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Research on aspects of stakeholder cooperation a tourism destination

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AUSTRALIA



Who I am

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- Associate Professor
- School of Tourism, The University of Queensland, Australia
- Strategic Services Manager, Tourism Queensland.
- Research Manager, SUNCORP.
- Research Chemist
- 190 Books, papers on tourism



Research areas

Tourism destination management

- Tourism destinations
- Networks
- Governance
- Cluster effectiveness

Tourism consumer experiences

- Emotions
- Experience design
- Motivation

Tourism in the Muslim World

Why study tourism destinations?

- Tourism destinations make great contexts for the study of **governance, networks, coopetition**, etc because:
- They are common around the world.
- Their stakeholders have similar characteristics
- Their products and markets are similar.

Co-existence of different interests within a tourism destination

The tourism destination domain is an 'open-system' of interdependent, multiple stakeholders, where the actions of one stakeholder impact on the rest of the actors in the community. Furthermore, no single organization or individual can exert direct control over the destination's development process (Jamal & Getz, 1995)

Key Issues

Refined Focus – Six Strategic Areas

1. Grow demand from Asia
2. Build digital capability
3. Encourage investment and implement the regulatory reform agenda
4. Ensure tourism transport supports growth
5. Increase supply of labour, skills and indigenous participation
6. Build industry resilience, productivity and quality



Tourism 2020

Whole of government working with industry to achieve Australia's tourism potential



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NETWORKS

Tourism is

- Fragmented
- Geographically diverse
- Involves different sectors
- Different levels of government owning 'communal' assets.
- Need for referrals

Response is a stakeholder network

Benefits of tourism networks

- Management of a comprehensive tourism experience
- More cohesive policy response
- Learning
- Coordinated business activity

Leads to competitive advantage

Theoretical background

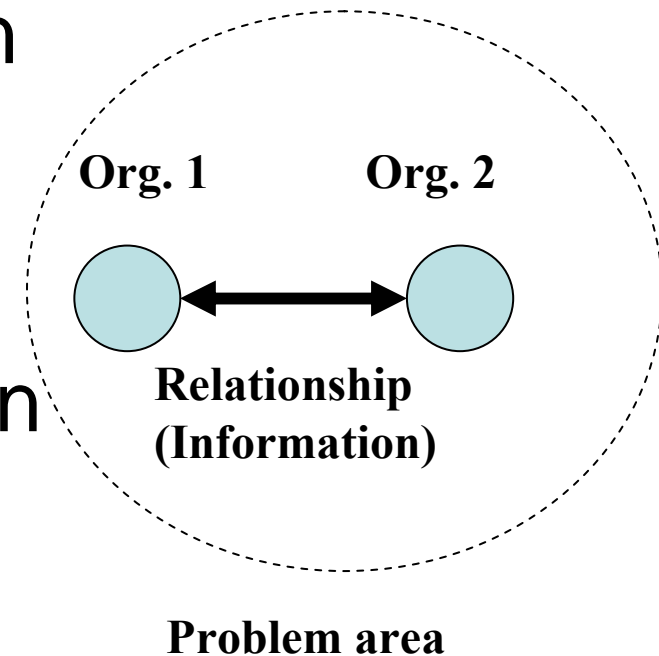
- **Inter-organizational networks**
 - (Cooper, Scott & Craig-Smith 2004; Copp & Ivy 2001; Dale 2003; Dredge 2005; Palmer & Bejou 1995; Pavlovich 2001, 2003b; Pforr 2002a; Saxena 2005; Selin & Beason 1991; Tinsley, Ross & Lynch 2001; Tyler & Dinan 2001)
- **Social structure**
 - ‘Structure refers to how the parts of a system are organized and interrelated’ (Wilkinson 1990, p. 20).
- **Information**
 - Information sharing is a prerequisite of cooperation between different actors belonging to the same network (Krucken & Meroni 2006).

Types of networks

- **Network organization**
 - flat structure of linked, like-minded organisations or individuals joined through a common aim and understanding (Tyler & Dinan 2001).
- **Policy networks**
 - A policy network refers to a set of informal and formal interactions between a variety of usually collective public (state) and private actors, who have different, but interdependent interests (Coleman 2002).
- **Marketing networks**
 - Alderson (1950) distinguished between the structure and function of a system where function refers to the work, behaviour or activities to be performed by the marketing system and structure
 - IMP research (Wilkinson 2001).

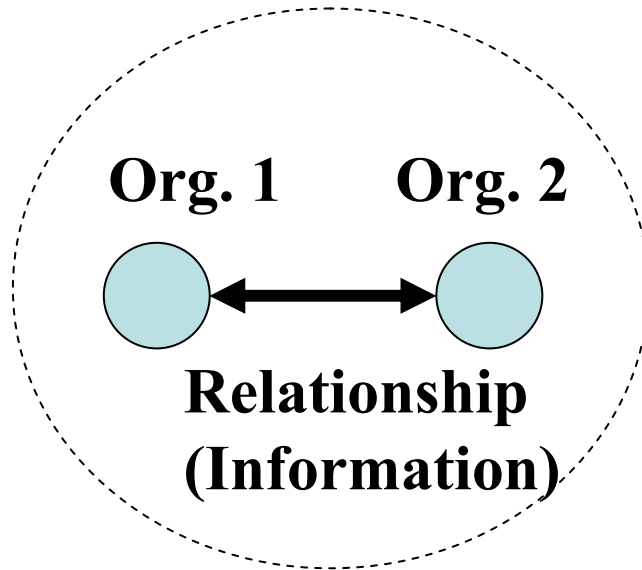
Network basics

- Social network analysis
 - structural view of social interaction highlighting the importance of social organizations, relationships and interactions in influencing individual decisions, beliefs and behavior (Scott 2000).
- Node – an organization
- Tie – a relationship
- Relationship content
- Boundary of the domain



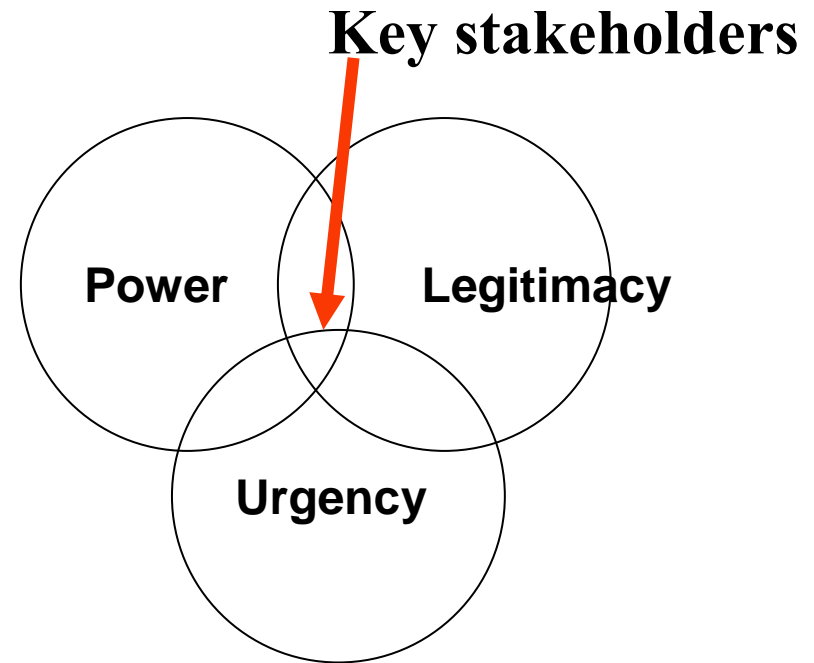
Structure and Stakeholders

Structure



Problem area

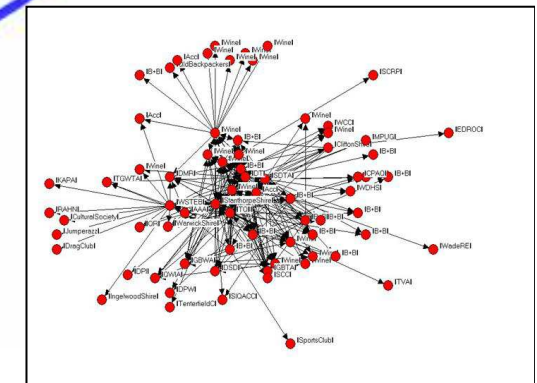
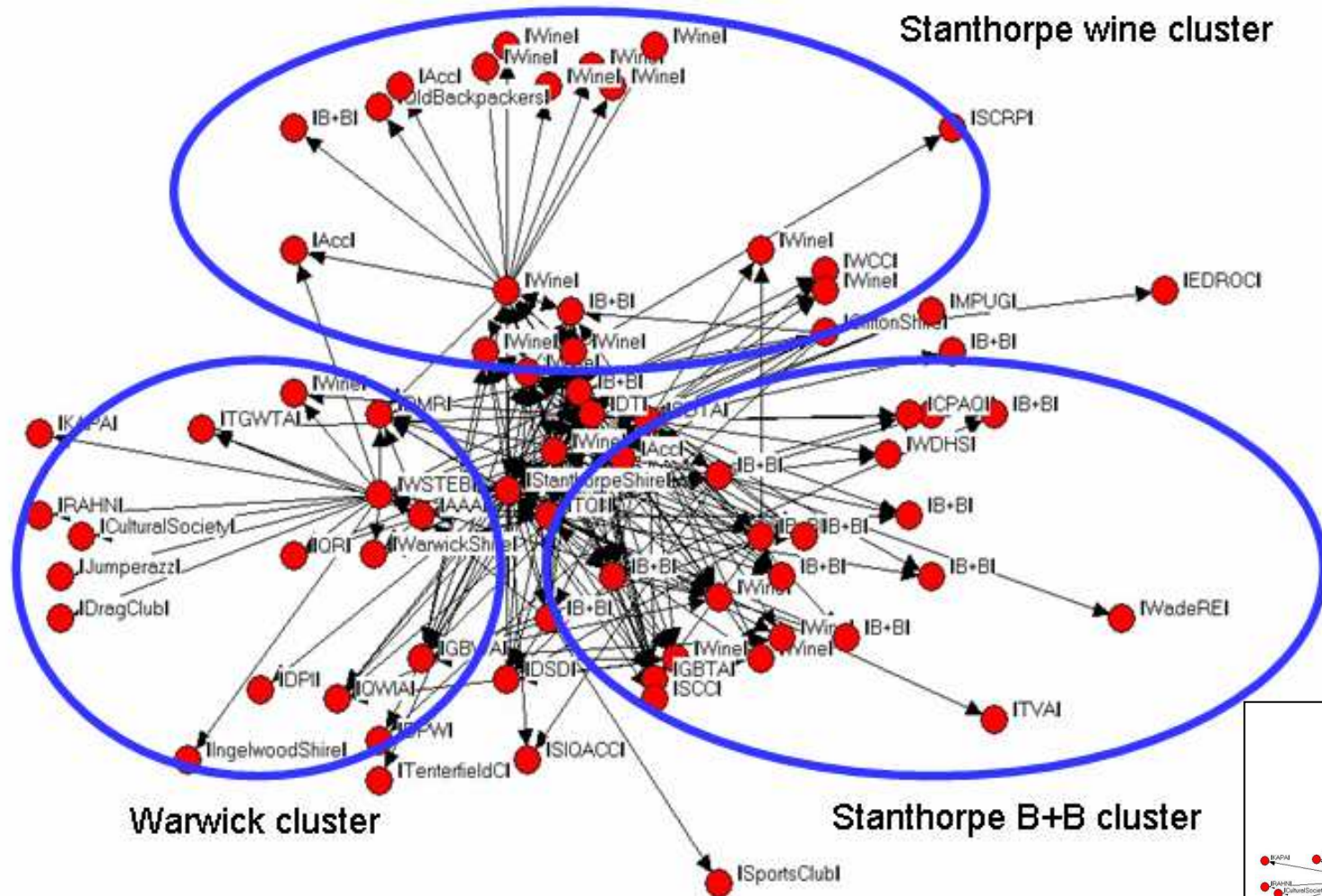
Stakeholders

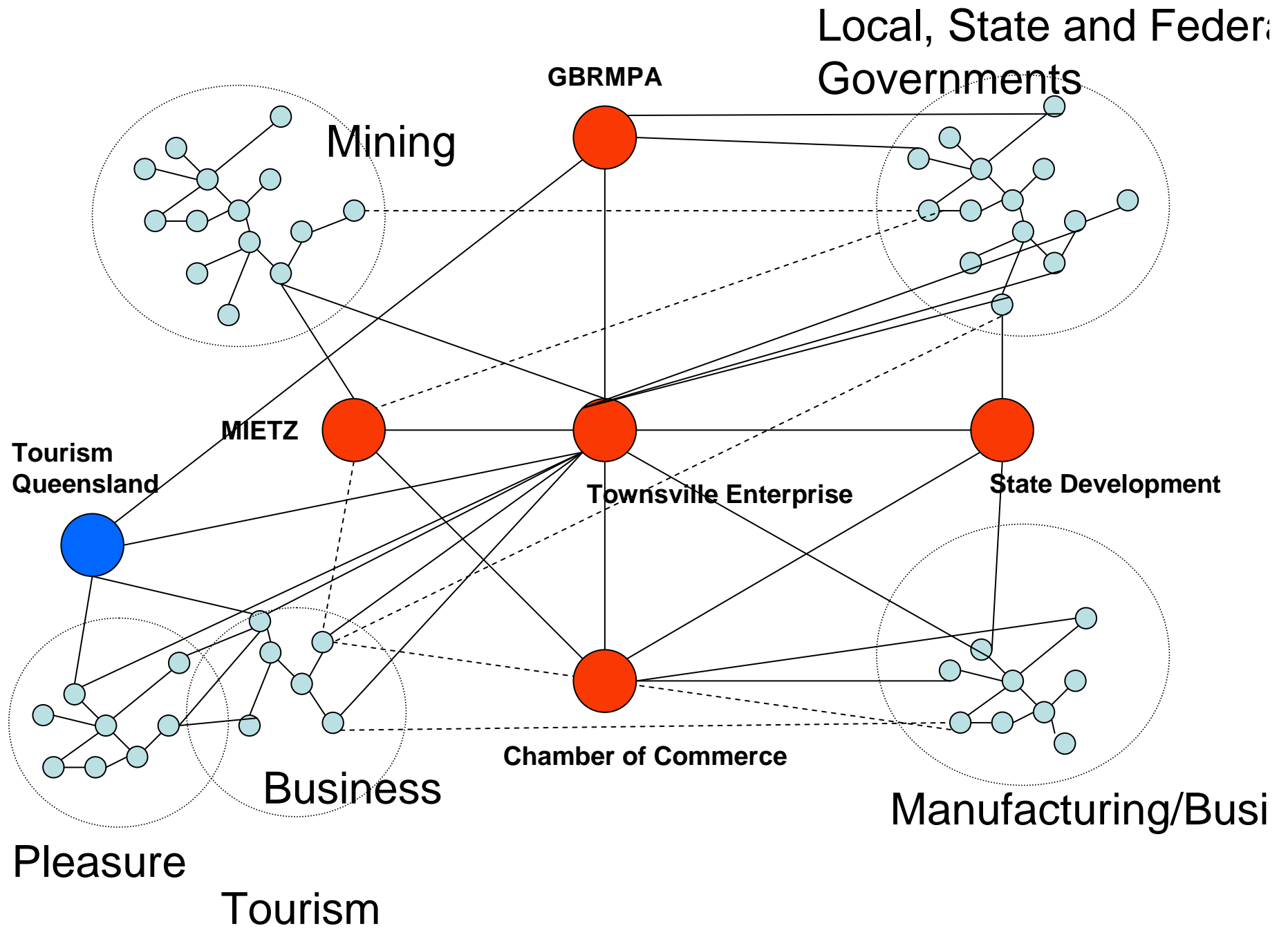


Centrality

- Network theory argues that structural position in the networks determines stakeholders' status or influence in the system.

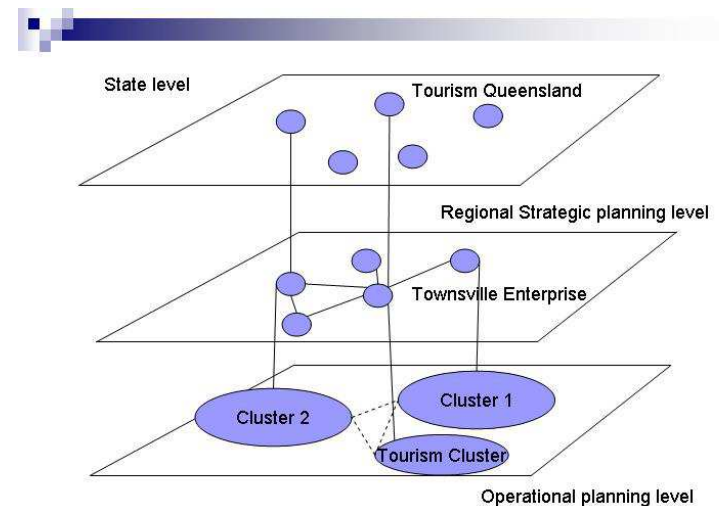
Southern Downs

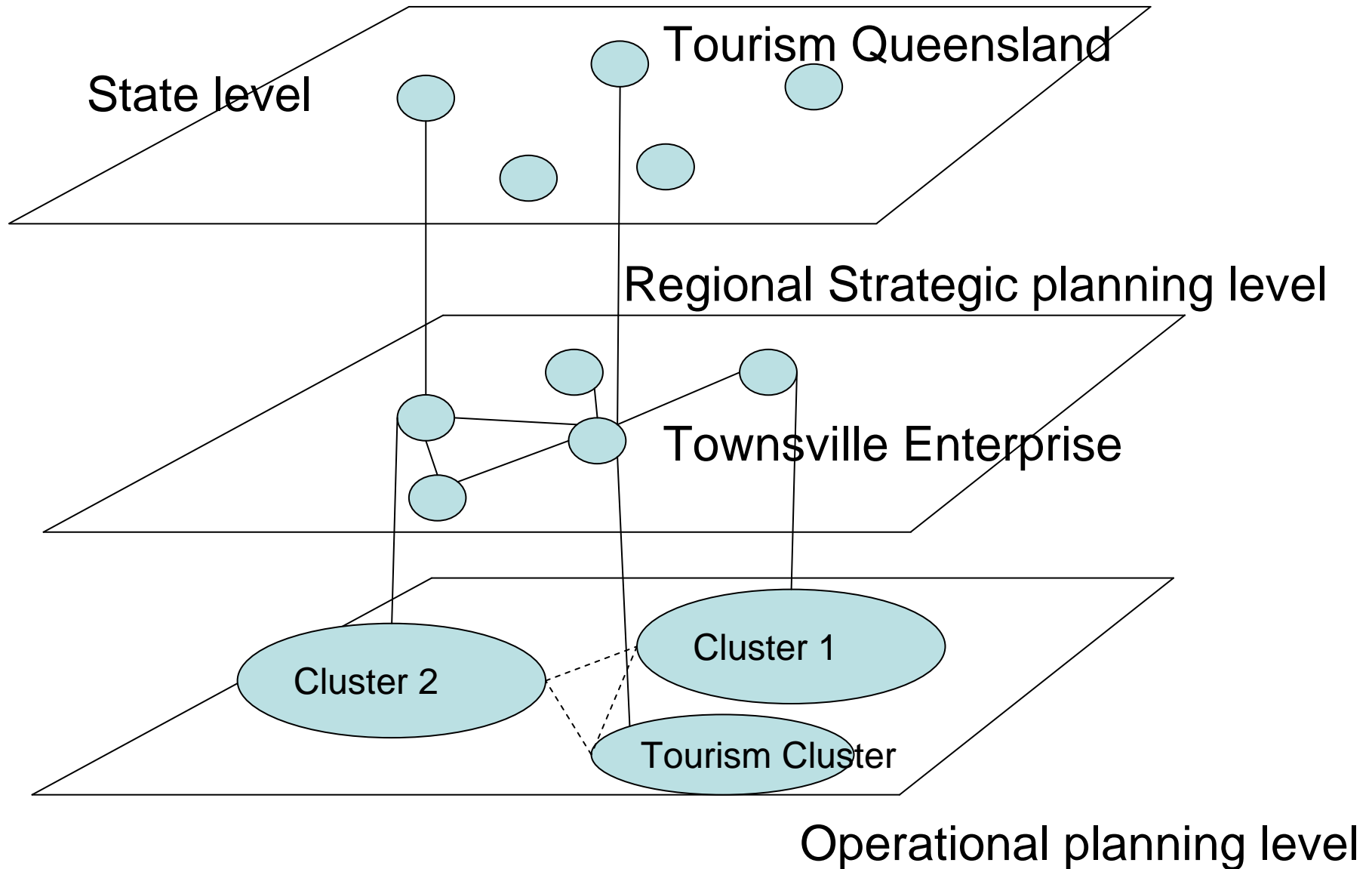




Levels and clusters

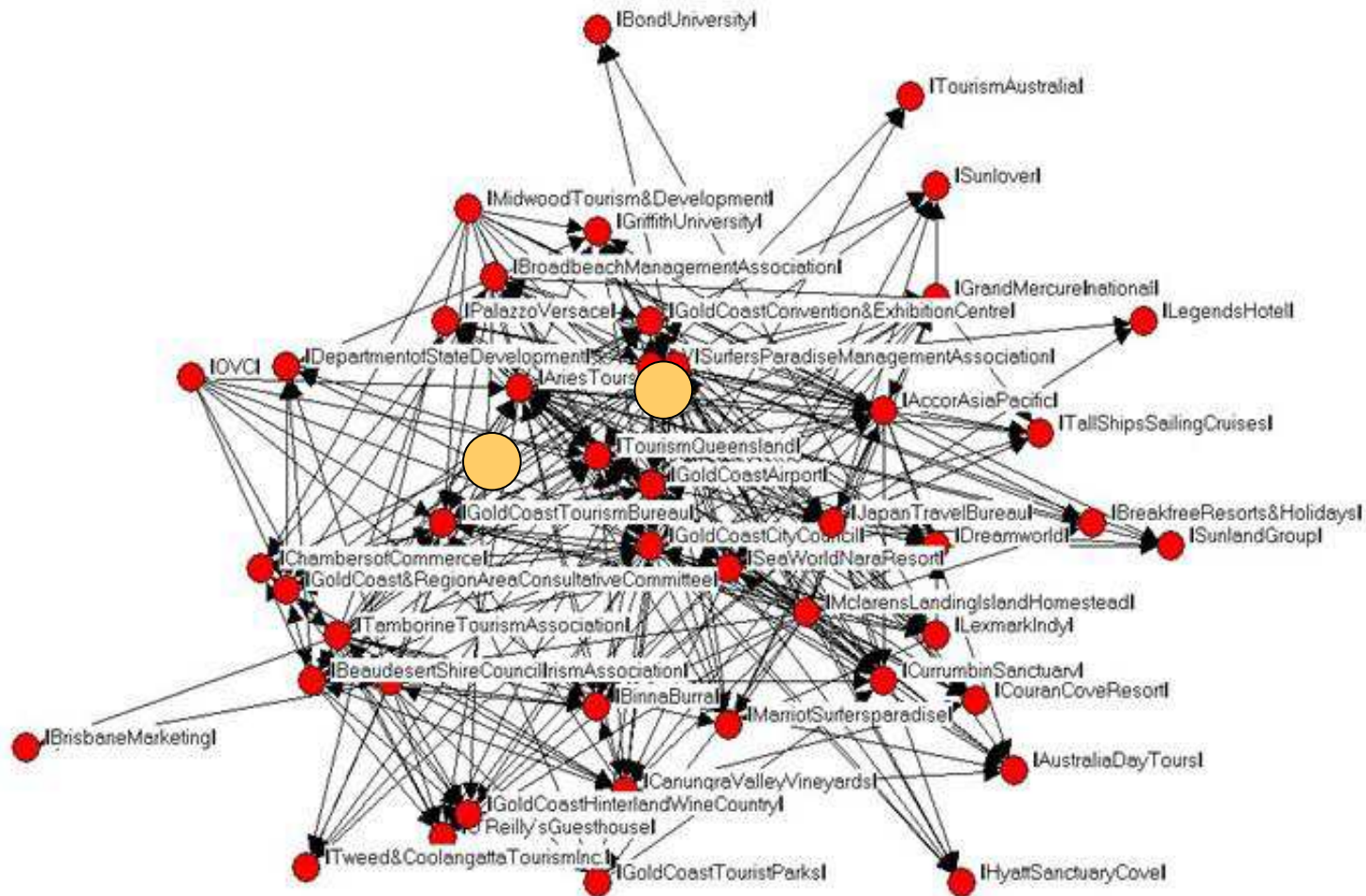
- Levels of organization
- Changes between and within layers affect roles and responsibilities
- Interaction between clusters at next level up





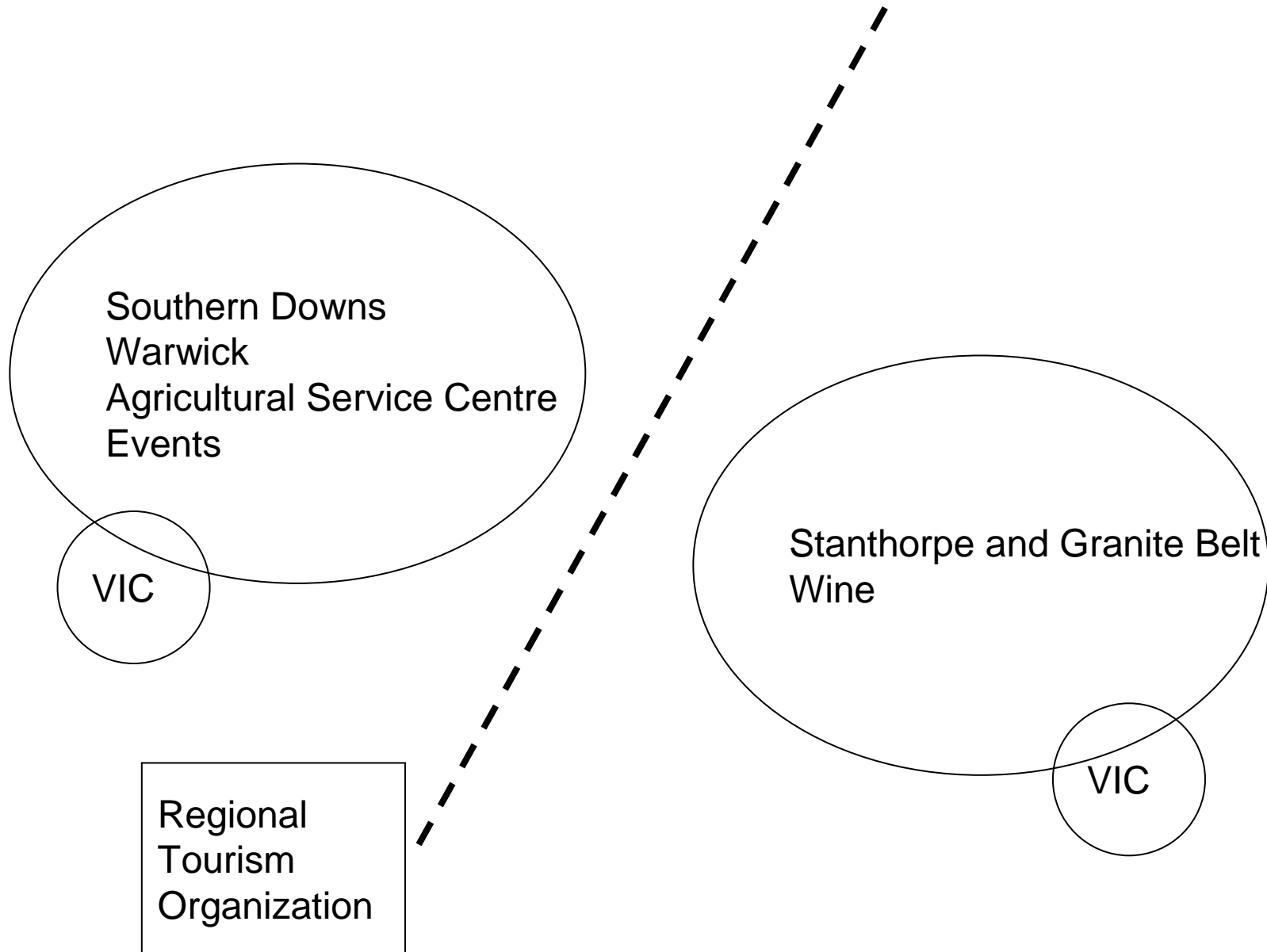


Gold Coast



Structural divides

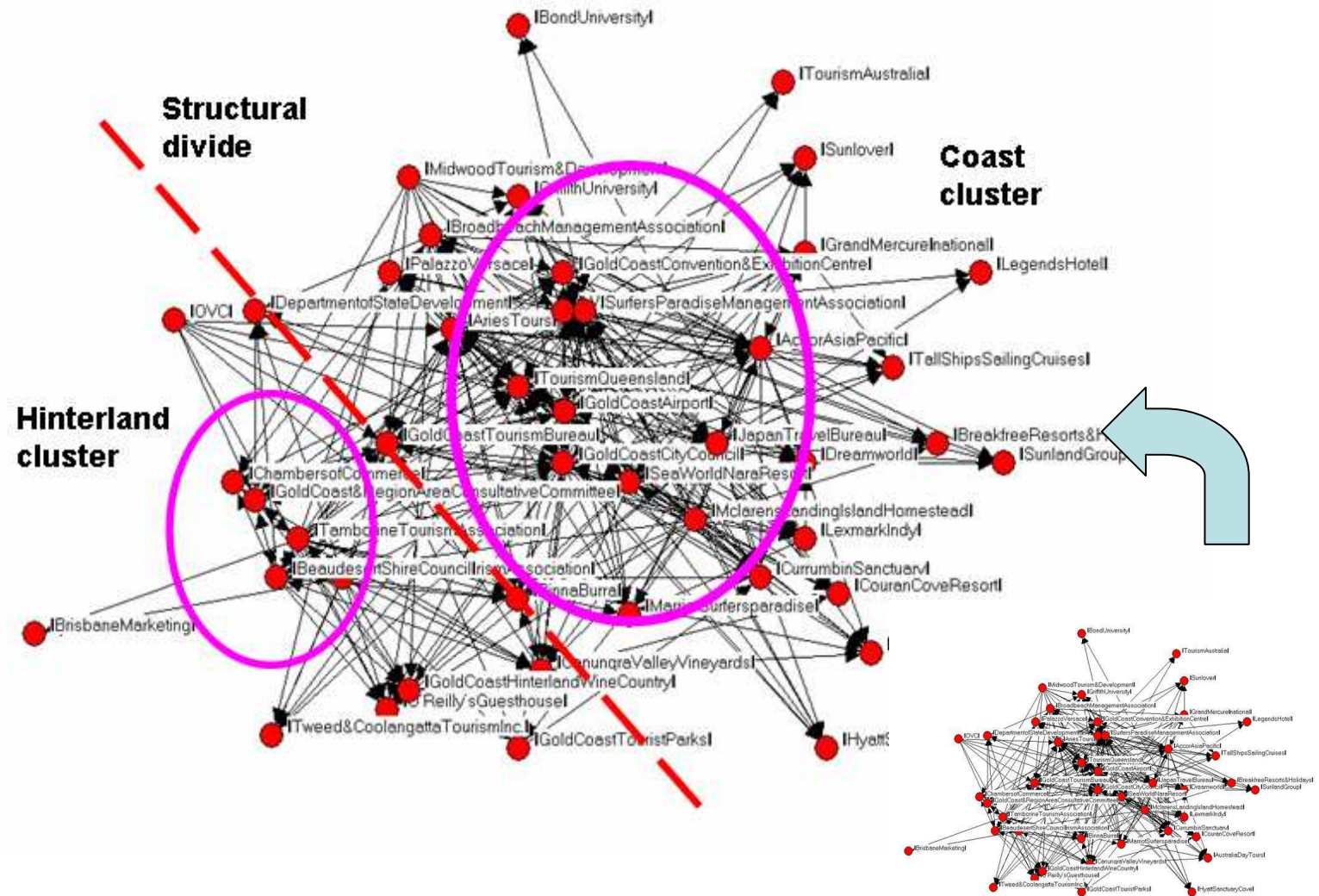
- Structural divides are evident in Gold Coast and Southern Downs
- Due to geography and Shire boundaries



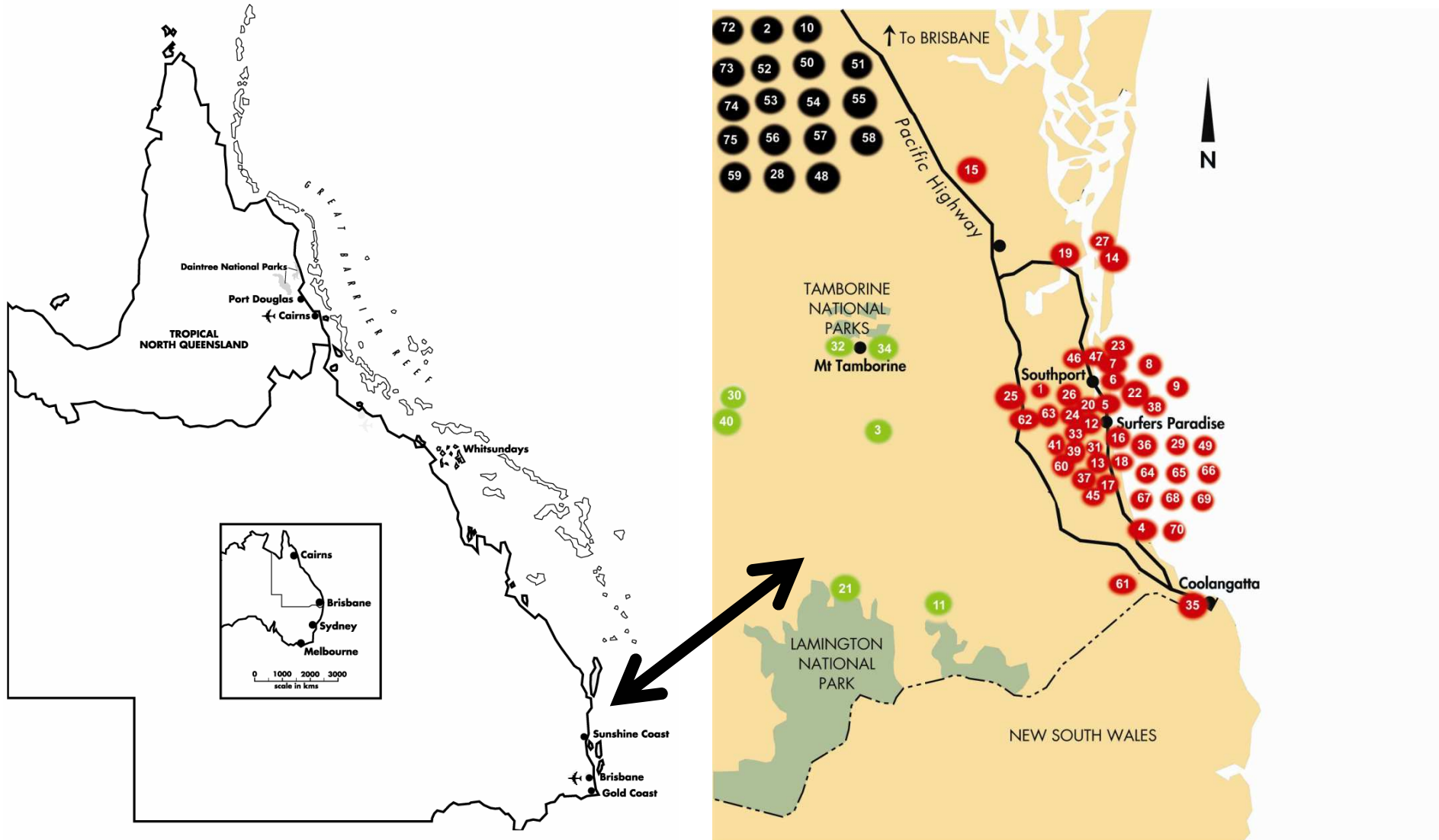
Organization of Gold Coast

- This study looked at the 'structure' of the Gold Coast tourism organization operators.
- It found divides between operators located in the mountains and the coastal plain.
- These divides reduced the efficiency of the destination.

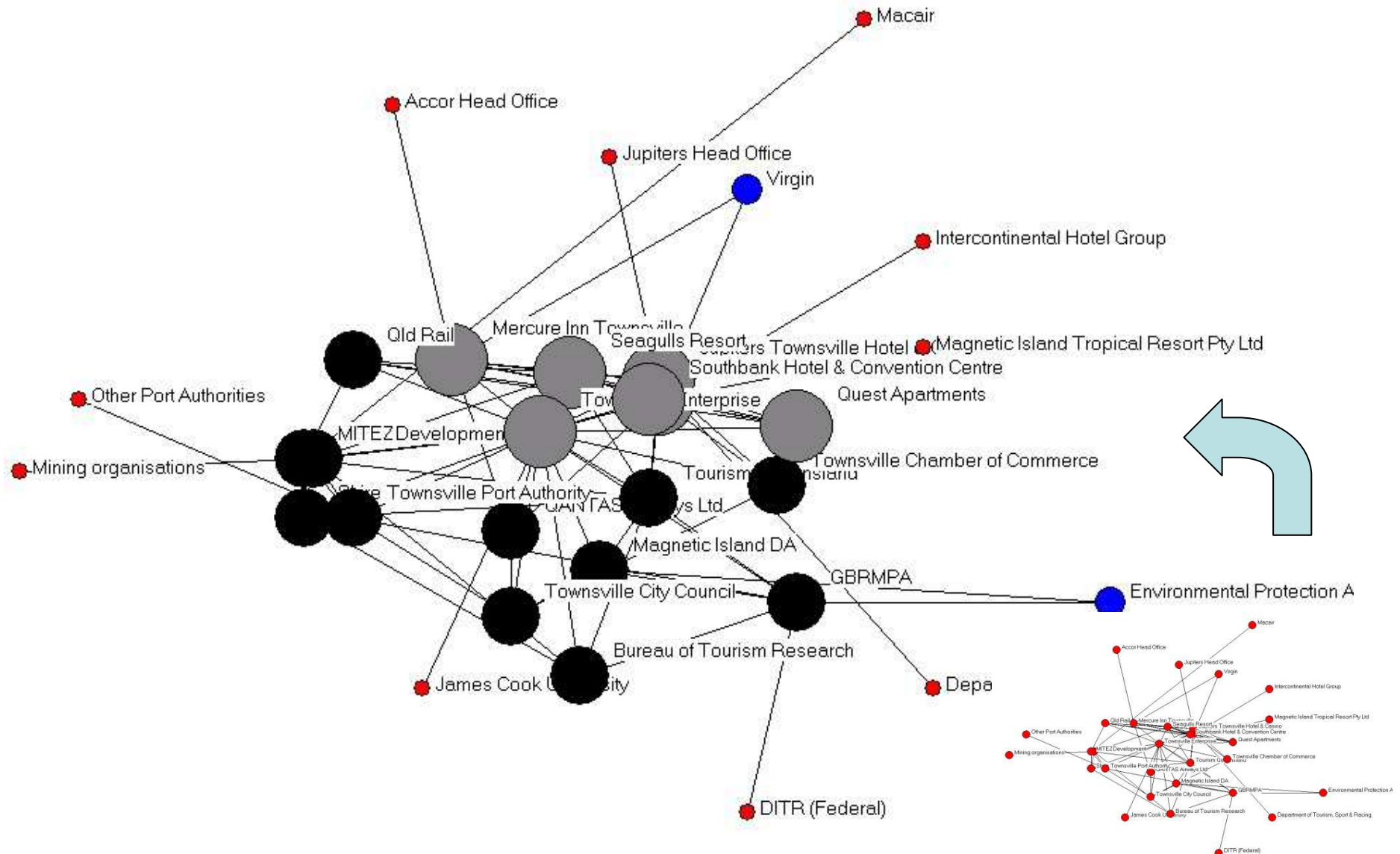
Gold Coast



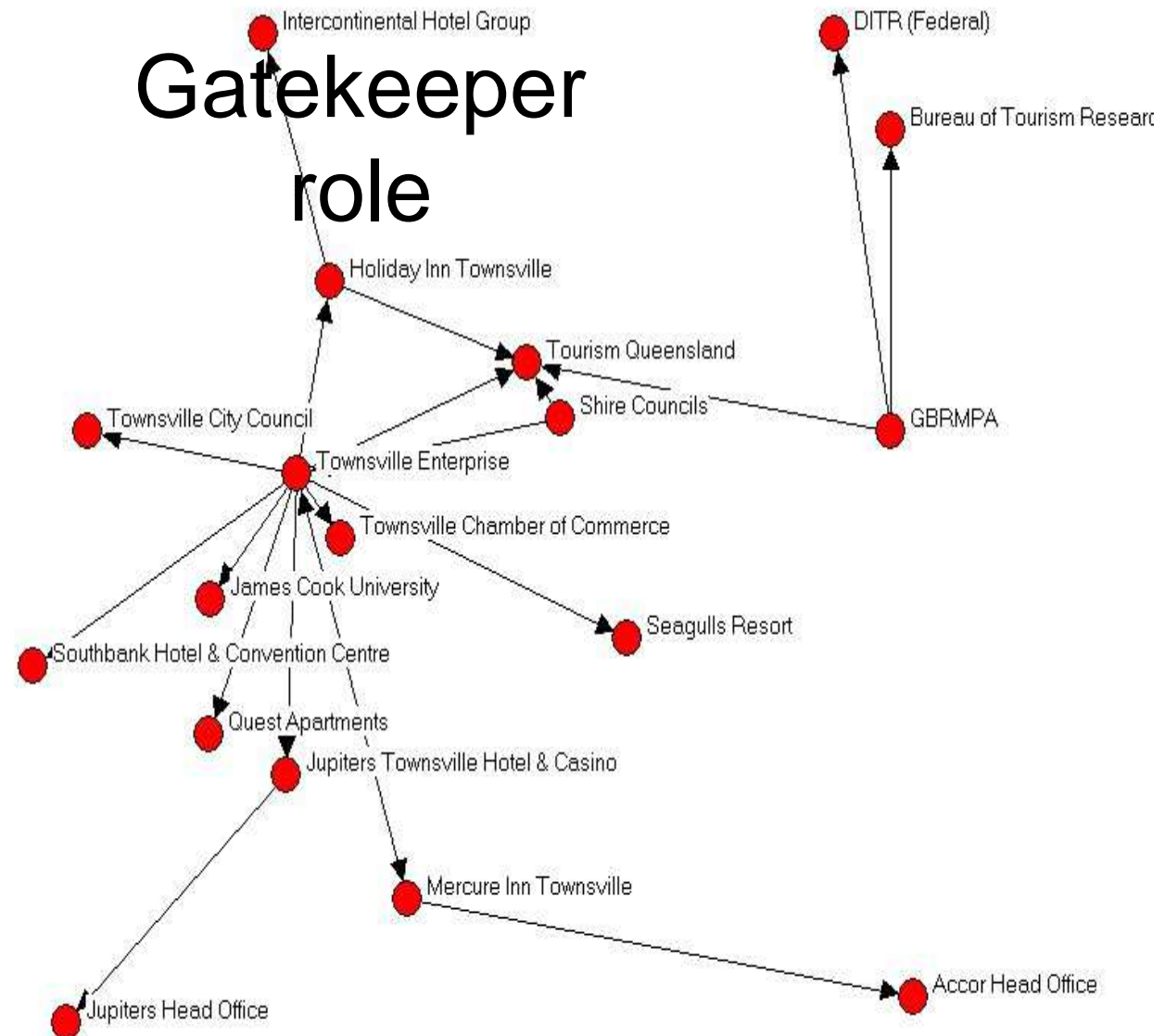
Location of operators interviewed



Organizational roles



Gatekeeper role

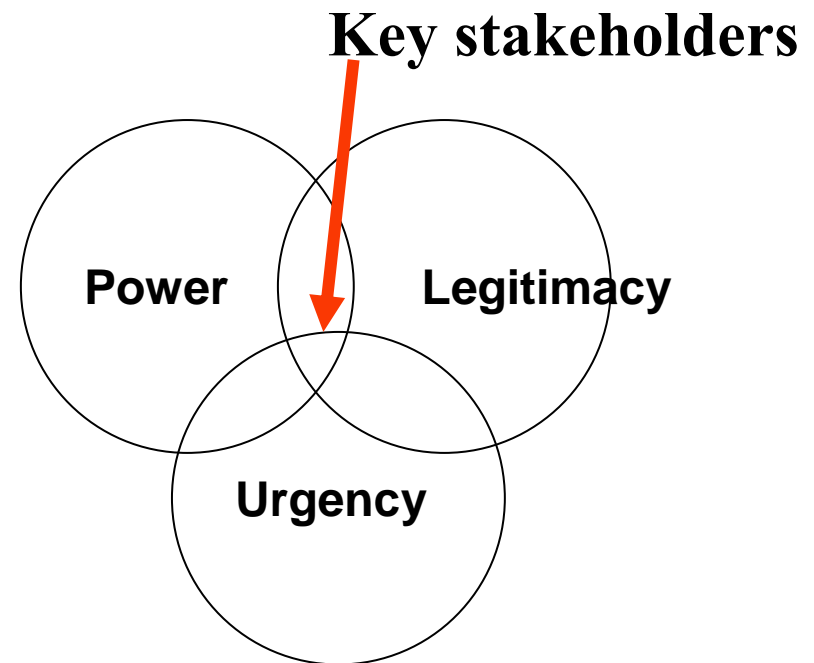


Stakeholders are not all equal

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Boston: Pitman.

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a Theory of Stakeholder Identification and Salience : Defining the Principle of Who and What Really Counts. *The Academy of Management Review*, 22(4), 853-886.

Stakeholders

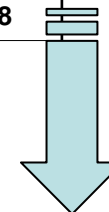


Stakeholders

- Rankings are by key industry participants
- Power is
 - Money
 - Influence
 - Authority

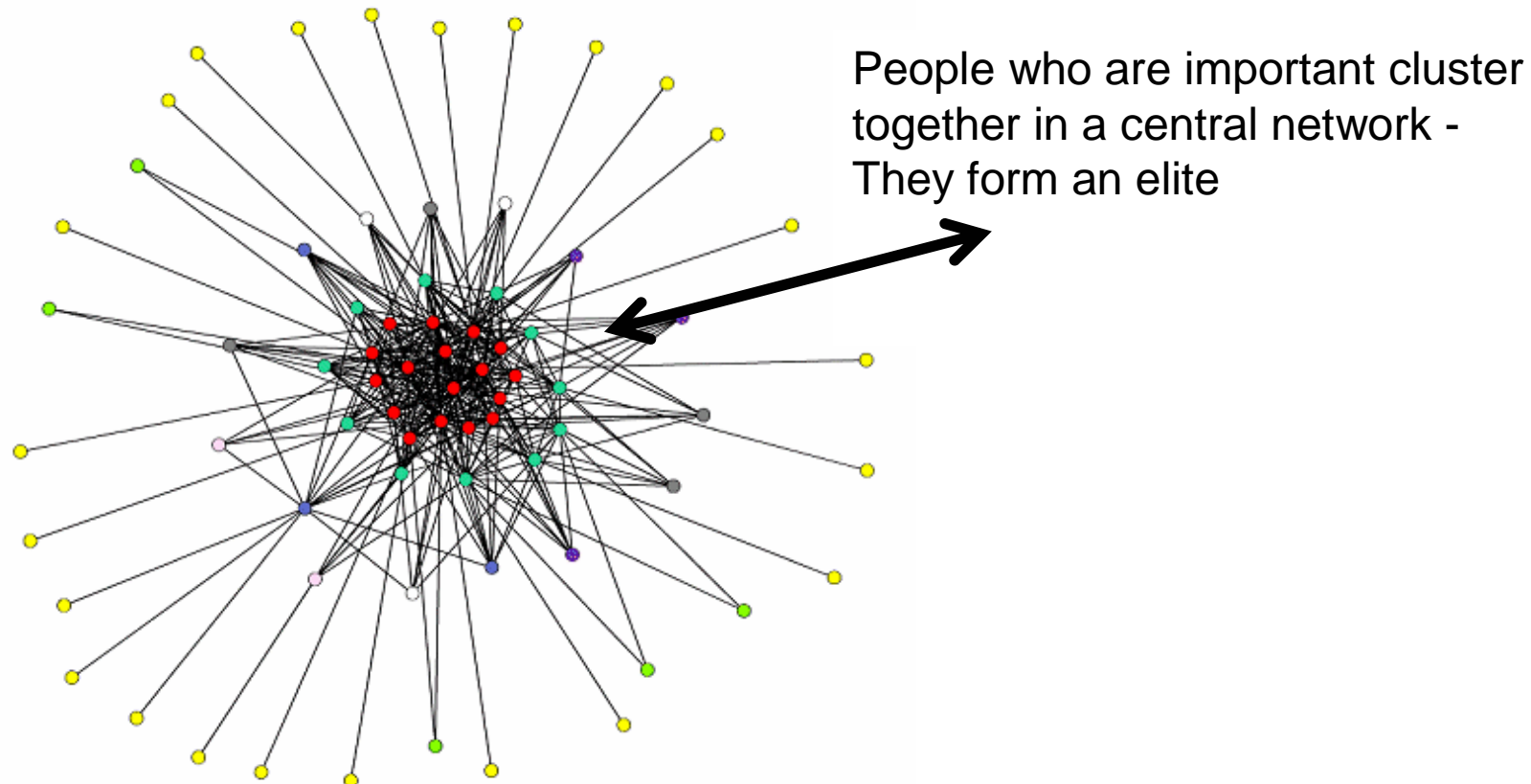
Gold Coast stakeholders

	Freq	Imp	Skill	Power	No
Gold Coast Con. & Ex. Centre	3.3	1.1	1.2	1.2	14
Sunland Group	2.8	1.4	1.2	1.6	5
Conrad Jupiters	3.0	1.5	1.4	1.3	12
Gold Coast Airport	3.0	1.5	1.5	1.4	11
Canungra Valley Vineyards	3.2	1.7	1.2	1.5	10
Gold Coast Tourism Bureau	3.4	1.3	1.7	1.5	21
Lexmark Indy	2.2	1.6	1.5	1.5	8
Japan Travel Bureau	3.6	1.5	1.8	1.5	8
Tourism Queensland	3.1	1.5	1.6	1.7	19
Gold Coast City Council	3.3	1.5	2.0	1.4	19
O'Reilly's Guesthouse	3.0	2.1	1.3	1.5	11
Breakfree Resorts & Holidays	1.9	2.0	1.6	1.4	7
Warner Village Theme Parks	3.2	2.2	1.5	1.5	11
Hyatt Sanctuary Cove	3.0	1.8	1.7	1.7	6
Grand Mercure	3.1	2.1	1.5	1.9	8



More

Study two: The important people cluster together



Important stakeholders

....

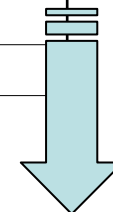
- Tend to have money for destination marketing
- Are large businesses with large numbers of customers broadly representing the mass market.
- Some are also perceived experts who have knowledge and a good network

Stakeholders

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 - Money
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 - Authority

Southern Downs stakeholders

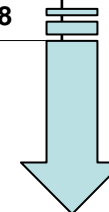
	Freq	Imp	Skill	Power	No
Tourism Queensland	2.5	1.1	1.6	1.2	14
Warwick Shire Council	2.7	1.6	1.6	1.2	5
Southern Downs Tourism Association	3.2	1.4	1.8	1.4	16
Anna's	3.5	1.5	1.5	1.8	4
Lucas Estate	3.0	1.3	2.0	1.7	3
Robert Channon Winery	2.9	1.8	1.6	1.8	8
Queensland Wine Industry Association	2.6	2.0	1.8	1.5	4
Stanthorpe Wine Co	2.9	1.4	2.0	1.9	7
Symphony Hill Winery	2.8	1.5	2.0	1.9	4
Heritage Winery	3.0	1.8	1.7	2.0	7
Department of State Development	2.3	1.8	1.9	1.8	9
Stanthorpe Shire Council	2.1	1.8	2.4	1.4	12
Toowoomba Golden West RTA	2.7	1.7	2.0	2.0	3
Granite Belt Wine Association	2.9	1.6	1.9	2.3	7
Ballandean Estate	2.7	2.0	1.9	2.0	11



More

Gold Coast stakeholders

	Freq	Imp	Skill	Power	No
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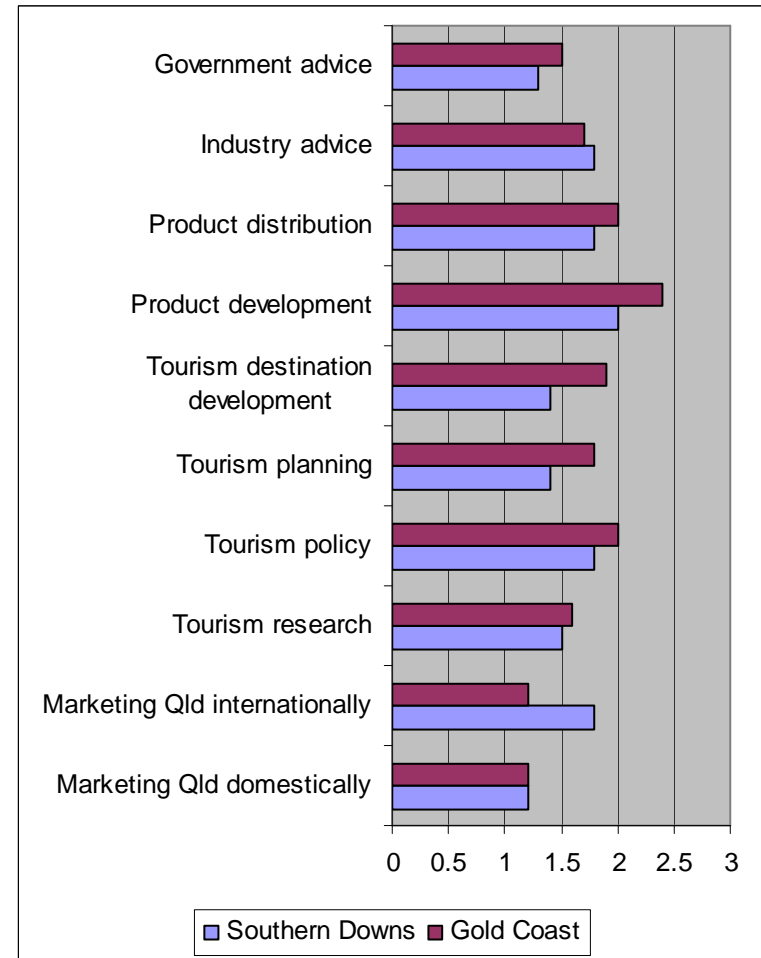
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Roles and functions

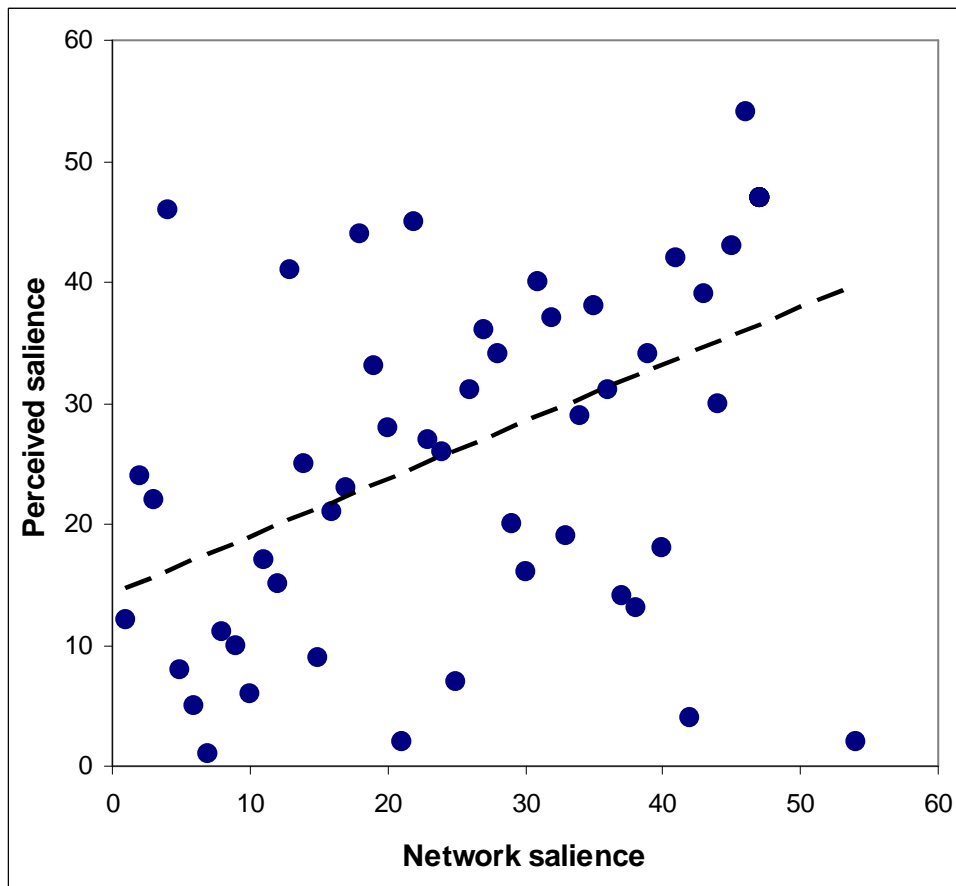
- Roles required of TQ and RTO differ by region
- Organizations have associated role
- Some lack of knowledge of TQ due to gatekeeper role of RTO's

Regions differ in TQ role requirements

- Both Southern Downs and Gold Coast require domestic marketing
- Product development is not important on the Gold Coast



Perceived importance versus network position



A correlation of perceived importance (salience) versus a calculated network salience revealed a correlation coefficient of around 0.5

Network Analysis - useful technique

- Describes
 - Structural groups of operators
 - all stakeholders in a destination are not perceived by others as equally salient.
 - Network gaps or divides between groups
 - organization of the destination is identified as having a core-periphery structure
 - moderate correlation between the perceptions of stakeholders of other's salience and their network position.

DESTINATION GOVERNANCE

The Governance of Tourism in OECD Countries

Chapter 1



Presentation outline

- Changing role of government
- Good governance
- OECD member survey results
- Current trends in governance
- Examples
- Policy responses
- Issues for discussion

The changing role of government

- roles and competencies of government tourism organisations are evolving;
- government policies emphasise competitiveness:
 - improving productivity and quality;
 - encouraging innovation;
- better definition of roles and competencies;
- macro-policy environment favours collaboration:
 - policy development in conjunction with industry
 - an emphasis on sub-national decision-making
 - whole of government approach

Good governance involves:

- A strategic view that focuses on relevant issues and problems;
- Principles of effective decision-making such as transparency, accountability, inclusiveness, fairness;
- An integrated (horizontal/vertical) – whole of government approach;
- All legitimate stakeholders committed and actively working together with the capacity to undertake the roles and decisions required.

Challenges faced by National Tourism Administrations

Challenges	Greatest challenge	Major challenge	Total
Horizontal and vertical tourism policy co-ordination	12	3	15
Financial pressures faced by tourism public agencies	4	7	11
External impacts (economic, safety/security, natural disasters)	3	4	7
Effective regulation	2	5	7
Developing a reform agenda in tourism	0	1	1

Current trends in governance

- Institutional change
 - Central tourism policy organisations (e.g. Japan)
 - New organisation structures (e.g. United Kingdom)
 - Rationalising Regional Tourism Organisations (e.g. Austria)
 - Decentralisation (e.g. Brazil)
- Increasing co-ordination
 - Across central government ministries (e.g. Germany)
 - Central-regional (e.g. Australia, Canada, Italy)
 - Across regional governments (e.g. New Zealand)
 - Private sector/industry body involvement (e.g. Germany, Hungary, Slovak, Spain)
- Changing role for central government
 - Innovation (e.g. Norway)
 - Regional development (e.g. Italy)
 - HR development (e.g. capacity building)
- Strategy development to engage/co-ordinate stakeholders

Example 1 - Defining organisational roles and responsibilities

- France, Greece, Hungary, Mexico, Slovak Republic, Spain, Cambodia, and Vietnam.
- French Reform Act (2009):
 - Book I traces the general organisation of tourism and in particular the distribution of tourism competence;
 - between the central, sub-national and local authorities, and public establishments of inter-municipal co-operation;
 - Book II of the tourism code governs tourism professions and activities;
 - Book III is devoted to accommodation, equipment and facilities directly relevant to the tourism sector;
 - Book IV brings together the provisions interesting financing access to holidays and tourism tax.

Example 2 – Co-ordination and interface with industry

- Germany
 - voluntary association of tourism organisations with local, regional and nationwide operations;
- Hungary
 - Peak employer and employee associations;
- Slovak Republic
 - seven most important nationwide associations of tourism;
- Spain
 - an advisory body which brings state, regions and provinces-cities, chambers of trade, employee unions, professional associations.

Potential policy responses

- Clear definition of organisational roles;
- One peak industry association - conjugate representative body;
- Tourism strategy to engage and provide co-ordination - requires funding and communication;
- Develop competent local actors - active 'learn-by-doing' programmes;
- Destination management organisations at the subnational level;
- Relevant data and analysis to evaluate policy outcomes.

Issues for discussion

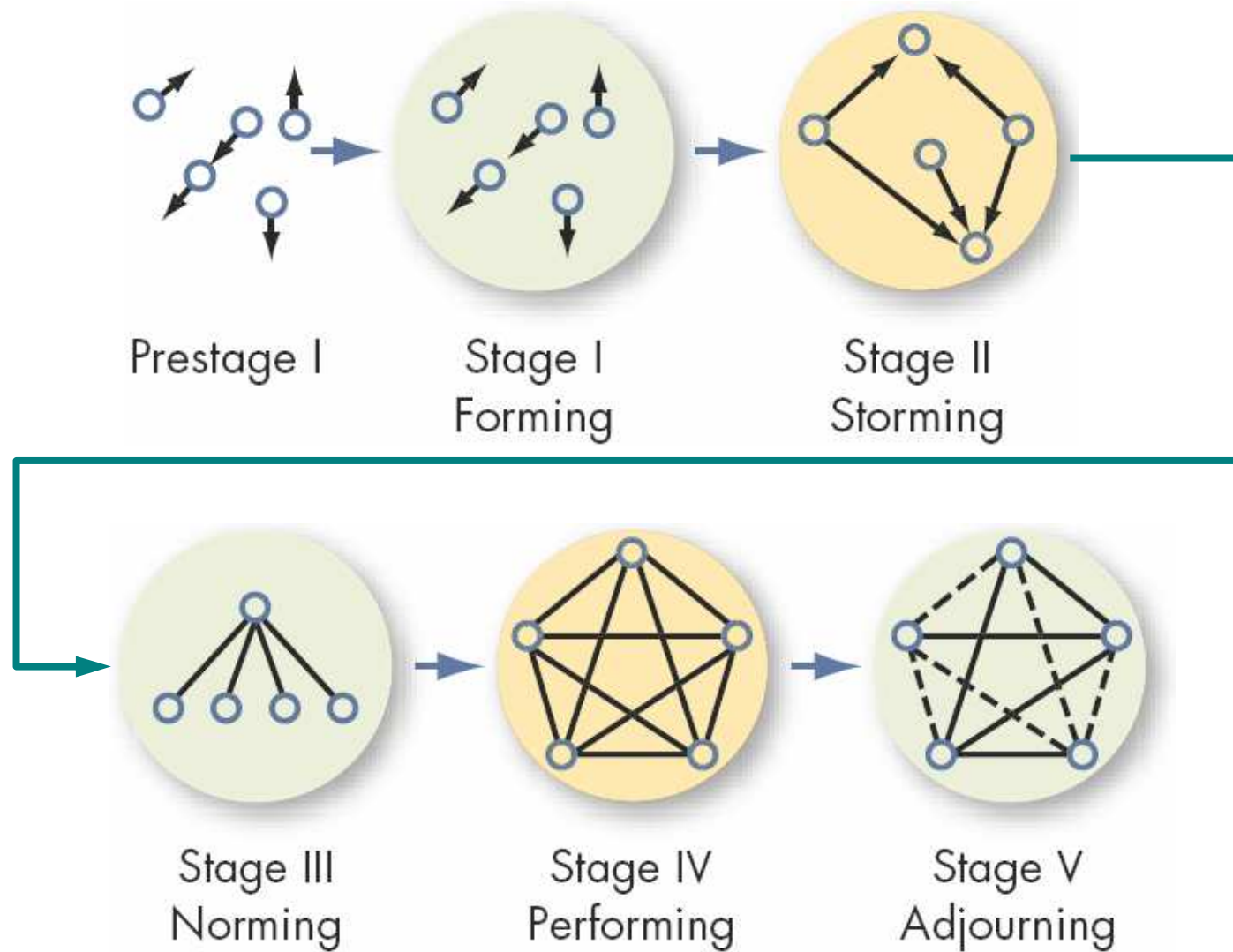
- How to increase horizontal co-ordination at the central level;
- Use of regulations/contracts versus (and) relationships for governance at local and regional level;
- Implications for managing the expanded role for government (capacity building, innovation, crisis);
- Use of research to improve governance (network analysis, institutional mapping, value chain, etc.).

DEVELOPING AN EFFECTIVE CLUSTER

Introduction

- Exploratory study of the development of the Gold Coast Adventure Travel Group (GCATG).
- Qualitative data collection and analysis highlighted theoretical issues not well discussed in tourism.
- GCATG conceptualised as a collaborative cluster of tourism operators.
- Particularly interested in reasons for effectiveness of collaboration.

Stages of Group Development



Group Properties

- Roles
- Norms
- Status
- Cohesiveness
- TRUST

Concepts

Table 1. Definitions of concepts

Concept	Definition	Reference
Norms	Patterns of accepted and expected sentiments and behavior that are shared by <i>members^a</i> of an exchange system and have the force of social obligation or pressure.	(Gundlach et al., 1995, p. 84)
Leadership	Leadership can be both a process and a property. The process of leadership is the use of non-coercive influence to direct and coordinate the activities of <i>the members of an organized group^a</i> toward the accomplishment of group objectives. As a property, leadership is the set of qualities or characteristics attributed to <i>those^a</i> who are perceived to successfully employ such influence.	(Jago, 1982, p. 315)
Commitment	An implicit or explicit pledge of relational continuity between <i>exchange partners^a</i> and implies a willingness to make short-term sacrifices to realise longer term benefits.	(Dwyer et al., 1987, p. 19)
Trust	The willingness of <i>a party^a</i> to be vulnerable to the actions of another party based on the expectation that the other (<i>trustee^a</i>) will perform a particular action important to the <i>trustor^a</i>	(Mayer, Davis, & Schoorman, 1995, p. 712).
Goals and outcomes	Goals are the objectives sought by the <i>individual or group^a</i> while the outcome is the actual result.	

^a These terms identify the level of analysis involved in the concept.

Table 2. Examples of the application of concepts at four levels

Themes	Destination L4	Gold Coast Adventure Travel Group Cluster L3	Gold Coast Adventure Travel Group Organizations L2	Individual Gold Coast Adventure Travel Group Players L1
Leadership (L)	The Gold Coast City Council and Gold Coast Tourism provided leadership in establishing or funding the Gold Coast Adventure Travel Group	Gold Coast Adventure Travel Group success influenced the development of similar clusters in other destinations.	Gold Coast Adventure Travel Group member companies accepted the leadership of the cluster committee.	Entrepreneur directed attention to the importance of developing adventure-related products. Cluster committee members (especially the Chairman) demonstrated leadership that other individuals accepted.
Trust and commit- ment (TC)	A number of individuals expressed strong commitment to the Gold Coast as a whole.	Trust and commitment to the cluster by members increased over time through successes.	Organizations committed money and time to the development of the cluster.	Examples of trust and commitment between cluster members. Based on personal relationships beyond transactional interactions.
Norms (N)	“Destination first” principle.	A “spirit of collaboration” among cluster members.	Organization will benefit from collective efforts.	Passion for the success of the destination.
Goals and outcome (GO)	Change image of Gold Coast.	Improve performance of backpacking (i.e., increase visitation, average length of stay and expenditure). Recognition by Gold Coast Tourism.	Improve the performance of member organization through knowledge sharing and leveraging the collective benefits.	Personal rewards and professional advancement.

Discussion

Levels of analysis useful in understanding results

- *Importance of the alignment of objectives between levels.*
- *Convenor changed from organization (Gold Coast City Council) to individual*
- *Norms at different levels*

COOPETITION

Coopetition behaviours of pedicab drivers

- Coopetition describes a practical strategy of actors to simultaneously cooperate and compete with other actors.
- A tourist destination as a co-location of various actors provides an opportunity to study coopetition.

Pedicab drivers

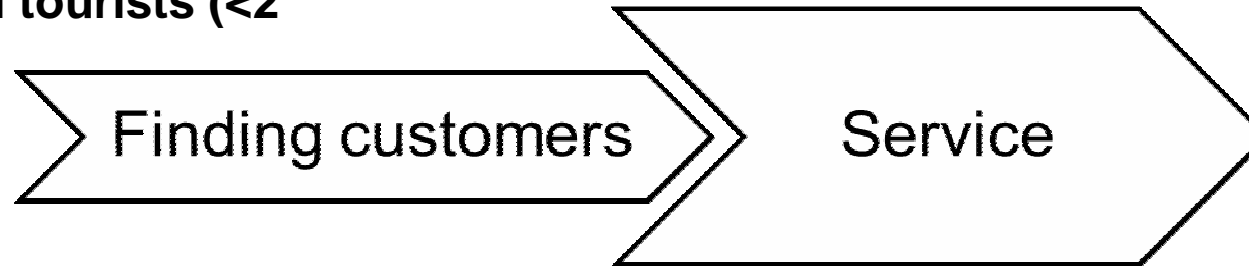
- Compete and cooperate



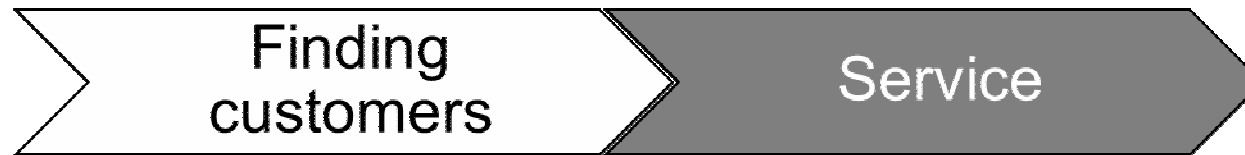
Pedicab Drivers

Individual Drivers

Individual tourists (<2 persons)



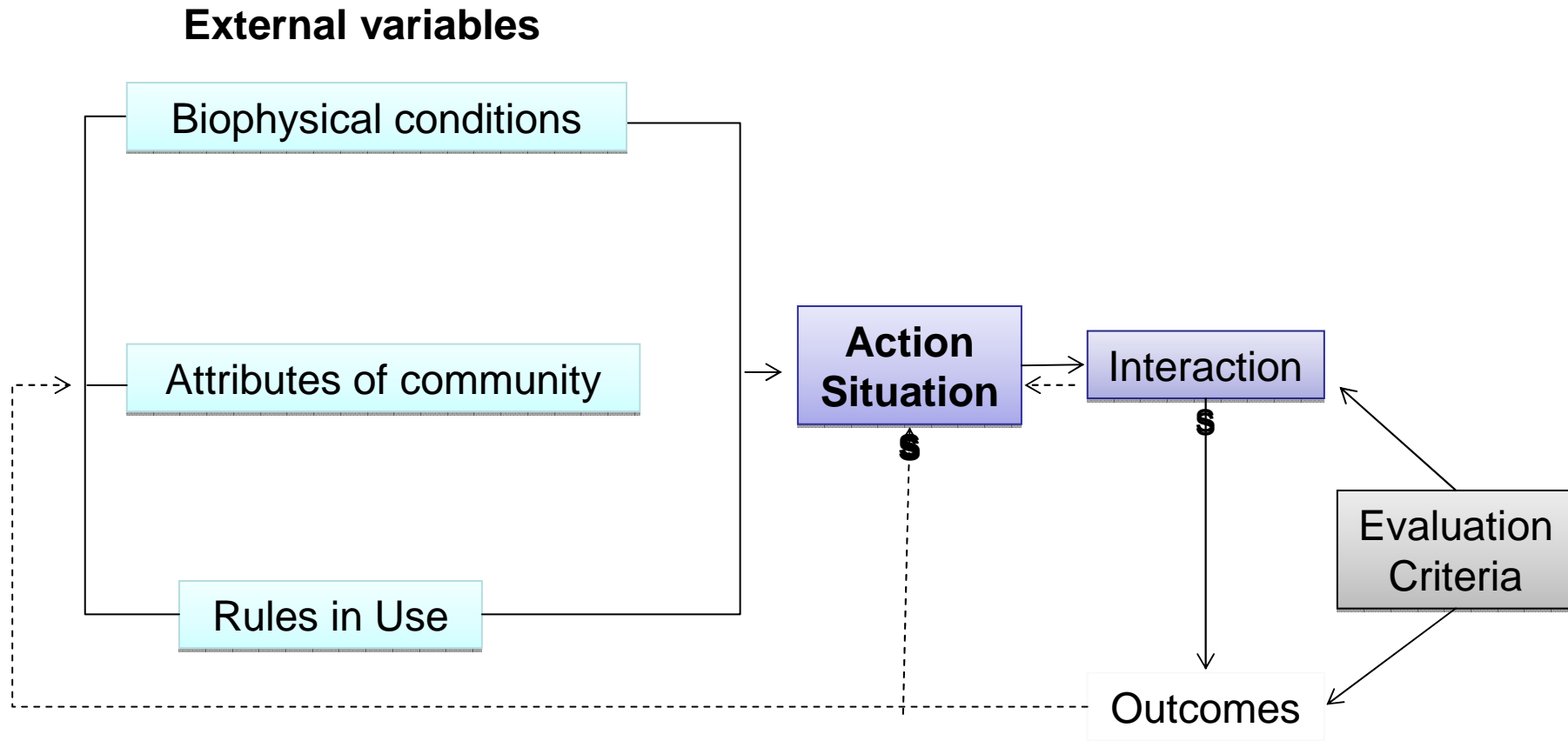
In-group tourists (>2 persons)



In group, amongst groups



IAD framework (Ostrom, 2010: “Beyond markets and states”)





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Questions?

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