Stakeholders’ Participation in Collaborative Destination Marketing: An Analytical Review

1Ajodhya Goourab Mishra, 2Bidhu Bhusan Mishra
1Ph.D. Research Scholar, 2Professor
Dept. of Business Administration,
Utkal University, Vani Vihar, Bhubaneswar, Odisha-751004, India

Abstract: It is very much noticeable that tourism is a multi-fragmented industry. A single service provider cannot provide all the services. There is a need of collaboration among different services providers for marketing and delivering services to tourists at the tourism destinations. The contribution of individual stakeholders is critical for the success of destination marketing efforts, but managing this process becomes quite complex. In this analytical review paper, an attempt has been made to analyse existing research works of various researchers on stakeholders’ participation in collaborative destination marketing. By adopting the thematic content analysis method core concepts such as the importance of stakeholders in collaborative destination marketing, motivation behind their collaboration, various outcomes of collaborative destination marketing and challenges associated with them have been analysed and discussed.

Index Terms - Tourism Destinations, Stakeholders, Collaborative Marketing, Motivation, Outcome, Challenges

I. INTRODUCTION

Tourism has established itself as a large major growth sector in the global economy. This industry may play a vital role in enhancing a country’s trade performance. Therefore, almost all countries across the world are promoting the concept of the tourism industry on a massive scale. This has resulted in tourism destinations of a country developing core competencies across the different aspects of the business. One such aspect is the aspect of destination marketing. Tourism destination marketing encompasses the activities involved in sustainably developing a region with tourism appeal and in its promotion through a marketing strategy. Destination marketing is an activity that involves a large number and diversity of stakeholders, who together provide the overall destination product working within different business contexts, with distinct specific objectives and strategies (Bhat & Gaur, 2012; Pinto & Kastenholz, 2011).

As a consequence, the contribution of individual stakeholders is critical for the success of destination marketing efforts, but managing this process becomes quite complex (Baker & Cameron, 2008; Wang, 2011; Wang & Krakover, 2008). This is an important stream of research, and the application of network theories to the subject – in particular studying collaboration relationships, constitutes a field of high interest for researchers. An attempt has been made in this analytical review paper to extract core concepts of stakeholders’ collaboration for marketing of tourism destinations from the works done by various researchers.

II. OBJECTIVES

This paper has the following objectives to be fulfilled by drawing important concepts from the analysis of available literature;

a) To understand the importance of stakeholders’ participation in collaborative destination marketing
b) To identify various motivational factors for stakeholders to participate in collaborative destination marketing.
c) To recognize different outcome of collaborative destination marketing.
d) To detect major challenges associated with collaborative destination marketing.

III. METHODOLOGY

As this is an analytical review paper, the secondary data has been collected from more than 50 published research articles and books of various authors and researchers working in the related domain of stakeholders’ participation in collaborative destination marketing. Thematic content analysis has been adopted for segregation, analysis and interpretation of core concepts from the literature reviewed to fulfil the objectives of this paper.
IV. Stakeholders in Collaborative Destination Marketing

Tourism destinations are complex and dynamic systems that involve various stakeholders each with different understanding of the same tourism system (Joshua et al., 2014). The overall tourist experience at a certain destination is usually the result of multiple and differentiated interactions with the local stakeholders, in which we include private organizations, public actors, and also the general public. A stakeholder in tourism can be understood as a group or individual who can affect or is affected by tourism development (Bultjens, white & Neal, 2012). Participatory system approach is required to develop a share understanding amongst stakeholders. Due to the large number of actors involved, some way of organizing and controlling the process of tourism experience provision is developed within the destination (Palmer & Bejou, 1995; Jamal & Getz, 1995; Selin & Chavez, 1995; Buhalis, 2000; Gnoth 2003; Wang & Fesemrau, 2007).

Most of the literature on rural tourism, collaborative marketing of tourism destinations and stakeholder theories mostly emphasised on legitimate stakeholders. In this regard stakeholder typologies, suggested by Mitchel at al. (1997) based on the characteristics of power, legitimacy and urgency is referred directly or indirectly by majority of researchers. Legitimate stakeholder is anyone who is impacted by the decisions made in that domain and thus has a right and capacity to be involved in decision making (Bhat & Gaur, 2012). Researchers like Buhalis and Fletchers (1995) have identified stakeholders like host community members, tourism enterprises and SMEs, tour operators, public sector and govt, tourists etc. on the basis of interests and benefits of responsibilities. Nowadays NGOs are also extending their cooperation for the marketing of rural tourism destinations. Projects involving either local or international NGOs in rural destinations commonly combined with nature conservation and poverty alleviation in challenging political circumstances had higher success rate (Romero-Brito, Buckley, Byrne, 2016).

However, the nature and intensity of these relationships among stakeholders in any industry, especially in the tourism sector vary a lot, which may lead to the establishment of more or less formal ways of working together. Regarding strategic alliances among stakeholders, Palmer & Bejou (1995) conclude that “a strategic alliance is a joining together (by means of dependency and collaboration) of two or more organizations over a given time period in order to gain a competitive advantage”, with collaboration requiring shared decision making among key stakeholders of a specific field about the future of that field (Wang, 2008).

From these conceptualizations of networks, clusters and strategic alliances, a few points can be identified as common and recurrent: the existence of interactions between some entities, joint working approaches (collaboration), interdependence, common goals, benefits/ advantages seeking. The study of networks started with a focus on the industrial context, with the development of the network theory of the firm mainly conducted within business-to-business relations in the tourism sector (Axelsson, 1992; Hakansson & Snehota, 1989).

Buhalis (2000) presents four generic strategic objectives for destinations: enhance the long-term prosperity of local people; delight visitors by maximizing their satisfaction; maximize the profitability of local enterprises and maximize multiplier effects; optimize tourism impacts by ensuring a sustainable balance between economic benefits and socio-cultural and environmental costs. This is in line with Crouch and Ritchie (1999) when they link tourism destination management – with an emphasis on total management rather than simply marketing, to the competitiveness of a destination and its societal prosperity. Reaching these objectives depends on both individual stakeholders and the dynamic interactions among them. This interactive behaviour has been modelled by Buhalis & Fletcher (1995, cited by Buhalis 2000) in the dynamic wheel of tourism stakeholders.

V. Motivations for Stakeholders Participating in Collaborative Destination Marketing

Organizations and businesses enter into collaborative relationships owing to different motivations, ranging from social to economic to strategic. A deeper analysis of the existing literature reveals the fact that various stakeholders who enter into CDM agreements share some similar motivations in getting involved in collaborative marketing activities, and these motivations can be classified into three broad categories: strategy related, transaction cost-related, and learning-related.

Evidence can be found from previous studies on inter-organizational relationships to support these findings. As recognized by Kogut (1988), three theoretical approaches are particularly appropriate to explain the choice and motivations of alliance formation. Transaction cost theory (Williamson, 1975), which provides a framework for understanding the way firms organize economic activities between market and hierarchy, has been a major building block for analyzing inter-firm cooperation. The strategic behaviour approach (Bleeke and Ernst, 1993; Ohmae, 1989) examines a firm’s motivations for entering a collaborative relationship, and the consequences for the competitive positioning of the firm. According to this view, the formation of inter-firm linkages can be explained as the strategic or resource needs of firms. In other words, firms form linkages to obtain access to needed assets (Hagedoorn and Schakenraad, 1994), manage their dependence upon other firms (Pfeffer & Salancik, 1978) or maintain parity with competitors. Lastly, organizational learning focuses on the ability of firms to extract new knowledge or to protect core competences from competitors (Hamel, Doz, and Prahalad, 1989; Hamel, 1991; Parkhe, 1993).

Research works conducted on inter-organizational relationships supports the notion that organizations enter into alliances in order to learn new knowledge and skills (Baum, Calabrese, and Silverman, 2000; Hennart, 1988; Kogut, 1988). Collaboration also provides an edge of cluster competitiveness. Cluster competitiveness can trace its theoretical foundation from cluster theory which was first proposed by Porter (1985) to explain certain economic development phenomena. Porter (1998) proposed that today’s economic map of the world is dominated by what he refers to as clusters; geographic concentrations of linked businesses that enjoy unusual competitive success in their field. One implication of cluster theory is that tourism industries in a destination can provide complimentary travel products and services and offer a holistic experience to travellers. For example, the quality of a tourist’s visit to the tourism cluster in a destination is reliant upon the quality and efficiency of complementary businesses such as accommodations, attractions, retail outlets, etc.
Sometimes stakeholders enter into collaborative relationships in order to address a certain community issue or public concern. Organizations motivated by this desire are responding from the perspective of social responsibility. Another aspect of the social responsibility framework is the goal of increasing goodwill in the community. In such a case, an organization may establish itself as a member of an alliance to enhance its reputation with its consumers and local constituents (Wang, 2004).

Another reason for stakeholders to enter into collaborative marketing is that the partners want to gain access to critical external resources. These reasons could be rapid technical changes in an industry, financial difficulties, reducing risks, and to rapidly enter markets (Hamel, 1991). These motivations emphasize the instrumental and rational aspects of alliance formation. In other words, firms enter into alliances with the purpose of achieving some well-specified goals which are usually articulated in advance.

According to Pearce (1989) tourism organizations are set up to achieve goals when these goals are best met by combined activity based on the participants working within a formal structure. Certain characteristics of the tourism industry may provide encouragement to the formation of such relationships. One of these is the interdependence of a wide range of goods and services, such as transport, accommodation and attractions, which usually comprise the tourism product. Other characteristics encouraging the creation of tourism collaborative relationships include the small scale of many individual operators and the spatial separation of the destination area from where the tourist lives. However, the prime motivations behind the participants being involved in an alliance may vary, ranging from economic, strategic, social and learning objectives (Bramwell & Rawding, 1994). This is especially true for tourism organizations.

Tourism organizations involved can only be able to gain competitive advantage by bringing together the knowledge, expertise, capital, and other resources. It is increasingly difficult for individual tourism organizations to make decisions unilaterally without taking other tourism interests into account. Closely related to the environment in which the tourism organizations operate, the fast pace of social, economic and technical change has forced intense pressures on tourism businesses to adapt product offerings quickly to meet the needs of sophisticated consumers (Poon, 1993), thus gaining and maintaining their competitive advantages.

Similarly, increased competitive pressures have prompted collaboration between tourism organizations trying to gain access to new assets, markets and technologies or spread the cost of marketing innovation over several parties (Selin, 1993), which can eventually improve their strategic positions in the marketplace.

VI. OUTCOMES OF COLLABORATIVE DESTINATION MARKETING

By combining knowledge, expertise, and capital resources collaborative strategy can produce consensus and synergy leading to new opportunities, innovative solutions, and a greater level of effectiveness that would not have been achieved by stakeholders acting alone (Wang, 2008). Collaborative marketing efforts in a destination generate specific outcomes for tourism organizations involved and the result can be reflected in three major areas: 1) Strategy realization, 2) Organizational Learning, 3) Social capital building (Wang, 2004).

First, the realization of strategy is directly reflected in tourism organizations enhanced competitive advantage through collaboration. Within the destination context, the enhanced competitive advantage may include sharing marketing cost, effective use of pooled resources, increased destination competitiveness, competitive branding and image building, and improved product portfolio (Gunn 1988; Jamal & Getz 1995; Pearce 1992; Selin 1993; Selin & Chavez 1995).

The second category of collaboration outcome is related to organizational learning. Collaboration essentially can be characterized as a joint learning experience (Doz 1988) and a vehicle by which firms transfer knowledge (Kogut 1988). Through collaboration, organizations purposefully acquire knowledge to increase their competencies (Hagedoorn 1993). Within the tourism context, collaborative destination marketing involves a range of stakeholders, who may bring their knowledge, expertise, and other capacities to the collaborative marketing efforts which, in turn, will introduce change, improvement, and innovation through the interaction process (Anand & Khanna, 2000; Kale, Singh & Perlmutter, 2000). In other words, organizational learning-related outcomes for tourism stakeholders are manifested in knowledge transfer, organization change and innovation, and improvement in various types of skills required for collaboration, such as people skills, communication skills, and problem-solving skills.

The third category of collaboration outcome is social capital building. Social capital refers to the resources available in and through personal and business networks (Granovetter, 1985). These resources include information, ideas, leads, business opportunities, power and influence, emotional support, goodwill, trust, and the spirit of cooperation. The notion of “social” capital suggests that these resources reside in networks of relationships. In other words, if human capital can be understood as what one knows (the sum of one’s own knowledge, skills, and experience), then access to social capital depends on who one knows—the size, quality, and diversity of one’s personal and business networks (Granovetter, 1985). Social capital built through collaborative destination marketing mainly lies in the benefits of relationships and trust established among the various sectors of the tourism industry as well as individual stakeholders in the destination, which may be harnessed as high-quality information, future project opportunities, and the spirit of collaboration within the destination. Social capital, like human capital or financial capital, is productive: it enables network partners to create value, get things done, achieve their goals, fulfill their missions, and make the destination more competitive. At the destination level, to say that social capital is productive is an understatement; no one can be successful—or even survive—without the interconnected relationships among the various tourism businesses.

Destination performance as a whole, wider market positioning of the destination, socio-economic benefits of stakeholders especially host community in terms of their standard of living, tourist satisfaction and loyalty etc. are identified as some of the major outcomes of collaborative marketing of rural tourism destinations from various literature reviewed (Shikida et al., 2010, Joshua et al., 2014, Su, Wall & Ma, 2014).
VII. CHALLENGES IN COLLABORATIVE DESTINATION MARKETING

The advantage of developing a structured and coordinated approach to the organization and promotion of a tourist destination, involving the main stakeholders is generally recognized. However, the complexity involved in creating and maintaining this network organization is also well-known.

The major challenge in collaborative marketing of destination is the conflicts among stakeholders. Conflicts are present among tourism organizations throughout their collaborative marketing activities. These conflicts are reflected mainly by their efforts to make a balance between their own individual organizations benefit and common benefits to the entire destination, as well as their resultant strategies of cooperation versus competition. Fear of competition, lack of trust, neglecting transparency in information sharing, organizational structure and personality are some of the major drivers of such conflicts (Wang, 2004).

The involvement of the most relevant stakeholders in one region is critical for the success of destination marketing efforts. These can be opinion leaders within the community, their involvement revealing the importance of the project bringing in important resources (knowledge, human, financial), as well as other stakeholders. Simultaneously, each of these also has expectations about the project, namely regarding potential benefits for their own organizations or self (Selin & Chavez, 1995; Jamal & Getz, 1995; Gibson & Lynch, 2007; Wang & Fesenmaier, 2007). Bearing this in mind, we can find in the literature several issues regarding the complexity of building collaborative destination marketing strategies, such as the need to conciliate short term with long term benefits and the need to balance individual and common benefits (Selin & Chavez, 1995; Wang, 2008).

Another issue is the relation between cooperation and competition; in fact, usually firms that are competing in the marketplace must cooperate with each other within destination marketing strategies. The concept of co operation, developed in game theory, sustains that firms engage in simultaneously competitive and cooperative relationships, being an important reference in the context of business networks (Bengtsson and Kock, 2000).

A different issue is the assignment of roles to the partners, where three main perspectives may be distinguished: first, at the moment of participant selection, role attribution must be undertaken considering the balance between different interests involved and resources available; second, roles of partners must be analyzed in terms of their continuous involvement throughout the collaboration process. Usually, their involvement will vary over time, but their continuous compromise must be assured, so that resources will be present whenever needed. And, as a third aspect, proportional involvement among all partners must be reinforced. An unbalanced effort among partners is one of the reasons for partnership failures (Jamal & Getz 1995; Selin & Chavez 1995).

The interactive behaviour among stakeholders of tourism destinations has been modelled by Buhalis and Fletcher (1995, cited by Buhalis 2000) in the dynamic wheel of tourism stakeholders highlights the “two sides of the coin” in collaboration efforts: interests and benefits, but also responsibilities. These are difficult to be balanced and maintained.

Poor knowledge and understanding of the issues by stakeholders, failure of the advisory bodies, unrealistic expectations and policy framing, inflexibility of stakeholders, administrative restrictions, exploitation of natural resources and tourists, disturbances in the carrying capacity of the destinations, poor infrastructure, negative attitudes of stakeholders etc. create challenges in collaborative marketing of rural tourism destinations (Bultjens, white & Neal, 2012, Vuorinen & Vos, 2013, Adetola & Adediran, 2014).

VIII. CONCLUSION

Despite all difficulties exposed the interdependency of organizations involved in producing and promoting the tourism destination product provides a basis for the development of a co-marketing alliance (Palmer & Bejou, 1995). In fact, when two or more organizations take some form of joint action, they expect to achieve a result they believe not achievable alone. Regarding the tourism industry, this can be promotional cost reduction, extending markets (Cai 2002), improving the articulation between service providers to guarantee a more interesting and satisfactory overall tourist experience (Gnoth, 2003) or simply increasing the number of visitors. Marketing alliances and networks are voluntary arrangements between organizations involved in marketing and promoting products and services in a collective way. They occur as a result of a wide range of motivations, take a variety of forms, and function across vertical and horizontal boundaries (Grangsjo, 2003). Tourism as a social and economic system is ideally suited to the development of partnerships given the range and diversity of organizational and community interests and involvement. Studies on stakeholders’ collaboration in tourism destination marketing appear to be particularly relevant at a time when partnership arrangements have proved to provide solutions to marketing and promoting tourism products in destinations.
REFERENCES


