

**Commerce Division
Discussion Paper No. 46**

**Interorganisational Collaboration
in Tourism**

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February 1998

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ISSN 1174-5045
ISBN 1-877176-23-0

Abstract

This paper examines interorganisational collaboration between tourism organisations. Specifically, it addresses the critical preconditions necessary for co-ordinated tourism events to succeed. Using a proposed city winter marketing campaign, the researchers explore the dynamics between key personnel involved in the pre-event planning period to identify their reasons for participation, and their concerns and commitment to the proposed fete. It was established that tourism managers participated in event planning when they understood and endorsed the campaign requirements and the benefits that would accrue from their involvement. It is argued that the special nature of the tourism industry and product requires event champions to clearly articulate to all participants the contributions that each needs to make, as well as the benefits to be attained from co-operation. A framework for tourism event pre-planning is proposed to assist tourism managers develop successful collaborative campaigns.

Contents

| | |
|--|-----|
| List of Tables | (i) |
| List of Figures | (i) |
| 1. Introduction | 1 |
| 2. Tourism Marketing Collaboration: The Theory | 1 |
| 3. A Multi-disciplinary Approach to Collaboration: The Winter Campaign | 4 |
| 4. Discussion | 5 |
| 5. Implications for Tourism Marketing Management | 8 |
| 6. Conclusions | 10 |
| References | 11 |
| Appendix | 13 |

List of Tables

| | | |
|----|--|---|
| 1. | Interorganisational Collaboration Theories | 3 |
| 2. | Propositions About Collaboration | 6 |

List of Figures

| | | |
|----|--|---|
| 1. | Tourism System | 2 |
| 2. | An Integrated Approach to Collaboration Theory | 4 |
| 3. | A Critical Preconditions Model | 9 |

1. Introduction

Collaboration between organisations involved in the tourism industry is a widely established practice (Holder, 1992; Crompton, 1990). Many of the benefits of such participation have been widely reported. For example, organisations have been known to co-ordinate their activities to cope with the turbulence and complexity of their environments, to solve environmentally-related problems, and to enhance sustainable development (Reid, 1987; Palmer and Bejou, 1995). Forming such relations, however, is not a simple process. Frequently, difficulties are confronted (Palmer and Bejou, 1995). These difficulties derive from the complexity of the 'industry' for it actually involves a collection of businesses, from different sectors, all marketing travel-related services (Leiper, 1990). These tourism organisations, while diverse, are interdependent. This means that any developments or changes in one industry or firm will, in turn, affect another to a greater or lesser degree.

This paper explores the underlying reasons that motivate organisations to participate in collaborative marketing projects. In doing so it hopes to provide a better understanding of the dynamics involved in the pre-event planning process and, ultimately, to improve the success rate of proposed tourism ventures. Using an actual pre-event planning example, the researchers explore the interactions and perceptions of participating tourism managers. A framework and model are then provided to assist event champions to achieve their goals.

Initially, the need for collaboration in tourism marketing is discussed. After over-viewing the existing literature about interorganisational collaboration preconditions, the researchers provide a revised framework for consideration. This framework is then used to guide observations and interviews of a real pre-event planning process. Based on the findings of the research, a model of the critical preconditions for successful interorganisational collaboration in tourism marketing is presented.

2. Tourism Marketing Collaboration: The Theory

Tourism researchers have often debated whether there truly exists a tourism industry in the sense of a distinct group of enterprises - such as the steel and automobile industries (Gunn, 1980; Smith, 1988). To clearly understand the characteristics of this industry, Leiper (1979) suggested

that we should view it as a system. This conceptualisation is laudable as it captures the highly interdependent nature of organisational relationships in tourism. Implicit in this systems explanation is the need for close organisational co-ordination if tourism activities are to succeed. Leiper (1979: 404) explains:

The behavioural element, (1) tourists, are represented leaving (2) generating regions, travelling to and staying in (3) destinations, and returning home. The tourist industry element is represented within all three (4) geographic elements. Also symbolic is the representation of part of the tourist element outside the (5) industrial element, signifying the partially industrialised characteristics of the process.

As Figure 1 depicts, every party within the tourism system is responsible for, or involved in, an identifiable component of the total tourism product. This includes tourists. Some of the facilities and activities that are part of this system, however, do not involve an exchange. These ‘public goods’ are typically shared and are available at no cost to users in the immediate community, as well as to visitors.

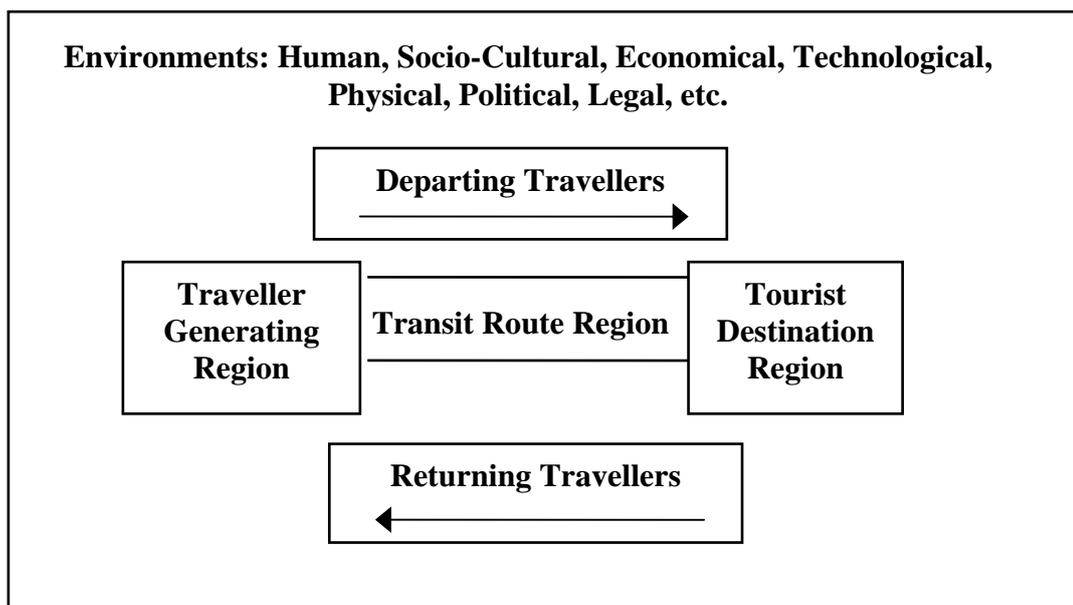


Figure 1
Tourism System

Source: Adapted from Leiper (1979:404)

Research relating to the propensity of firms to collaborate with others is diverse and extensive. Scholars have examined this phenomenon in relation to exchange theory (Levine and White, 1961; Aiken and Hage, 1968), strategic management (Astley, 1984; Kogut, 1988),

microeconomics (Heide, 1994), resource dependency (Grandori and Soda, 1995; Pfeffer and Salancik, 1978), political theory (Golich, 1991) and sociology (Cartwright and Cooper, 1989; Noble, Stafford and Roger, 1995). Table One summarizes the basic premises of this smorgasbord of theories.

Table 1
Interorganisational Collaboration Theories

| Theoretical Bases | Motives |
|---|--|
| Exchange Theory Strategic Management | Perceive mutual benefits Reduce threats and capitalise on environmental opportunities |
| Microeconomics Theory (Transaction Cost and Agency theory) | Achieve efficiency |
| Resource Dependency | Lack of self-sufficiency |
| Political Theory | Gaining legitimation and power |

As Husted (1994) and Gray and Wood (1991) observed, it is unlikely that any single theory can completely explain the complexities of interorganisational collaboration. Each theoretician has, in effect, been captured by their own disciplinary background and focus. They have, therefore, highlighted some aspects of this phenomenon, and downplayed or overlooked others. The economic view, for example, holds that collaborative relations are grounded in rationality (Husted, 1994). Exchange theory, transaction cost and agency theory, and resource dependency and strategic management theory fall into this category. The static nature of economic-based perspectives has, also been recently addressed by researchers (Mueller, 1995; Ghoshal and Moran, 1996). Mueller (1995) further argued that this approach does not incorporate the situation-specific interpretations of involved agents nor does it consider that any continuing relationship often acts as a “great enforcer of morality” among participants. This means that ongoing relations between firms are heavily influenced by the degree of trust and commitment that has already been generated, as well potential future benefits.

Sociological researchers adopt a quite different stance to interorganisational collaboration theory. Many of these researchers consider that interorganisational collaboration is primarily a social event. Social bonds and contracts, and shared norms and values drive are believed to drive such relationships (Stern and Reve, 1980). We prefer a multi-theoretical and multi-disciplinary perspective to interorganisational collaboration, for it is more likely to yield important insights and a more holistic perspective of this dynamic process. Figure 2 illustrates our view and brings together the economic and sociological schools of thought. Using this

framework for reference, we next examine the pre-planning activities and interactions for a real tourism event.

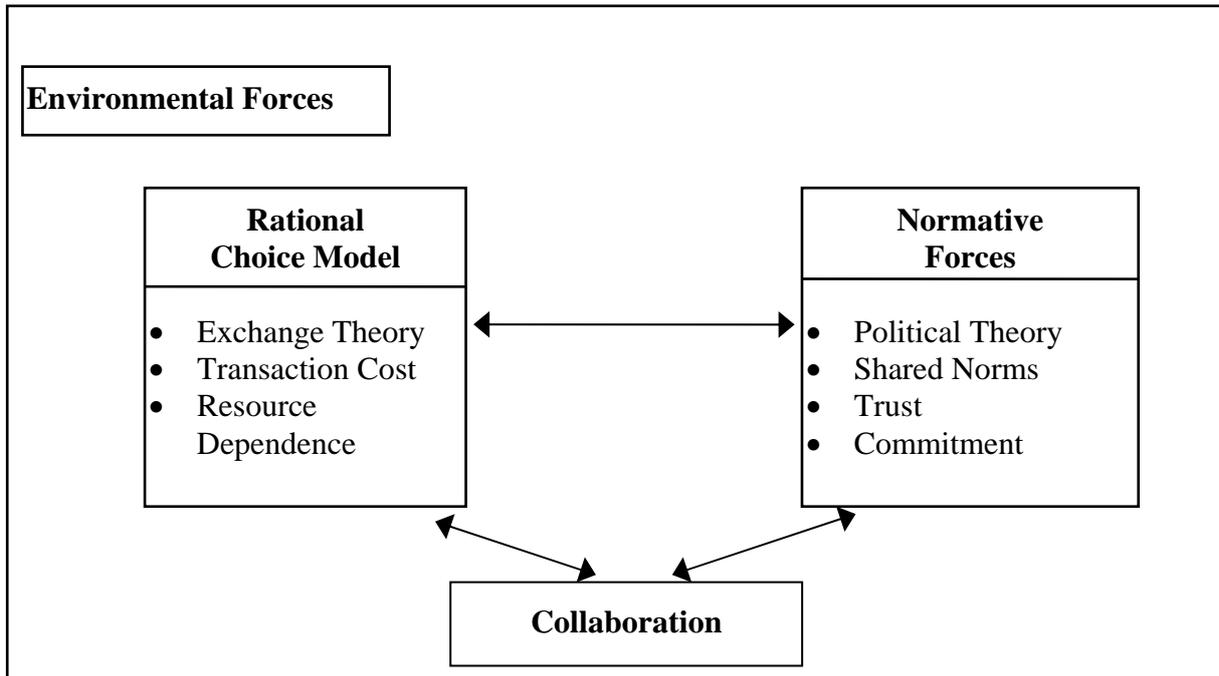


Figure 2
An Integrated Approach to Collaboration Theory

3. A Multi-disciplinary Approach to Collaboration: The Winter Fete

The 1996 Christchurch City Domestic Winter Campaign, proposed by the Canterbury Tourism Council of New Zealand, was used to explore the pre-planning dynamics of tourism event collaboration (see Appendix 1). The council's objectives for this initiative were to promote the city and Canterbury region to domestic travellers. At the first meeting thirty-five managers, from a diverse range of local tourism-related companies, were given an overview of the proposed event. Those present included government officials, managers from transport organisations, tour operators, accommodation company managers, regional attractions managers, and rental car company officials. A total of twenty-seven organisations committed themselves to participate in the campaign at the end of this first meeting.

Details about the proposed Winter campaign were discussed at a second meeting. This included the restructuring of the original plan, as well as informal discussions about specific

implementation issues. In-depth interviews were next conducted with managers from ten of the participating organisations. Managers were carefully selected to ensure a variety of businesses and views were represented. Interviews focused on why respondents elected to participate in the campaign. The gathered data was then cross-checked with secondary data, such as company annual reports and winter tourism statistics. Finally, content analysis was used to conceptualise and categorise the common emerging themes from respondents. These were; (a) environmental forces, (b) motivations, and (c) conditions. All three categories were then further analysed to yield a total of thirteen themes. Propositions emerged from the final analysis (Table 2).

4. Discussion

It was found that organisations' decisions to collaborate in the proposed winter campaign were influenced by many factors. First, the campaign was initiated to take advantage of perceived growth opportunities in the tourism market. It was also instigated to address a market off-season and in attempt to gain a return on investment for all tourism operators. Its initiators further saw it as a means of countering competition, by protecting and increasing the region's marketshare. It should also be noted that the impetus behind the campaign came from a well-recognised, key regional tourism body. In other words, the project was initially driven top down, with extensive stakeholder involvement occurring after the project was proposed to them. It, nevertheless, then became a more collaborative affair, with many electing to continue their involvement and on a voluntary basis. The bridging organisation did have some problems though. These included getting participants to meetings, providing them with opportunities to express their views and helping them resolve divergent opinions. There was also the perennial problem of the 'free-rider'.

Table 2
Propositions About Collaboration

| Environmental Forces |
|--|
| 1. Growth in Tourism Collaborative marketing was developed to take advantage of growth opportunities and in an attempt to gain sufficient return on investment for stakeholders in tourism development. |
| 2. Demand Uncertainty Any problem domain, such as demand uncertainty, of concern to all stakeholders that cannot be satisfactorily managed by a single organisation, will lead to the formation of collaborative marketing. |
| 3. Growth of Tourism Organisations The growth of any tourism organisations or associations will facilitate the development and/or initiation of larger-scale collaborations in tourism destination marketing. |
| Motives |
| 4. Communal Interests (This factor closely interrelates to 5) |
| 5. Perceived Benefits Collaboration will not occur unless two conditions are satisfied: (a) stakeholders share at least one common interest in relation to the proposed collaboration and (b) they recognise the individual and mutual benefits of being involved in collaboration. |
| 6. Perceived Interdependence Collaboration in tourism destination marketing requires a recognition of the high degree of interdependence. The formation of any collaboration is enhanced by an initiator or convenor who emphasises the shared responsibility of all stakeholders as well as the potential negative effects of a lack of collaboration in marketing destinations. |
| 7. Extendedness of a Relationship Stakeholders will be motivated to collaborate by their expectation of extendedness in a future relationship. |
| 8. Commitment Collaboration will require a certain degree of commitment between a firm and its partners. |
| 9. Legitimacy An organisation's motives to gain future recognition from other stakeholders is positively related to their decision to participate in collaborative marketing activities. |
| 10. Trust Collaboration will be enhanced when stakeholders have trust and/or confidence of the tourism association's ability to market the destination as a whole. |
| Conditions |
| 11. Organisational Factors Organisations with a small budget will collaborate where their budget allows them room to manoeuvre. |
| 12. Problem Domain Domain focus and domain consensus facilitate the formation of collaboration. The degree to which this occurs is related to the degree of acceptance of other's claims to specific goals and functions. |
| 13. The Referent Organisation A convenor and/or bridging organisation are required to initiate and facilitate collaboration in tourism destination marketing. The role of the convenor is to identify and bring all legitimate stakeholders to the table. |
| 14. Any effort to involve all stakeholders in the development of collaborative marketing in tourism is likely be thwarted by divergent stakeholder views. |

In relation to individual participants, all consistently commented that they faced low demand during the winter period and that the proposal was made more attractive by the CTC. Respondents frequently commented that there were numerous benefits which they would gain from collective action. The study found that the prime perceived benefit was cost-efficiency to their organisation. Interviewees indicated, however, that although they shared some common thoughts, collaboration would not occur unless the perceived benefits exceeded the benefits of any of their individual efforts. Nevertheless, all respondents were explicit in their belief that tourism planning and marketing needs teamwork (Table 2).

Historical experiences and interactions at the time the study took place were found to influence many firms' decisions to collaborate in the campaign. For example, all firms trusted the CTC, stating that they were confident that it had the ability and intention to effectively promote their region. Positive prior interaction with the Council was discovered to be an important factor which contributed to this trust. It created goodwill toward the campaign and its organisers. Managers considered future business relationships would be enhanced by their involvement. Many of these motivating factors and conditions were found to be strongly interrelated (Table 2).

From a theoretical standpoint, the findings of this research support a multidisciplinary approach to interorganisational collaboration in tourism planning (see Table 2). Our research identified fourteen propositions considered critical to successful event or tourism product planning. These can be explained by several collaboration theories. Strategic management theory (see Table 1) explains the environmental forces that influenced the campaign. Organisations collaborated to reduce threats and capitalise on opportunities in their surroundings. Economics-based theories, such as exchange and transaction cost theory, can help give insights into managers' explanations for their decision to participate. The benefits of doing so were perceived to outweigh the costs, unlike the eight organisational representatives who decided not to collaborate after the first meeting. The economic perspective alone, however, is too static and rationally-oriented to explain all the reasons why managerial decisions and actions were made. Interviews with managers involved in the Winter fete programme suggest past, current, and perceived future relationships were important to decision-making. Sociologically grounded theories, like Relationship Marketing (Gummesson, 1987) highlight many of the critical factors necessary for firms to thrive. Trust and commitment are central to this theory and were also to our respondents.

5. Implications for Tourism Marketing Management

Businesses are moving from a classic “closed” systems approach, dependent on internal capabilities and resources, to a more “open” system in which external capabilities and complex external relationships are more commonplace (Grandori and Soda, 1995). The proposed city winter tourism campaign to market the Canterbury region of New Zealand is an example of this phenomenon. It depicts a collaboration between organisations from different sectors within a geographic region.

The propositions that emerged from this study can be used by tourism collaboration convenors and planners to increase the success rate of their projects. First, several of the propositions point to the need for a tourism bridging or champion organisation. As Jamal and Getz (1995) have observed, the complexity and the diversity of the tourism ‘industry’ necessitate this. Furthermore, once would-be participants have been identified by the convenor, the collective and individual goals that could achieve by co-ordinated efforts need to be established and conveyed to all interested parties. It must be noted, however, that individual needs may not be identical nor may they all be able to be realistically fulfilled. To resolve divergent opinions, this study again points to the significant role of the co-ordinator. In this study a well-recognised and respected regional tourism body positively influenced the perceptions of participants. This organisation, or similarly respected body, should continue to be used to assist planners to explore constructively any differences of opinion, as well as co-ordinating efforts to find common solutions. This should be achieved very early in any interorganisational collaborative activity for the project to continue successfully. As Brown (1991) has observed, convenors frequently face external and internal ambivalence. This can be partially overcome if open discussions are held and individuals have the opportunity to express their thoughts. The legitimacy of these should be acknowledged. The findings of this study also suggest that tourism collaborative planning prospers when projects are designed to suit partners who themselves have been carefully selected. A tourism convenor, therefore, should carefully consider which organisations to invite to participate in initial planning. Ideally, this should include those organisations critical to the success of the project. As Delbecq (1974) stated, involvement of these groups in collaborative decision-making helps enhance the acceptance of any proposed solutions (Delbecq, 1974). The question of the free-rider must also be considered. The convenor again has a role in this to encourage strong social bonds which will assist develop a sense of shared responsibility.

From a theoretical perspective we propose a dynamic model of the critical preconditions necessary for a smooth-running pre-event planning process. It encapsulates the importance of

understanding a firm's **past** experiences and business relations, the need for recognising the individual and collective benefits, costs and motives associated with collaboration, as well an ongoing evaluation of anticipated **future** relations and events. These dynamics are further impacted by environmental conditions that shape, and are shaped by, the collaboration process (see Figure 3).

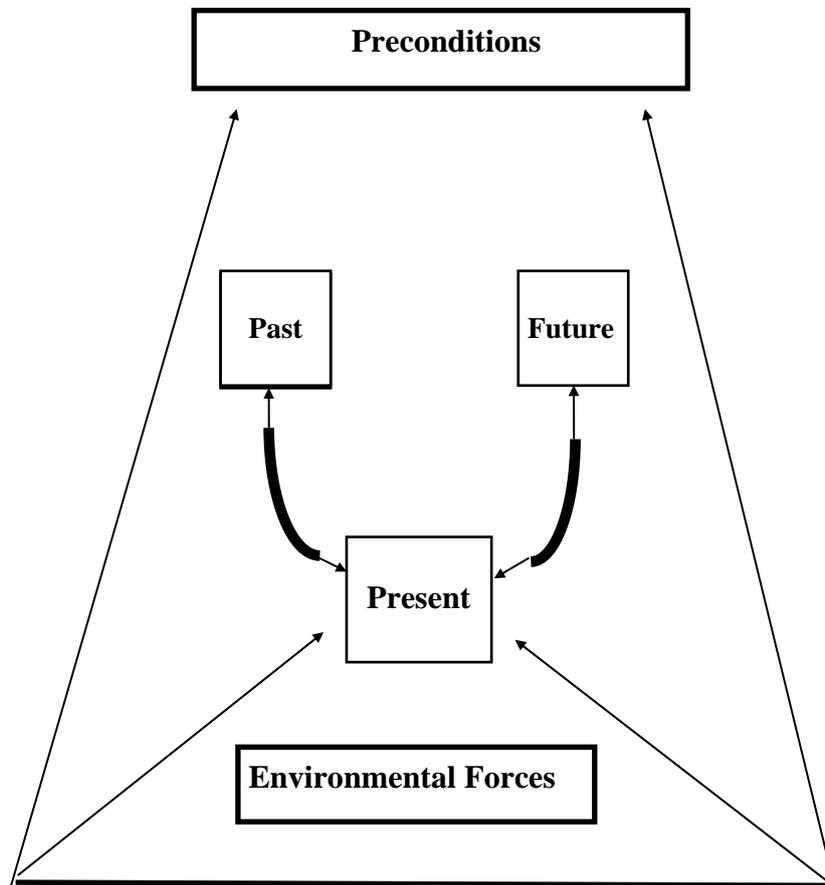


Figure 3
A Critical Preconditions Model

In the tough, competitive environment of the 1990s it is vital that tourism managers consider in greater detail the implementation issues for any collaborative projects. In particular, the early stages of interorganisational collaborative arrangements are critical to getting the commitment and support of other tourism providers. We have suggested guidelines to assist this process, however, these are based on exploratory research and, thus, have some limitations.

6. Conclusions

While the researcher made every effort to avoid being subjectivity, this and researcher ethnicity (Asian female) may have influenced the findings of this study. Webster (1996), however, observed that women tend to generate a higher response quality than men. This study also only examined formal meetings and arranged interviews, however, participants did meet informally. These meetings may have impacted the formation of interorganisational collaborative activity. Just how much though is difficult to assess. This context of this study limits its generalisability too;- and it was the CTC's first tourism marketing co-ordination effort. Conclusions about prior stakeholder relations also relied entirely on interview comments, as little documentation was available to corroborate reports. Despite the preliminary nature of this research, several avenues for further study appear worthwhile.

The critical preconditions model for interorganisational collaboration advanced here was derived inductively from an in-depth examination of a single phenomenon. The replication of this study would be useful to deepen our understanding of this area. The propositions advanced in Table 2 could be tested to clarify or corroborate them. A longitudinal framework is also suggested, for it would better capture the dynamism of interorganisational collaborative relationships. And, it is commonly assumed that collaboration results in greater efficiency and effectiveness. This is yet to be determined. Information supporting this belief would provide strong ammunition to encourage tourism organisations to engage in, and maintain, co-ordinated long-term relationships. Characteristics of successful convenors or champions should also be pursued. In sum, interorganisational collaboration theory, particularly during the early stages of interaction warrants closer attention, however, the propositions emerging from this investigation could provide useful guidelines for managers championing collaborative tourism efforts.

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APPENDIX

Appendix 1 **Research Framework**

| Methods | Objectives |
|--|--|
| Selection of collaborative phenomenon | Ensure construct validity |
| Observation I (The first meeting) Observation II (Second meeting) | Familiarisation Exploration of issues |
| Indepth Interviews (10 organisational managers) | Gain understanding of why and how planning develops |
| Archival and Secondary Data | Cross-check information obtained from indepth interviews |
| Data analysis (content analysis) | Examine emergent themes and all possible explanations |
| Discussion with project managers | Data interpretation |
| Respondent validation | Consultative validity |