

## **Measuring Destination Price Competitiveness**

### **Abstract**

Price competitiveness is a crucial factor in the overall tourism competitiveness of a country or a destination. Given its importance, many have developed or used indicators of destination price competitiveness, although the indicators vary considerably. Different indicators shed light on different aspects of competitiveness, and the measures which are most useful for a purpose depend on what questions are being explored. The authors explore several of the different indicators aimed at measuring tourism price competitiveness, describing the strengths and weaknesses of using each of them. Specifically, some of the key aspects which condition which indicators should be used are: The need for accuracy and tourism specific detail versus timeliness; the need for cross country (or cross destination) comparisons of the prices tourists are actually paying; the need for estimates of changes in relative price competitiveness over time; the need to provide overall summary measures of a country's price competitiveness at a point of time or changes in it over time. The specific measure used will therefore depend on the particular analytical and practical need.