matrix was prepared by using interacting groups method with quantitative and qualitative data for Antalya Tourism Cluster. This paper derived from the finding of project named as "Analysing The Impact Of Network Relations Of Tourism Cluster To Perceived Performance Of Clusters On The Basis Of Systematic Model: Antalya Tourism Cluster" which is funded by The Scientific and Technological Research Council Of Turkey within the scope of The Support Program for Scientific and Technological Research Projects.

Keywords: destination competitiveness, Antalya Tourism Cluster, clusters and networks, directional policy matrix

Introduction

Antalya is located in the Mediterranean Region and along the coast of Mediterranean Sea in southern of Turkey. The tourism industry is vital to the country's economy in terms of its significant contribution to the GDP and foreign Exchange earnings as well as Antalya. Antalya's tourism industry relies heavily upon its historical and natural resources. Antalya is called the Turkish Riviera because of the archaeological and natural richness of the area. The sun, sea, nature and history combine to form a very popular resort, highlighted by some of the cleanest beaches in the Mediterranean. The 630 km shoreline of the province is liberally scattered with ancient cities, harbours, memorial tombs and beaches, secluded coves and lush forests, many of which are easily accessible from the city. With its palm-lined boulevard, internationally-acclaimed marina, and old castle with traditional architecture, all set amidst a modern city, Antalya is a major tourist centre in Turkey. In addition to the wide selection of hotels, restaurants, bars, nightclubs and shops, the city also host a number of sporting events

throughout the year, like international beach volleyball, triathlon, golf tournaments, archery, tennis and canoeing competitions.

Tourism in Antalya depend on mass tourism mostly. But also, it has potential for golf tourism, congress tourism and health tourism. In this paper this potential was evaluated via GE/McKinsey Matrix which is a valid tool for strategic decisions.

Background

The growing interest in industrial clusters has its origins in Porter's studies. Traditionally the theories of clustering and the cluster concept have mainly been applied to the manufacturing industry. However recently clusters have been recognized as an significant factor for development of sustainable tourism (Arsezen-Otamis&Yuzbasioglu, 2013; Erkus-Ozturk, 2009). Clusters are agglomerations of interconnected companies and associated institutions (Bernini, 2009). Firms in a cluster which produce interrelated goods and services, are supported by a range of dedicated institutions such as business associations or training and technical assistance providers located in spatial proximity. Vibrant clusters are home of innovation oriented firms that reap the benefits of an integrated support system and dynamic business networks (Porter, 1990; Bernini, 2009; Arsezen-Otamis&Yuzbasioglu, 2013). Therefore, Antalya is accepted as a tourism cluster and named Antalya Tourism Cluster by the study. Antalya Tourism Cluster has already defined by some researches (Yuzbasioglu&Arsezen-Otamis, 2011; Arsezen-Otamis&Yuzbasioglu, 2013). This paper presents subsets of Antalya Tourism Cluster and their competitiveness.

Antalya Tourism Cluster

Antalya Tourism Cluster (ATC) is a complex cluster and it has been sustainably growing and renewing itself. Level of ATC is meso which means higher than micro level but lower than macro level. There are vertical and horizontal integrations in cluster. Antalya has developed a strong tourism cluster, as observable in Figure 1.

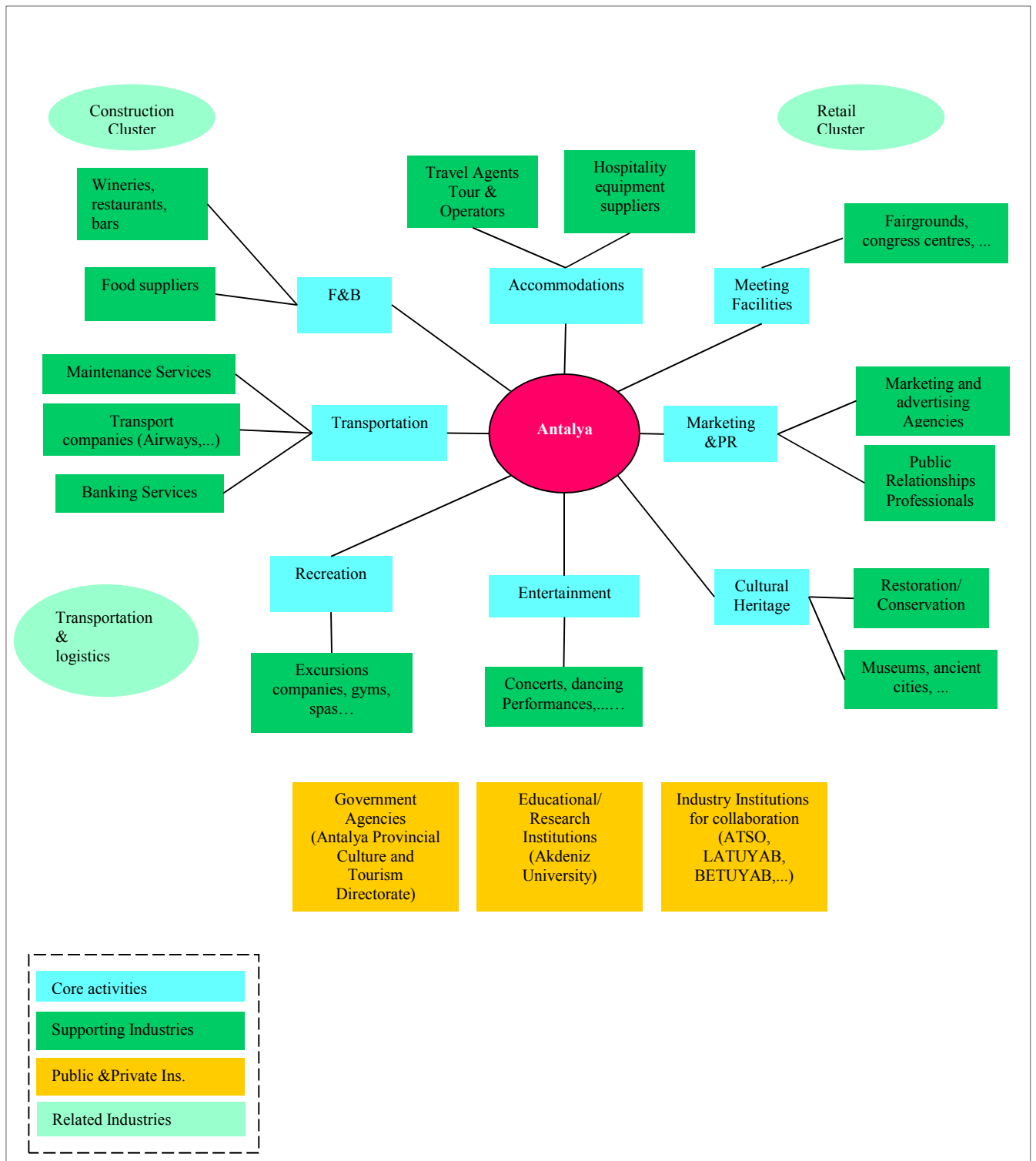


Figure 1. ATC Map

Resource: Adapted from Anadón et al., 2011.

Due to it has benefited from the attention paid, Antalya Tourism Cluster displays remarkable strengths since the 1970s. Nevertheless, although the tourism endowments, basic factor

conditions and level of competition are too strong, the cluster is failing both to keep up with recent price-based competition from across Europe and to upgrade and differentiate itself to attract higher-end tourists.

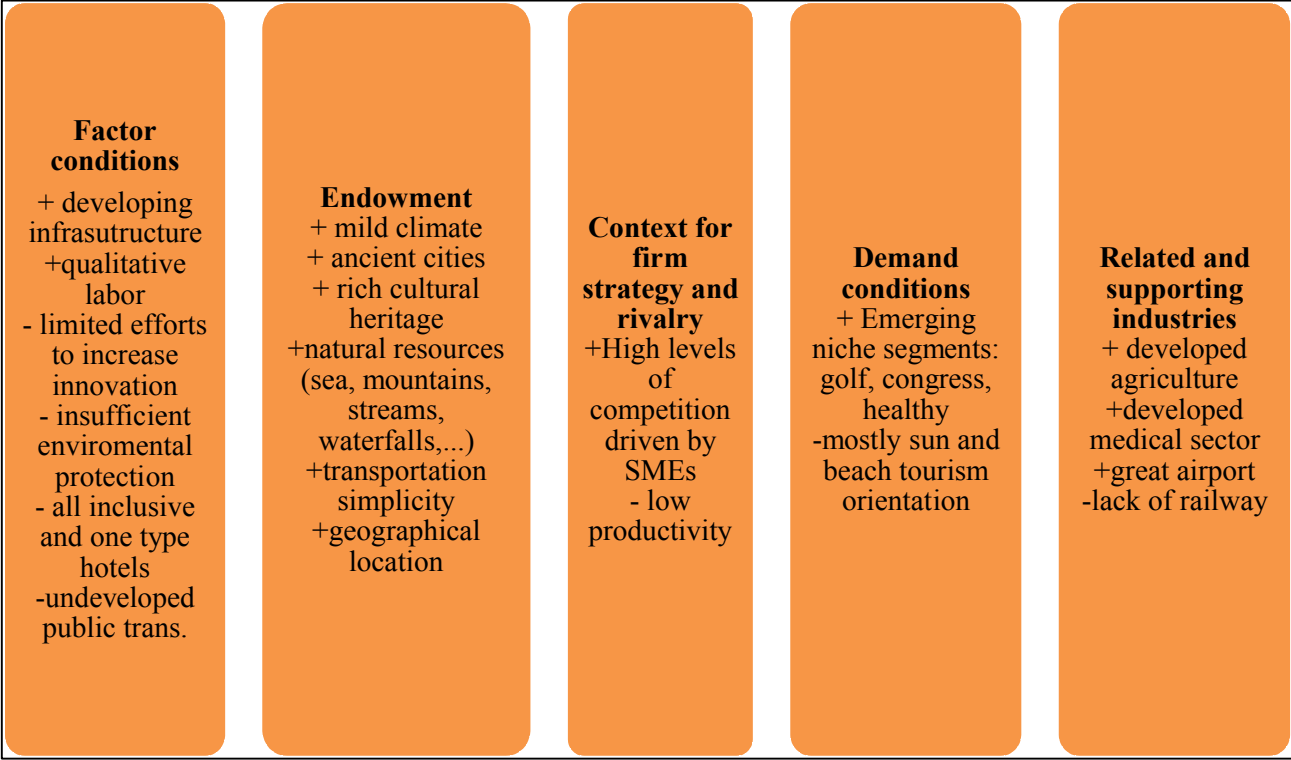


Figure 2. Antalya Tourism Cluster business environment

Antalya's transportation and communication infrastructure has been developing. Population is growing because of internal migration. At the same time qualitative labour has been growing thanks to university and other educational institutions. Unfortunately hotels, resorts and holiday villages offer same services especially all inclusive hotels. Therefore this method of this style of marketing can be counted as a barrier for potential of creativity and innovation in tourism sector. Environmental pollution is increasing and precautions are insufficient. There is no sophisticated public transportation. Local transport routes very complicated and transportation is very expensive.

One of the biggest challenges for the Tourism Cluster in Antalya is productivity. Over 10 million people visited Antalya in 2012, but they didn't spend money by comparison other tourism destinations (London, Rome, Barcelona,...).

Methodology

The GE/McKinsey Matrix was used in this study. The GE/McKinsey Matrix is a nine-cell (3 by 3) matrix used to perform business portfolio analysis as a step in the strategic planning process.

The GE/McKinsey Matrix identifies the optimum business portfolio as one that fits perfectly to the company's strengths and helps to exploit the most attractive industry sectors or markets. Thus, the objective of the analysis is to position each cluster subsets on the chart depending on the cluster subsets Strength and the Attractiveness of the cluster on which it is focused. Each axis is divided into Low, Medium and High, giving the nine-cell matrix. Each factor can be given a different weighting in calculating the overall attractiveness of a particular industry (Amatulli et al., 2011).

Typically:

Industry Attractiveness = Attractiveness Factor 1 Value by Factor 1 weighting + Attractiveness Factor 2 Value by Factor 2 weighting, etc.

Business Unit Strength = Strength Factor 1 Value by Factor 1 weighting + Strength Factor 2 Value by Factor 2 weighting, etc.

Antalya Tourism Cluster GE/McKinsey Matrix

Subset Attractiveness Factors	Factor Weighting	Golf Rating 1-9	Congress Rating 1-9	Wellness	Sun&Beach Rating 1-9
Market size	20%	3	5	7	7
Market growth rate	20%	4	7	7	3
Sector profitability	15%	6	4	8	5
Competitive Environment	10%	8	8	8	9
Global opportunities	5%	8	7	7	3
Opportunity to differentiate	5%	7	6	7	4
Demand patterns	5%	6	5	6	5
Entry Barriers	5%	6	6	7	8
Distribution structure	5%	5	4	5	4

Rates was rated by interacting groups which is consist of specialists, academicians and government representatives. Ratings for each Industry Sector it terms of the Attractiveness Factors on a scale of 1 to 9 where:

1 Extremely weak

5 Industry Average

9 Extremely Strong representing industry best practice

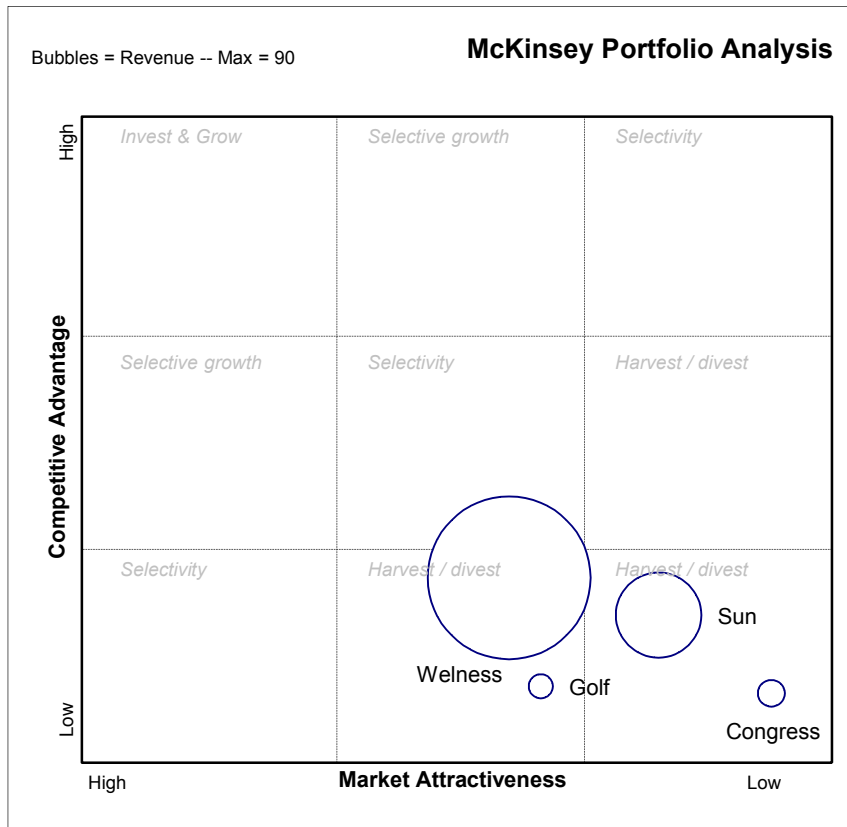


Figure 3. Antalya Tourism Cluster GE/McKinsey Matrix

Conclusion

The tourism industry is rapidly growing and many countries and regions have already started to see tourism as a vehicle to bolster their economy which usually lacks resources, skilled labour, SMEs, and capital. From that perspective they should focus on productively introducing sustainable tourism development in a way that minimizes the negative effects and maximizes the positive effects; rather than focusing on the short term gains of hasty tourism development. Consequently they should look to tourism cluster development as an appropriate strategy.

This study has proposed a matrix for strategic tourism cluster development based on GE/McKinsey's work. Regarding practical implications, this study aims to help developers

and policy makers employ a strategic plan for tourism cluster development that is an integrated system for achieving the sustainable development of natural and cultural environments, business in the tourism destinations, and local and regional economic advancement. As a result this paper suggests it is necessary to orient niche markets such as medical tourism or golf tourism for Antalya.

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