COMPARATIVE PRICING OF TOURISM IN LATIN AMERICA & CARIBBEAN REGION USING PPPS OF THE ICP

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ABSTRACT

As countries start opening back up for tourism in the wane of COVID-19 pandemic, competition among nations to attract visitors grows stronger. Price of tourism within a country is one of the major determinants of demand for international tourism. This paper examines the relative price competitiveness of Latin American & Caribbean countries in the international tourism market. To ensure adequate comparability, this paper uses a measure of pricing that is based on the PPPs of the ICP. Effectiveness of nation marketing by these countries was also compared via the number of international tourism arrivals and receipts (in US$). Bolivia, Nicaragua, and Honduras were found to be the cheapest destinations overall, that is most price-competitive; while the most expensive overall, that is least price-competitive, were Venezuela, Cayman Islands, and Turks and Caicos Islands. Public policy and managerial marketing implications of these findings are discussed, and directions for future research are given.

INTRODUCTION

In the wane of COVID-19 pandemic countries and nations are opening up to international tourism, albeit with cautionary measures. (Fuchs, 2022; Günaydın & Kozak, 2022; World Health Organization, 2022). Competition among nations to attract visitors has thus resurged. A positive link of tourism to national economic growth is well documented in the literature (Dritsakis, 2012; Korkut Pata, 2021). Fueled by the unabated growth in international tourism pre-pandemic (World Bank, 2006), competition was intense among countries and regions of the world in the international tourism market (O'Leary & Deegan, 2005). Once again, the competition has resumed. Especially developing countries, like those of Latin America & Caribbean, have a high stake in this competition, since several of them look up to international tourism as a major foreign exchange earner for their economic development. For example, pre-pandemic, half of the 42 countries of the Latin American & Caribbean region have tourism receipts constituting more than 10% of their total annual exports (World Bank, 2019). Nine of those countries even depend on international tourism for more than 50% of their total annual exports! These include Antigua and Barbuda, St. Vincent and the Grenadines, Sint Maarten, Bahamas, Grenada, St. Lucia, Dominica, Aruba, and St. Kitts and Nevis. The World Tourism Organization has long reiterated that for numerous countries of Latin America & Caribbean region: "…tourism appears to be the *most feasible* alternative for boosting economic development…" (WTO, 2001, p. 11, italics added). This is important to public policy makers. McClellan (2022) in a review of leadership in Ecuador identified the trend in modern Ecuadorian presidents which is, to focus on strengthening the nation

and on visionary developmental needs of the country. Similar thing could rightly be said of political leadership in other Latin American & Caribbean countries. Likewise, Danns and Danns (2017) underscored the fact that the small developing countries of the Caribbean that they studied have a narrow economic base and are heavily dependent on commodity exportation and tourism. Similar things could rightly be said of many other small developing countries of the Latin American and Caribbean region.

Several reasons could be advanced why tourists choose to visit one country rather than the other. However, evidence abounds that, international travelers are sensitive to price of tourism in a foreign country (Assaf & Josiassen, 2011; Dwyer & Kim, 2003). As well noted by Dwyer et al. (2001), "The competitiveness of an industry is a critical determinant of how well it performs in world market" (p. 2). In view of this fact, it becomes very important to study the *price* competitiveness of countries of Latin America & the Caribbean. As alluded to by Stojanović et al. (2021), price competitiveness is so important that it is one of the basic indicators of the Travel and Tourism Competitiveness Index developed by the World Economic Forum. The challenge now is how to cost, or put a price, on living as a tourist in a foreign country? Given that Latin American and Caribbean countries, like other countries of the world, differ in their currencies, rate of inflation, and quality of products, how could cost of tourism in different Latin American and Caribbean nations be made comparable? Which Latin American and Caribbean nations lead, and which ones lag behind with respect to price competitiveness in international tourism? Answers to these questions, which form the focus of this paper, are very important to national tourism development agencies, travel organizations, and charter airlines in their marketing of international tourism in Latin America and the Caribbean.

LITERATURE

A few authors have examined international tourism in the region of Latin America. Sarigöllü and Huang (2005) for example studied North American tourists to Latin America and the Caribbean. These visitors were segmented using benefits sought. Four segments emerged from the study, namely: (i) adventurer, (ii) multifarious, (iii) fun and relaxation seeker, and (iv) urbane, with the multifarious making up the largest segment constituting 35% of the sample. The segment represents the group of tourists that fully explore a destination looking for a variety of benefits including outdoor adventure, ecotourism, general sightseeing, performing arts and events, as well as fun and sun activities. The multifarious segment also was said to assign higher importance ratings to such decision drivers as accommodation provision, infrastructure, service, safety, and cost considerations than other segments. In his own study, Oyewole (2009) projected tourist arrivals to the Latin American and Caribbean region up to the year 2020. According to this projection, arrival of tourists will go up from 51.2 million in 2004 to 93.8 million by the year 2020, growing at annual rate of 3.81%. The receipts from the spending of these tourists were projected to go from US$34 billion in 2004 to US$70.3 billion in 2020. The author also developed a lower-case scenario and an upper-case scenario for these projections, indicating that actual outcomes could be influenced by a number of factors including the adoption of appropriate marketing strategies. For the lower-case scenario, arrivals of tourist would be 87.5 million by the year 2020 with a corresponding receipts figure of US$64.9 billion. On the other hand, under the upper-case

scenario, tourist arrivals would go up to 100.03 million by 2020, and the receipts would stand at US$75.8 billion. This upper-case scenario was actually surpassed in pre-pandemic 2019, when the region recorded 201,856,014 tourist arrivals, with corresponding receipts of US$104.6 billion (World Bank, 2022)!

Some other studies on international tourism that focused on Latin America and the Caribbean region have mainly explored the region's potentials in the global international tourism market on one hand, and the attendant problems or challenges on the other. Strizzi and Meis (1998), for example, affirmed that prospects for increased arrivals in Latin America and the Caribbean are strong given the region's rich and diverse historical and cultural heritage, natural endowments, and the creation of a free trade area of the Americas. Lumsdon and Swift (2001) also alluded to the fine prospects for tourism in Latin America. In fact, they submitted that: "As a region, Latin America is only beginning to emerge as a major tourism destination" (Lumsdon & Swift, 2001, p. 53). They reported that beach resorts are found in several Latin American countries and many of them such as Brazil, Costa Rica, and Ecuador are noted for nature-based tourism. Another author with a good-prospect report on international tourism in Latin America was Schlüter (1991). The author listed several tourism attractions that are available in that region of the world. Among these are the Easter Island of Chile, the Galapagos Islands of Ecuador, the Contadora in Panama, the Culebra Bay (now Papagayo Gulf) of Costa Rica, San Juan del Sur in Nicaragua, Tornasol in Honduras, Izabal in Guatemala, Puerto Plata in the Dominican Republic, the Cancun village in Mexico, and the Machu Picchu ruins in Peru.

With regards to factors that determine volume of international tourism actually received by a country, income (of tourists) and *price (of tourism)* are held to be the dominant ones by many scholars (Assaf & Josiassen, 2011; Hanafiah et al., 2014; Stojanović et al., 2021). This is because of the central role that economic theory assigns to income and price as determinants of demand for luxury goods, among which international tourism has always been classified (Bond & Ladman, 1972). Concerning the effect of income, Hagemann (1981) summarizes that at high-income levels, an increase in income tends to result in increased expenditure with little effect on number of arrivals. However, at low-income levels, an increase in income might increase the number of arrivals with less impact on expenditure. Several authors (e.g., Anastasopoulos, 1989; Bakkalsalihoglu, 1987; Fujii et al., 1985; Qiu & Zhang, 1995; Rosensweig, 1988) have also studied the effect of price on demand for international tourism. However, widely varied and conflicting results have been reported. As Crouch (1994) pointed out in a review, all these studies: "have had considerable difficulty in deciding on an appropriate measure of price" (p. 14). Stojanović et al. (2021) also bemoaned the fact that: "It is truly difficult to find the right standard measure that would measure a destination's price competitiveness in a relative context" (p. 556).

This is due largely to the diversity in foreign currency prices of tourist products, and the effect of exchange rate variations on purchasing power. In order to understand fully the influence of price on demand for international tourism, a measure of price that effectively normalizes, or neutralizes these diversity and variations must be used. Such a measure was developed by Dwyer et al. (2001). These authors' "Price Competitiveness Index" was based on the purchasing power parity (PPP) of the ICP (International Comparison Programme). This is the measure that is used in this study. The measure has effectively been used before by Oyewole (2004) for African countries that participated in the 1985 round of the ICP, and Oyewole (2010) for the few countries (10 only) of

Latin America and the Caribbean that participated in the 2005 round of the ICP. The present study expands on this last study by including many more countries (38 in all) of Latin America and the Caribbean that participated in the 2017 round of the ICP. By the use of purchasing power parity of the ICP, the resulting price competitiveness indices will overcome the usual difficulties of comparability associated with pricing products and services consumed by tourists in different countries of the world. The present study provides a rank order of Latin America & Caribbean countries according to their relative prices of the international tourism basket. The rank order of Latin America & Caribbean countries that is developed in the paper could become a reference tool for use in other research on international tourism marketing in the Latin America & Caribbean region. Several promotional strategies and national policy initiatives for international tourism development could be based on the results of this research as later discussed in the paper.

THEORETICAL FOUNDATION: THE ICP

As once explained by Oyewole (2004, 2010), an acronym for "international comparison programme," ICP has its root in development economics (Kravis et al., 1975, 1982). The United Nation's "Handbook of the International Comparison Programme" states, on the tenet of ICP, that: "The ICP produces *internationally consistent* price and quantity comparisons across countries for many of the components of and the total of gross domestic product (GDP), built up from detailed prices and expenditures" (UNO, 1992, p.2). Right from its inception in development economics in the 1960's, the main objective of the ICP has been comparability of expenditure data across countries. For this reason, it has found useful applications also in marketing (e.g., Oyewole, 1998, 2004, 2010). ICP compares the national accounts of countries using common currency terms based on purchasing power parity (PPP), rather than exchange rates. Exchange rates are known to be volatile and are influenced by several factors such as political interventions, which are unrelated to the actual price levels. Also, they are derived only from tradable goods, hence do not capture the whole gamut of consumption in a given country. The result is loss of comparability of national accounts data across nations. The use of PPP restores this comparability.

Purchasing power parity (PPP) is defined as "the number of units of a country's currency required to purchase the same amounts of goods and services as, say, one US dollar would buy in the United States" (World Bank, 1993). Several techniques exist for computing the PPP, such as the EKS, Geary-Khamis, and the Product-based methods. Detailed discussion of these techniques is beyond the scope of this paper (interested readers should consult Kravis et al., 1975, 1982; UNO, 1992). The most popular of these techniques, however, appears to be the Geary-Khamis method of price aggregation. This is essentially due to its feature of additivity (the components add up to the aggregate). In this method, the purchasing power parities for all n countries and average "international prices" of m basic headings of consumption items are computed simultaneously. This is done by solving the following system of simultaneous equations (World Bank, 1993):

$$ppp_j = \frac{\sum_{i=1}^{m} p_{ij} q_{ij}}{\sum_{i=1}^{m} \pi_i q_{ij}} \; j = 1, \ldots, n.$$

and,

$$\pi_i = \sum_{j=1}^{n} \frac{p_{ij}}{ppp_j} \left[\frac{q_{ij}}{\sum_{j=1}^{n} q_{ij}} \right] \; i = 1, \ldots, m.$$

Where:

π_i = average international price of good or service i
p_{ij} = price of good or service i in country j
q_{ij} = quantity of good or service i in country j
ppp_j = purchasing power parity of country j
m = number of basic headings of consumption items
n = number of countries

Although the system as written, consists of (n+m) equations in (m+n) unknowns, one is redundant (because the PPP of the base country is set equal to 1.0), and the system of equations is homogenous (for any country, quantities valued at international prices equals total national currency expenditure deflated by its PPP).

Special surveys are normally carried out for the ICP, globally coordinated by the World Bank. These involve collecting price and expenditure data on comparable and representative products and services in participating nations. The set of products and services retained for the surveys is required to be representative of what is normally consumed in a given country, and also comparable to what is consumed in other participating countries. These surveys cover expenditure on all components of the GDP including private household consumption, government consumption, capital formation and net expenditure of residents abroad. The surveys lead to a comparable set of three data categories. These are the (i) PPP, (ii) per capita expenditure in local currency, and (iii) per capita real quantities valued at international dollar derived from the PPP.

This data is given not only at the overall GDP (gross domestic product) level, but also at about 150 to around 259 components of the GDP. The per capita real quantities of the components of private household consumption provide a set of detailed data useful for the composition of the structure of the expenditure, or consumption pattern across nations. ICP data are compiled in two main formats: basic headings, and aggregates. To illustrate; while "Meat" is an aggregate, "beef and veal," "pork," "lamb, goat and mutton," "poultry," and "dried or processed meat" are its basic headings. In the ICP survey of 2005 phase, only ten countries of the Latin American and Caribbean region participated. The latest ICP survey was the 2017 phase in which 38 Latin American and Caribbean countries participated. It is this latest 2017 phase of the ICP that is used in the research reported in this paper. This turns out well, because 2017 phase of the ICP was conducted before the COVID-19 Pandemic hit in 2020, almost grounding international tourism to a halt!

DATA SOURCE AND METHODOLOGY

The data for this study was obtained from the world bank's *World Development Indicators* (World Bank, 2022), the world bank's *International Comparison Program (ICP) 2017* (World Bank, 2017), and various issues of the *Yearbook of Tourism Statistics* of the World Tourism Organization (WTO). Eight goods and services that are usually consumed by international tourists were selected

from the list of products and services in the World Bank's 2017 ICP. These goods and services include: (i) food, (ii) alcoholic beverages, (iii) tobacco, (iv) non-alcoholic beverages, (v) restaurants and hotels, (vi) local transportation services, (vii) communications services, and (viii) recreation and cultural services. The selection was based on what obtains in the literature (e.g., Oyewole, 2004, 2010; Qiu & Zhang, 1995). All these goods and services were then aggregated up to a total tourism basket using the expenditure data of each of the eight components above as weights. Inbound/outbound transportation cost was not included because of the wide variability in cost of travel between countries (Uysal & Crompton, 1984). As pointed out by Qiu and Zhang (1995), this variability is due to an array of reasons which, for air travel include: "different classes of travel, different carriers, specials, different fee structures for advanced booking, chartered versus scheduled service, and different ports of exit and entrance into nations" (p. 45). Adding to all these are different other modes of travel - rail, road, and sea. In view of all these, it is judged impractical to include inbound/outbound transportation cost in the computation of the price competitiveness index for international tourism in this paper. Other data obtained from the World Bank's World Development Indicators are the countries' population, number of international tourists' arrivals, and receipts in US dollars from their spending for the year 2017.

Following Dwyer et al. (2001), the Price Competitiveness Index for a given country i, was computed as follows:

$$PCI_i = \frac{PPP_i}{ER_i} x100$$

Where:

PCI_i = Price competitiveness index for country i
PPP_i = Purchasing power parity of country i
ER_i = Exchange rate in country i

Different types of PCI could be computed depending upon the composition of the PPPs (i.e., the goods and services whose PPPs are retained). For example, to get the PCI for food in a country, the PPP for food in that country will be divided by the country's exchange rate and multiplied by 100. If it is the PCI for hotels/motels that is to be calculated, the PPP for hotels/motels for that country will also be divided by the country's exchange rate and then divided by 100. To compute the PCI for a "basket" of goods, say food and hotels together, the PPP for the basket will have to be computed using the formula for PPP:

$$ppp_j = \frac{\sum_{i=1}^{m} p_{ij} q_{ij}}{\sum_{i=1}^{m} \pi_i q_{ij}} \; j = 1, \ldots, n.$$

The functions in the formula are as defined above. Food and hotels will be the two items included in the formula above for this particular example. Following this, the PCI of the "basket" could be computed by dividing the PPP with the country's exchange rate and multiplied by 100. The resulting PCI could be termed "food and hotel price competitiveness index (FHPCI) or given some other terminology.

For the purpose of this paper, tourism price competitiveness index (TPCI, henceforth) is the type of PCI that was computed. To obtain the total tourism basket TPCI for a country, the 8 items in the total tourism basket described above were first used to derive the PPP for the "tourism basket." This was then divided by the exchange rate and multiplied by 100 to obtain the TPCI for a given country. Finally, in order to render the TPCIs of the countries in the region comparable, the TPCIs were rebased (or standardized) with Brazil = 100. The choice of Brazil is by convenience. Any country could be selected for this purpose. The lower the index for a country, the more competitive it is in the international tourism market. The resulting TPCIs were then ranked in ascending order of relative magnitude. According to this computation, the lower the TPCI of a country, the higher in the rank it will be relative to others in the region. This ranking was done for the total tourism basket and for each one of its eight components. Following the computation of the TPCIs and their ranking, a cluster analysis was conducted to group the countries into competitor segments. Finally, a sensitivity analysis was carried out in order to examine the sensitivity of the variables used in the cluster analysis and determine which is(are) most responsible for differentiating the clusters one from another. Results of all these analyses are given below.

RESULTS

Table 1 shows the TPCI (Tourism Price Competitiveness Index) for total international tourism basket and its 8 components for all the 38 countries, covered by this study, listed alphabetically. Readers should note that, the lower the index, the more price competitive a country is on the given component (i.e., it is cheaper there). Overall, Bolivia tends to be the most price competitive country in the Latin America & Caribbean region. All its indices, except one, are below 70. Especially restaurant and hotels, transport services, as well as recreation and culture are all below 50. On the other hand, Venezuela tends to be the least price competitive. All its indices, except one, are above 400, with its index for food standing at a whopping 2088.83! The indices for other countries lie in-between those of these two aforementioned countries.

TABLE 1. TOURISM PRICE COMPETITIVENESS INDEX 2017 (BRAZIL = 100)

#	Country name	Food	Alcoholic beverages	Tobacco	Non-alcoholic beverages	Restaurants and hotels	Transport services	Commu-nications	Recreation and culture	Total (TPCI)
1	Antigua and Barbuda	156.61	143.31	133.13	118.05	116.68	124.18	105.91	98.76	136.79
2	Argentina	113.70	80.03	118.09	121.94	98.30	79.58	65.62	85.03	99.35
3	Aruba	138.18	158.41	266.70	132.26	106.67	113.37	122.12	85.89	117.76
4	Bahamas	145.59	179.31	330.54	129.92	131.05	130.10	112.74	134.56	143.01
5	Barbados	169.58	158.46	293.77	262.62	137.50	110.17	89.19	116.62	136.60
6	Belize	111.25	164.32	177.82	124.46	73.03	71.34	105.26	85.75	110.61
7	Bolivia	63.90	69.28	69.03	61.70	47.81	31.52	94.88	46.71	56.84
8	Brazil	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
9	British Virgin Islands	186.81	76.72	136.29	166.94	128.74	74.68	147.63	132.48	145.66
10	Cayman Islands	182.40	181.79	313.31	187.01	180.41	113.71	157.49	155.97	168.58
11	Chile	112.35	73.10	191.67	121.23	114.96	62.76	69.47	76.96	97.61
12	Colombia	83.34	84.89	59.63	70.91	66.95	55.09	62.39	56.49	70.94
13	Costa Rica	119.13	104.91	120.63	117.79	100.22	53.83	49.84	68.88	93.04
14	Curaçao	123.00	123.77	199.31	120.93	137.48	69.75	144.76	87.22	115.08
15	Dominica	132.08	134.20	85.93	151.13	69.24	114.31	83.40	92.02	119.19

16	Dominican Republic	97.48	122.26	155.54	73.21	76.88	53.09	61.75	69.87	88.10
17	Ecuador	95.83	133.92	203.57	107.41	130.36	50.57	65.35	71.18	94.16
18	El Salvador	80.11	114.82	106.96	84.46	72.61	48.58	71.42	60.89	76.69
19	Grenada	141.28	127.12	146.94	175.59	77.60	106.74	90.75	88.71	121.33
20	Guatemala	136.40	125.63	67.62	131.39	82.85	50.74	110.49	64.99	120.48
21	Guyana	106.85	120.47	93.38	124.57	73.60	53.47	72.23	61.80	101.15
22	Haiti	88.59	85.44	97.54	55.34	48.93	65.17	55.75	54.29	85.85
23	Honduras	80.39	63.43	95.04	71.42	52.10	54.23	61.50	47.93	70.24
24	Jamaica	112.83	111.14	312.35	194.91	68.39	45.39	33.79	66.28	93.75
25	Mexico	82.43	64.16	101.50	73.33	69.74	65.61	37.68	58.48	74.46
26	Nicaragua	72.99	90.52	66.42	61.32	61.83	32.32	62.87	48.74	65.79
27	Panama	103.30	80.09	187.46	101.62	88.73	28.75	37.58	62.94	81.47
28	Paraguay	76.70	68.34	53.98	67.16	65.97	49.84	88.08	66.70	73.14
29	Peru	93.29	101.60	132.11	98.99	79.42	52.79	66.14	67.13	79.15
30	Sint Maarten	128.58	84.20	110.65	93.81	141.52	149.95	153.62	96.52	132.84
31	St. Kitts and Nevis	162.17	124.04	107.64	130.24	150.54	130.34	107.73	78.43	139.13
32	St. Lucia	129.82	147.13	181.55	131.16	125.54	141.68	117.27	110.43	137.52
33	St. Vincent & Grenadines	129.70	157.91	110.51	168.88	144.47	95.22	103.56	65.18	119.19
34	Suriname	87.71	97.38	123.11	77.45	63.70	32.42	40.03	43.57	79.51
35	Trinidad and Tobago	125.32	165.39	169.76	106.77	133.02	61.22	86.58	70.19	104.35
36	Turks and Caicos Islands	173.85	218.64	221.31	203.06	178.61	138.14	139.82	108.34	164.20
37	Uruguay	135.23	137.54	174.16	155.38	126.28	99.36	86.27	92.39	121.38
38	Venezuela	2088.83	2847.24	3481.20	2599.34	1925.39	468.76	5650.40	1323.58	2194.88

Ranking of The TPCIs

In order to determine specifically in which tourism sector(s) lay the strengths and weaknesses of each country, the TPCIs of the items making up the tourism basket are individually ranked. Tobacco is included in this sectoral ranking because it will be of interest to tourists that smoke, and any strength in that sector could be used by a country in its promotional campaigns to reach that segment of international tourists. Similar things could be said of inclusion of alcoholic beverages. The rankings are presented in Table 2. The table shows that the most competitive countries in the food sector are Bolivia, Nicaragua, and Paraguay with their indices all less than 80. On the other hand, Venezuela, British Virgin Islands, and Cayman Islands are the least competitive on food with indices all above 180. For alcoholic beverages, Honduras, Mexico, and Paraguay are the most competitive with their price competitive indices all below 70. Whereas, Venezuela, Turks and Caicos Islands, and Cayman Islands are the least competitive with indices all above 180. As for tobacco, the most competitive countries are Paraguay, Columbia, and Nicaragua with indices all below 70, while Venezuela, The Bahamas, and Cayman Islands are the least competitive having indices all above 300. Haiti, Nicaragua, and Bolivia are the most price competitive with their indices all below 62, while Venezuela, Barbados, Turks and Caicos Islands are the least competitive with indices all above 200. As for restaurants and hotels, the most competitive countries are Bolivia, Haiti, and Honduras with indices all below 53. On the other hand, the least competitive countries on restaurants and hotels are Venezuela, Cayman Islands, and Turks and Caicos Islands, all with indices above 175.

With regards to transport services, Panama, Bolivia, and Nicaragua are the most price competitive with indices all below 33, while Venezuela, Sint Maarten, and St. Lucia are the least competitive with their indices all above 140. Jamaica, Panama, and Mexico took the lead as the most price competitive countries in Communications with indices all below 40, while Venezuela, Cayman

Islands, and Sint Maarten are the least competitive with their indices all above 150. Finally, in recreation and culture, the most price competitive countries are Suriname, Bolivia, and Honduras with their indices all below50, whereas Venezuela, Cayman Islands, and The Bahamas are the least competitive with their indices all above 130. Overall, tangible tourism goods tend to be cheapest in Bolivia and Paraguay with their indices all below 77. They tend to be most expensive in Venezuela, and Cayman Islands with each of their indices all above 180. Tangible goods are separate from services which are non-tangible that tourists may purchase, and they include such products as food (self-procured and prepared), alcoholic, and non-alcoholic beverages (self-procured), and tobacco.

TABLE 2. SECTORAL RANKING OF COUNTRIES BY TOURISM PRICE COMPETITIVENESS INDEX 2017 (Brazil =100)

Ranks	Country Name	TOTAL (TPCI)	Country name	Food	Country name	Alcoholic beverages
1	Bolivia	56.84	Bolivia	63.90	Honduras	63.43
2	Nicaragua	65.79	Nicaragua	72.99	Mexico	64.16
3	Honduras	70.24	Paraguay	76.70	Paraguay	68.34
4	Colombia	70.94	El Salvador	80.11	Bolivia	69.28
5	Paraguay	73.14	Honduras	80.39	Chile	73.10
6	Mexico	74.46	Mexico	82.43	British Virgin Islands	76.72
7	El Salvador	76.69	Colombia	83.34	Argentina	80.03
8	Peru	79.15	Suriname	87.71	Panama	80.09
9	Suriname	79.51	Haiti	88.59	Sint Maarten	84.20
10	Panama	81.47	Peru	93.29	Colombia	84.89
11	Haiti	85.85	Ecuador	95.83	Haiti	85.44
12	Dominican Republic	88.10	Dominican Republic	97.48	Nicaragua	90.52
13	Costa Rica	93.04	Brazil	100.00	Suriname	97.38
14	Jamaica	93.75	Panama	103.30	Brazil	100.00
15	Ecuador	94.16	Guyana	106.85	Peru	101.60
16	Chile	97.61	Belize	111.25	Costa Rica	104.91
17	Argentina	99.35	Chile	112.35	Jamaica	111.14
18	Brazil	100.00	Jamaica	112.83	El Salvador	114.82
19	Guyana	101.15	Argentina	113.70	Guyana	120.47
20	Trinidad and Tobago	104.35	Costa Rica	119.13	Dominican Republic	122.26
21	Belize	110.61	Curaçao	123.00	Curaçao	123.77
22	Curaçao	115.08	Trinidad and Tobago	125.32	St. Kitts and Nevis	124.04
23	Aruba	117.76	Sint Maarten	128.58	Guatemala	125.63
24	Dominica	119.19	St. Vincent & Grenadines	129.70	Grenada	127.12
25	St. Vincent & Grenadines	119.19	St. Lucia	129.82	Ecuador	133.92
26	Guatemala	120.48	Dominica	132.08	Dominica	134.20
27	Grenada	121.33	Uruguay	135.23	Uruguay	137.54
28	Uruguay	121.38	Guatemala	136.40	Antigua and Barbuda	143.31
29	Sint Maarten	132.84	Aruba	138.18	St. Lucia	147.13
30	Barbados	136.60	Grenada	141.28	St. Vincent & Grenadines	157.91
31	Antigua and Barbuda	136.79	Bahamas, The	145.59	Aruba	158.41
32	St. Lucia	137.52	Antigua and Barbuda	156.61	Barbados	158.46
33	St. Kitts and Nevis	139.13	St. Kitts and Nevis	162.17	Belize	164.32
34	Bahamas, The	143.01	Barbados	169.58	Trinidad and Tobago	165.39
35	British Virgin Islands	145.66	Turks and Caicos Islands	173.85	Bahamas, The	179.31
36	Turks and Caicos Islands	164.20	Cayman Islands	182.40	Cayman Islands	181.79
37	Cayman Islands	168.58	British Virgin Islands	186.81	Turks and Caicos Islands	218.64
38	Venezuela, RB	2194.88	Venezuela, RB	2088.83	Venezuela, RB	2847.24

TABLE 2 (CONTINUED). SECTORAL RANKING OF COUNTRIES BY TOURISM PRICE COMPETITIVENESS INDEX 2017 (BRAZIL =100)

Ranks	Country name	Tobacco	Country name	Non-alcoholic beverages	Country name	Restaurants and hotels
1	Paraguay	53.98	Haiti	55.34	Bolivia	47.81
2	Colombia	59.63	Nicaragua	61.32	Haiti	48.93
3	Nicaragua	66.42	Bolivia	61.70	Honduras	52.10
4	Guatemala	67.62	Paraguay	67.16	Nicaragua	61.83
5	Bolivia	69.03	Colombia	70.91	Suriname	63.70
6	Dominica	85.93	Honduras	71.42	Paraguay	65.97
7	Guyana	93.38	Dominican Republic	73.21	Colombia	66.95
8	Honduras	95.04	Mexico	73.33	Jamaica	68.39
9	Haiti	97.54	Suriname	77.45	Dominica	69.24
10	Brazil	100.00	El Salvador	84.46	Mexico	69.74
11	Mexico	101.50	Sint Maarten	93.81	El Salvador	72.61
12	El Salvador	106.96	Peru	98.99	Belize	73.03
13	St. Kitts and Nevis	107.64	Brazil	100.00	Guyana	73.60
14	St. Vincent & Grenadines	110.51	Panama	101.62	Dominican Republic	76.88
15	Sint Maarten	110.65	Trinidad and Tobago	106.77	Grenada	77.60
16	Argentina	118.09	Ecuador	107.41	Peru	79.42
17	Costa Rica	120.63	Costa Rica	117.79	Guatemala	82.85
18	Suriname	123.11	Antigua and Barbuda	118.05	Panama	88.73
19	Peru	132.11	Curaçao	120.93	Argentina	98.30
20	Antigua and Barbuda	133.13	Chile	121.23	Brazil	100.00
21	British Virgin Islands	136.29	Argentina	121.94	Costa Rica	100.22
22	Grenada	146.94	Belize	124.46	Aruba	106.67
23	Dominican Republic	155.54	Guyana	124.57	Chile	114.96
24	Trinidad and Tobago	169.76	Bahamas, The	129.92	Antigua and Barbuda	116.68
25	Uruguay	174.16	St. Kitts and Nevis	130.24	St. Lucia	125.54
26	Belize	177.82	St. Lucia	131.16	Uruguay	126.28
27	St. Lucia	181.55	Guatemala	131.39	British Virgin Islands	128.74
28	Panama	187.46	Aruba	132.26	Ecuador	130.36
29	Chile	191.67	Dominica	151.13	Bahamas, The	131.05
30	Curaçao	199.31	Uruguay	155.38	Trinidad and Tobago	133.02
31	Ecuador	203.57	British Virgin Islands	166.94	Curaçao	137.48
32	Turks and Caicos Islands	221.31	St. Vincent & Grenadines	168.88	Barbados	137.50
33	Aruba	266.70	Grenada	175.59	Sint Maarten	141.52
34	Barbados	293.77	Cayman Islands	187.01	St. Vincent & Grenadines	144.47
35	Jamaica	312.35	Jamaica	194.91	St. Kitts and Nevis	150.54
36	Cayman Islands	313.31	Turks and Caicos Islands	203.06	Turks and Caicos Islands	178.61
37	Bahamas, The	330.54	Barbados	262.62	Cayman Islands	180.41
38	Venezuela, RB	3481.20	Venezuela, RB	2599.34	Venezuela, RB	1925.39

TABLE 2 (CONTINUED). SECTORAL RANKING OF COUNTRIES BY TOURISM PRICE COMPETITIVENESS INDEX 2017 (BRAZIL =100)

Ranks	Country name	Transport services	Country name	Commu-ncations	Country name	Recreation and culture
1	Panama	28.75	Jamaica	33.79	Suriname	43.57
2	Bolivia	31.52	Panama	37.58	Bolivia	46.71
3	Nicaragua	32.32	Mexico	37.68	Honduras	47.93
4	Suriname	32.42	Suriname	40.03	Nicaragua	48.74
5	Jamaica	45.39	Costa Rica	49.84	Haiti	54.29
6	El Salvador	48.58	Haiti	55.75	Colombia	56.49
7	Paraguay	49.84	Honduras	61.50	Mexico	58.48
8	Ecuador	50.57	Dominican Republic	61.75	El Salvador	60.89
9	Guatemala	50.74	Colombia	62.39	Guyana	61.80
10	Peru	52.79	Nicaragua	62.87	Panama	62.94
11	Dominican Republic	53.09	Ecuador	65.35	Guatemala	64.99
12	Guyana	53.47	Argentina	65.62	St. Vincent & Grenadines	65.18
13	Costa Rica	53.83	Peru	66.14	Jamaica	66.28
14	Honduras	54.23	Chile	69.47	Paraguay	66.70
15	Colombia	55.09	El Salvador	71.42	Peru	67.13
16	Trinidad and Tobago	61.22	Guyana	72.23	Costa Rica	68.88
17	Chile	62.76	Dominica	83.40	Dominican Republic	69.87
18	Haiti	65.17	Uruguay	86.27	Trinidad and Tobago	70.19
19	Mexico	65.61	Trinidad and Tobago	86.58	Ecuador	71.18
20	Curaçao	69.75	Paraguay	88.08	Chile	76.96
21	Belize	71.34	Barbados	89.19	St. Kitts and Nevis	78.43
22	British Virgin Islands	74.68	Grenada	90.75	Argentina	85.03
23	Argentina	79.58	Bolivia	94.88	Belize	85.75
24	St. Vincent & Grenadines	95.22	Brazil	100.00	Aruba	85.89
25	Uruguay	99.36	St. Vincent & Grenadines	103.56	Curaçao	87.22
26	Brazil	100.00	Belize	105.26	Grenada	88.71
27	Grenada	106.74	Antigua and Barbuda	105.91	Dominica	92.02
28	Barbados	110.17	St. Kitts and Nevis	107.73	Uruguay	92.39
29	Aruba	113.37	Guatemala	110.49	Sint Maarten	96.52
30	Cayman Islands	113.71	Bahamas, The	112.74	Antigua and Barbuda	98.76
31	Dominica	114.31	St. Lucia	117.27	Brazil	100.00
32	Antigua and Barbuda	124.18	Aruba	122.12	Turks and Caicos Islands	108.34
33	Bahamas, The	130.10	Turks and Caicos Islands	139.82	St. Lucia	110.43
34	St. Kitts and Nevis	130.34	Curaçao	144.76	Barbados	116.62
35	Turks and Caicos Islands	138.14	British Virgin Islands	147.63	British Virgin Islands	132.48
36	St. Lucia	141.68	Sint Maarten	153.62	Bahamas, The	134.56
37	Sint Maarten	149.95	Cayman Islands	157.49	Cayman Islands	155.97
38	Venezuela, RB	468.76	Venezuela, RB	5650.40	Venezuela, RB	1323.58

As for intangible tourism services sector, the most price-competitive tend to be Haiti and Honduras with indices all less than 66 for such items as restaurants and hotels, transport services, communications services, and recreation and culture. On the other hand, Venezuela, and Cayman Islands again are the least competitive with indices all above 113 on those items of tourism services. On the overall total tourism basket, Bolivia, Nicaragua, and Honduras are the most competitive countries with their total TPCIs all below 71. The least competitive however are Venezuela, Cayman Islands, and Turks and Caicos Islands with their total TPCIs all above 160. In addition to ranking 1st in total TPCI, Bolivia also ranked 1st on two components of the tourism basket, namely, food and restaurants and hotels, which arguably are two of the most important

items for an international tourist! To the contrary however, Venezuela ranked last in all components of the tourism basket as the most expensive place for a tourist to visit during the study year!

The effectiveness of nation marketing by the countries of Latin America & Caribbean region was also compared via the number of international tourism arrivals and receipts (in US$). To achieve this, the relative price competitiveness of the countries was compared with the number of international tourist arrivals, and receipts (in US$) received by each country in the study year 2017. To make the figures comparable, the arrival and receipt values were divided by each country's total population and then multiplied by 1000. Table 3 shows the resulting relative data on tourist arrivals and receipts in US$ (from the spending of those tourists) per 1000 population, ranked in descending order of magnitude. It could be observed from the table that the top three countries on number of tourists' arrivals are Sint Maarten, Cayman Island, and Turks and Caicos Islands. All these countries received over 30,000 tourists per 1000 population, in essence more than 30 times their total population, during the study year! Likewise, the top three countries for receipts (in US$) are Aruba, Sint Maarten, and Turks and Caicos Islands. These three countries earned over $15m per 1000 population from tourists' spending during the study year. It is noteworthy that these top countries ranked much lower on total tourism basket price competitiveness index (see Column 1). For example, on total TPCI, Aruba ranked 23rd, Sint Maarten ranked 29th, Turks and Caicos Islands ranked 36th, and Cayman Islands ranked 37th! This indicates a very effective nation marketing on the part of such countries that makes up for their very low competitiveness in tourism prices. Only Venezuela retains the same ranking it has for total tourism basket price competitiveness index (see Column 1) as it does for number of tourist arrivals per 1000 population, coming at the bottom of the pile (rank 38th)! Likewise for receipts in US$ per 1000 population, Venezuela is the only country that retains its 38th rank. A close companion is Trinidad and Tobago that retains close to its original rank of 20th on total TPCI to come at 21st rank on receipts in US$ per 1000 population. Apart from thee two, several of the countries lost their original rankings. Especially is this significant for the top three countries on total TPCIs, namely Bolivia, Nicaragua, and Honduras. Whereas Bolivia ranked 1st on total TPCI, it ranked 35th on tourists' arrivals, and 32nd on receipts in US$ per 1000 population. Nicaragua that ranked 2nd on total TPCI, ranked 28th on tourists' arrivals, and also 28th on receipts in US$ per 1000 population. Likewise with Honduras that ranked 3rd on total TPCI, ranked 29th on tourists' arrivals, and 34th on receipts in US$ per 1000 population! All this indicates the need for more *effective* nation marketing of such countries that emphasizes their superior competitive tourism prices.

TABLE 3. RANKING OF 2017 INTERNATIONAL TOURISM ARRIVALS AND RECEIPTS (PER 1000 POPULATION)

Ranks (Total TPCI)	Country Name	Ranks	Country Name	Number of Arrivals	Ranks	Country Name	Receipts (US$)
1	Bolivia	1	Sint Maarten	40,420	1	Aruba	17,606,135
2	Nicaragua	2	Cayman Islands	33,874	2	Sint Maarten	15,921,526
3	Honduras	3	Turks and Caicos Islands	33,490	3	Turks and Caicos Islands	15,384,201
4	Colombia	4	St. Kitts and Nevis	22,946	4	British Virgin Islands	13,953,731
5	Paraguay	5	Aruba	17,682	5	Cayman Islands	13,126,755
6	Mexico	6	Bahamas	16,073	6	Antigua and Barbuda	8,593,136
7	El Salvador	7	British Virgin Islands	11,330	7	Bahamas, The	7,730,210
8	Peru	8	Antigua and Barbuda	10,899	8	St. Kitts and Nevis	6,822,200
9	Suriname	9	Curaçao	6,605	9	St. Lucia	4,835,456
10	Panama	10	St. Lucia	5,880	10	Grenada	4,347,277
11	Haiti	11	Barbados	4,699	11	Barbados	3,717,303
12	Dominican Republic	12	Grenada	4,221	12	Curaçao	3,571,094
13	Costa Rica	13	Belize	3,835	13	Dominica	2,253,009
14	Jamaica	14	Dominica	3,219	14	St. Vincent & Grenadines	1,961,284
15	Ecuador	15	St. Vincent & Grenadines	2,759	15	Panama	1,662,379
16	Chile	16	Jamaica	1,464	16	Belize	1,136,318
17	Argentina	17	Uruguay	1,228	17	Jamaica	961,707
18	Brazil	18	Mexico	796	18	Uruguay	850,830
19	Guyana	19	Dominican Republic	694	19	Costa Rica	759,199
20	Trinidad and Tobago	20	Paraguay	691	20	Dominican Republic	683,337
21	Belize	21	Costa Rica	653	21	Trinidad and Tobago	518,041
22	Curaçao	22	Panama	613	22	Chile	222,788
23	Aruba	23	Suriname	489	23	El Salvador	192,075
24	Dominica	24	Chile	413	24	Mexico	180,057
25	St. Vincent & Grenadines	25	El Salvador	352	25	Peru	141,170
26	Guatemala	26	Trinidad and Tobago	336	26	Guyana	141,006
27	Grenada	27	Guyana	319	27	Argentina	132,365
28	Uruguay	28	Nicaragua	307	28	Nicaragua	131,718
29	Sint Maarten	29	Honduras	227	29	Colombia	120,610
30	Barbados	30	Peru	159	30	Ecuador	120,224
31	Antigua and Barbuda	31	Argentina	152	31	Suriname	106,924
32	St. Lucia	32	Guatemala	132	32	Bolivia	82,910
33	St. Kitts and Nevis	33	Haiti	115	33	Guatemala	75,686
34	Bahamas, The	34	Ecuador	108	34	Honduras	64,694
35	British Virgin Islands	35	Bolivia	99	35	Paraguay	58,103
36	Turks and Caicos Islands	36	Colombia	83	36	Haiti	41,885
37	Cayman Islands	37	Brazil	32	37	Brazil	29,711
38	Venezuela, RB	38	Venezuela	15	38	Venezuela, RB	11,698

Cluster Analysis

A cluster analysis was performed to group the countries into direct competitor segments. Five-cluster solution was found to be the most appropriate based on an examination of scree plot, and the squared Euclidean distances between successive cluster solutions. The resulting cluster membership is found in Table 4. The clusters are color-coded for convenience, with no significance associated with any color. As shown in the Table, ten countries are grouped together in Cluster 1

(color-coded green), as more direct competitors. These countries are Antigua and Barbuda, Brazil, British Virgin Islands, Dominica, Grenada, Sint Maarten, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. Cluster 2 (color-coded yellow), groups together eight countries, namely: Belize, Chile, Curaçao, Dominican Republic, Ecuador, Jamaica, Panama, and Trinidad and Tobago. Fourteen countries are grouped together in Cluster 3 (color-coded blue). These are Argentina, Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Guyana, Haiti, Honduras, Mexico, Nicaragua, Paraguay, Peru, and Suriname. Cluster 4 (color-coded orange) groups together five countries, namely, Aruba, The Bahamas, Barbados, Cayman Islands, and Turks and Caicos Islands. Finally, Venezuela stands alone in Cluster 5 (color-coded red).

TABLE 4. CLUSTER MEMBERSHIP

#	Country Name	Cluster Number
1	Antigua and Barbuda	1
2	Brazil	1
3	British Virgin Islands	1
4	Dominica	1
5	Grenada	1
6	Sint Maarten	1
7	St. Kitts and Nevis	1
8	St. Lucia	1
9	St. Vincent and the Grenadines	1
10	Uruguay	1
11	Belize	2
12	Chile	2
13	Curaçao	2
14	Dominican Republic	2
15	Ecuador	2
16	Jamaica	2
17	Panama	2
18	Trinidad and Tobago	2
19	Argentina	3
20	Bolivia	3
21	Colombia	3
22	Costa Rica	3
23	El Salvador	3
24	Guatemala	3
25	Guyana	3
26	Haiti	3
27	Honduras	3
28	Mexico	3
29	Nicaragua	3
30	Paraguay	3
31	Peru	3
32	Suriname	3
33	Aruba	4
34	Bahamas, The	4
35	Barbados	4
36	Cayman Islands	4
37	Turks and Caicos Islands	4
38	Venezuela, RB	5

An examination of the final cluster centers (see Table 5) shows that Cluster 3 tends to be the cheapest (i.e., more price competitive) for tourists. All its final cluster centers are less than 94. Next to Cluster 3 is Cluster 2 whose final cluster centers ranged from 55.36 to 121.75, except for tobacco. Cluster 5 tends to be the most expensive for tourists. Its final cluster centers ranged from 468.76 to a whopping 5650.40!

TABLE 5. FINAL CLUSTER CENTERS

Variables	Clusters				
	1	2	3	4	5
Food	140.23	110.17	91.82	161.92	2088.83
Alcoholic beverages	123.22	121.75	90.78	179.32	2847.24
Tobacco	128.68	199.68	93.22	285.13	3481.20
Non-alcoholic beverages	139.12	118.82	86.98	182.97	2599.34
Restaurants and hotels	118.06	102.85	70.29	146.85	1925.39
Transport services	113.65	55.36	51.80	121.10	468.76
Communications	109.61	75.57	67.07	124.27	5650.40
Recreation and culture	95.49	73.80	59.40	120.28	1323.58

Note: Entries in the cells indicate cluster means on corresponding variables.

Variable Sensitivity

In order to examine the sensitivity of the variables used in the cluster analysis, the final cluster centers were subjected to a one-way analysis of variance. The result of the analysis is shown in Table 6. According to the ANOVA results, clusters are most different on their prices for communications, alcoholic beverages, food, and tobacco. Ranked in descending order, the F ratios of these variables ranked 1st, 2nd, 3rd, and 4th respectively. However, the F ratios of all the variables used in the cluster analysis are significant at the 0.05 level. The implication of all this is that Latin American and Caribbean countries have great opportunities to differentiate themselves in the international market for tourism. This is because consumers can see a significant difference in the prices of the tourism basket items in the various countries. Thus, a country that has a superior competitive price advantage over others in one or more of these items can use it as an advertising platform in its promotional campaigns.

TABLE 6. VARIABLE SENSITIVITY - ANOVA RESULTS

Cluster Variables	Cluster		Error		F	Sig.	Ranking (By F)
	Mean Square	Df	Mean Square	Df			
Communications	7535808.544	4	679.964	33	11082.664	<.001	1
Alcoholic beverages	1820297.296	4	693.558	33	2624.580	<.001	2
Food	951325.157	4	379.256	33	2508.396	<.001	3
Tobacco	2738531.423	4	1251.303	33	2188.544	<.001	4
Recreation and culture	380334.127	4	237.920	33	1598.578	<.001	5
Non-alcoholic beverages	1504897.648	4	1132.628	33	1328.677	<.001	6
Restaurants and hotels	817229.196	4	615.587	33	1327.561	<.001	7
Transport services	45967.692	4	276.656	33	166.155	<.001	8

Footnote: The F tests are used for descriptive purposes only, because the clusters have been chosen to maximize the differences among countries in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests of the hypothesis that the cluster means are equal.

POLICY AND MANAGERIAL IMPLICATIONS

As international tourism returns to normal, or "new normal", the results of this study have important implications for government policy, and destination marketing strategy. From the results of the sectoral analysis of TPCIs, it is shown that countries may be more price competitive in one sector, and less so in the others. Thus, as once suggested by Oyewole (2010), governments could enhance the overall TPCIs of their countries by adopting policies that lower prices in those sector(s) where a country is less price competitive. For example, taxes on hotel rooms could be lowered, or eliminated, to make a country more price competitive in the area of accommodation for tourists. Likewise, sales taxes on other goods and services consumed by tourists could be lowered or completely eradicated to make a country more price competitive. Alternatively, governments could adopt a policy of sales tax reimbursement. Upon leaving a country, tourists could present their passports and receipts of goods purchased at the border for reimbursement of sales tax paid. The net effect will be a lowering of cost of tourism in the country, which might improve its price competitiveness in the continent.

Results of this research also indicate marketing strategy options for destination marketers in the Latin American and Caribbean countries studied. For example, under their competition-oriented approach to nation marketing, Riege and Perry (2000) advanced that there are two possible strategies for countries: (i) price, and (ii) non-price competition strategies. Following this, destination marketers in countries that are more price competitive in this study could use price competition strategy to maintain their cost/price leadership. As reiterated by Stevens (1992), "competitiveness is an all-encompassing concept whose bottom-line is value for money" (p. 44). Some tourists may just want to visit the Latin American and Caribbean region irrespective of the country, at least for the first time. Hence, being in the same region of the world, but having lower tourism price could be an effective promotional campaign for marketers in countries that are found to be more price competitive in this study.

The literature suggests that tourists usually base their travel decisions on exchange rate, because they lack adequate knowledge of price levels in the countries that they plan to visit (Crouch, 1994). Often, this leads to some disappointments on arrival (Little, 1980). Problems of this nature could

be alleviated with the use of the TPCIs computed in this paper, because its construction takes domestic price level into consideration. Destination marketers could include this fact in their promotional campaigns. That could help to convince tourists of the realistic nature of the competitiveness of tourism prices in the marketers' countries relative to others in the region. The importance of such promotions is underscored by the significant results reported in the literature on the positive influence of promotional spending on demand for international tourism (e.g., Clarke, 1978; Papadopoulos & Witt, 1985; Sunday & Johansson, 1975). Thus, promotional campaigns built around such slogans as: "LATIN AMERICA & CARIBBEAN FOR LESS!" could be an effective strategy for destination marketers in countries that are found to be more price-competitive in this study.

On the other hand, those in less price competitive countries could use non-price competition strategy by striving to differentiate themselves as product quality leaders. In addition, they may concentrate on market niches, catering to the needs and wants of particular tourist segments. In this way, they will avoid head-on competition with more price competitive marketers, while maintaining a successful strategic position (Jefferson, 1995). In pursuing this strategy, destination marketers could combine their sectoral TPCIs with activities-based segmentation (Sung et al., 2000; Kerstetter et al., 1998). As summarized by McKercher et al. (2002), "Activities-based segmentation defines groups of tourists by their behavior or visitation patterns" (p. 26).

Thus, destination marketers in a country that is less price competitive on hotels and restaurants for example, could still be able to attract (target) tourists visiting friends and relatives since they would most likely stay with the people that they are visiting rather than in hotels or rented apartments, and will probably eat at home more than eat out at the restaurants. Alternatively, or in addition to that segment of tourists, such countries could target business and academic tourists, by providing high quality conference facilities for example. Although this might lessen their price competitiveness on hotels and restaurants further, they could still be able to attract business, and academic tourists since these people do not often pay for their hotel accommodation out of their own pocket. Such expenses are often covered by their organizations. Another target segment is prospective international retired migrants, who have been found to plan tourism activities prior to their decision to migrate to a new country after retirement (Barbosa et al., 2021). Such people will be less concerned about the price of hotels and restaurants, as they are of permanent housing. Yet another target segment is honeymoon vacationers, who, as alluded to by Stojanović et al. (2021), are often less concerned about tourism price at a destination as long as they have a once-in-a-lifetime romantic experience.

Another possible option for destination marketers in less price competitive countries is strategic alliance through adoption of regional tourism similar to the one proposed for Kenya and Ethiopia by Frost and Shanka (2001). In pursuing this strategy, a country that is less price competitive could link up with one, or more countries that are more price competitive in promoting multiple-tourism destination development. This may work best for close-neighbor countries that perhaps share borders – but is not necessarily limited to such ones. In support of this recommendation is the observation that more and more tourists who visit Africa for example prefer tour circuits to resort holidays (Dieke, 1998). Other groups of countries that could beneficially employ regional tourism are countries in the same cluster and in the same part of Latin America as identified above. For such countries, price of tourism would be similar, and travel cost between the countries would not

be significant. Hence, tourists could easily be persuaded to visit several of these countries together on a single trip. Every country in the group should benefit from such strategic alliance. Gaumer, Shaffer, and Knipple (2019) discussed such strategy called Creative Placemaking (CP), which they described as "the coming together of various disparate community sectors to strategically shape the physical and social character of a town" (p. 22). The authors reported that among the benefits of communities that successfully implemented CP strategy are increased foot traffic from both residents and tourists, new job creation, and a greater visibility, regionally, even nationally. This strategy of Creative Placemaking could rightly be expanded to international co-operations amongst the countries of Latin America & Caribbean region for mutual benefits.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Some limitations of this study should be noted. Although a critical factor in destination competitiveness, inbound/outbound transportation cost is not accounted for in this study for reasons given above. Another limitation is that the data used was nationwide data that was not disaggregated by regions of a country. Thus, results may not be true for every part of a country studied. Rural and urban prices for example often differ. Hence, depending on where a tourist visits (urban or rural), the price structure experienced may differ from those reported in this study.

One other limitation is the lower quality of PPP data at the basic headings level compared to the ones at aggregate levels. Thus, for some countries, one may notice wide disparity among the components of the tourism basket, because TPCI figures of those components were computed using basic headings' PPPs. In addition, due to unavailability of data, tourism was not differentiated by purpose of visit, although this could affect tourists' expenditure (Murphy & Pritchard, 1997). Price competitiveness indices that are computed here are for the average tourist. They may thus be different for different tourists depending on their reason for visit, such as medical tourism that has gained popularity, and is expected to be trending higher. (Prinsen et al., 2015). If and when data became available, it would be informative for future research to compute TPCIs for different visitation purposes such as for pleasure, vacation, stopover, business, visiting friend/relatives, group tour, honeymoon, etc.

Likewise, tourism was not differentiated by origin/nationality of visitors for lack of data. It has been shown that visitors from different parts of the world tend to have different expenditure structure (Dwyer et al., 2001). Hence, if and when data became available, it would likewise be informative for future studies to compute TPCIs in the Latin America & Caribbean region for tourists from different originating countries. Finally, since economic conditions in the region studied change from time to time as is true of the rest of the world, it would be useful to replicate this study periodically in the future with contemporary data set. A suggested periodicity would be every five years which corresponds with the usual periodicity of conducting the global ICP exercises by the World Bank in most cases.

CONCLUSION

Applying the results of the 2017 ICP, this paper has presented relative tourism price competitiveness indices (TPCIs) of the countries of Latin American & Caribbean in the international tourism industry, and the rankings of such. It has shown that relative price competitiveness of a country could differ from one element of international tourism basket to the other. Also discussed above are the marketing strategy options opened to destination marketing managers in both relatively more, and relatively less price competitive countries in the Latin America & Caribbean region. As advanced by Porter (1990), one of the factors contributing to the competitiveness of a nation in the world market is the intensity of competition among the domestic marketers. Perhaps the same thought could be extended to a region (in this case Latin America & Caribbean) that: intensity of competition among its member nations would enhance its competitiveness in the world market for international tourism. Therefore, implementation of the policy and managerial recommendations discussed above should reinforce the competitive position of the Latin America & Caribbean region as a whole in the world tourism market. Finally, as noted by Crouch (1994), "…in the study of tourism, the issue of price is particularly vexatious" (p. 13). This paper cannot, nor does it claim to remove all these vexations. However, it has contributed to the untying of the knot in the Latin America & Caribbean region by basing its price comparability measure on the purchasing power parity of the ICP.

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