Interaction Perspectives of Individuals and Destination Marketing Organizations in the Tourism Network of Australia

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Abstract

This paper seeks to assess the nature, perspectives and characteristics of interactions in the tourism network in Australia. The pattern of interactions between network participants is crucial in defining the network and its boundaries. Ford and Hakansson (2007) develop a structure of interactions between participants in a network. Time dimensions of the interactions are sequence, ordering and trajectory. Relativity dimensions are jointness, interdependence and heterogeneity. Interaction can be problem solving both incurring costs and producing benefits.

There are two stages of this research. The first stage obtained the perspectives from 35 organizations regarding the challenges facing tourism, key growth segments, brand and promotional strategies and customer insights and satisfaction levels. The second stage of this research uses follow up personal interviews and assesses the interaction patterns among network participants. The sequence, ordering and trajectory of the interactions are examined as are the jointness, interdependence and heterogeneity of the interactions. A network map is produced based on the frequency and importance of the communications and interactions. The research will also address key questions identified by Johnston, Peters and Gassenheimer (2006). Is the network characterized by tighter or looser coupling? How important is collaboration to the survival (or success) of each participant?

There are many participants in the tourism network who have vested interests in tourism development. These vastly different sized organizations include hotels, associations of hotels and hotel owners, inbound travel agents, travel wholesalers, tourism industry associations, airlines, cruise lines, tourism promotional agencies, regional and local tourism authorities, SME tourism businesses, conference and convention centers and many more. Individuals in the tourism industry intermittently change employment. They often remain in

the industry and can move between types of organizations. Their contacts, associations and personal networks remain useful and indeed are utilized.

Co-promotion of tourism events, co-funding of promotions and event and experience delivery require that network participants communicate and interact on a wide range of issues. The processes of market sensing, information sharing, sourcing promotion partners and the planning and delivery of tourism products requires considerable interaction. Communication, coordination, information sharing and interaction are required on a range of political and social issues which are relevant to the tourism network as a whole.

The Interactive Approach postulated by the IMP Group (Hakansson, 1982; Turnbull & Cunningham, 1981) proposed that both suppliers and manufacturers are often involved in close, long lasting adaptive relationships. Firms within relationships must work together, share objectives, share information and also communicate clearly and precisely using a common language. Relationship partners should have a similar point of view on the meaning of marketing strategy and related concepts including market segmentation, differentiation and competitive positioning. The "Actors, Activities, Resources" (AAR) network model (Hakansson & Johanson, 1992) is used to clarify the associations. Networks can be viewed at an aggregate level or an overall set of relationships or at a micro level (Axelsson, 1995; Moller, 1992; Easton, 1992; Moller & Wilson, 1995). In the micro level approach, the members' position and interdependence in the network and their proximity are examined. Network leadership, planning processes, decision making and communication among network participants are also examined (Axelsson, 1995; Easton, 1992).

Ford and Hakansson (2007) state that "each person's view of a network is based on their 'picture' of that network". Network perspectives vary by participant and the issue being addressed. The pattern of interactions between network participants is crucial in defining the network and its boundaries. Ford and Hakansson (2007) develop a structure of interactions between participants in a network. Time dimensions of the interactions are sequence, ordering and trajectory. Relativity dimensions are jointness, interdependence and heterogeneity. Interaction can be problem solving both incurring costs and producing benefits.

The network may be different or similar among different industries or businesses. The nature, perspectives and characteristics of the network interactions are affected by size and complexity of the network (Johnston, Peters & Gassenheimer, 2006). Other factors, for example, changes in policy and plans of the Government or Tourism Body will effect the network formation and operation in either a direct or indirect way.

Samil and Bahn (1992) suggest that simple and complex networks are based differently on four key traits of a communication network: dynamism, participant specificity, under the influence of complex versus simple dichotomy and determined by the dichotomy of core versus periphery. The simple network covers a few interactions in the market, while many interactions are involved in many levels of communication in the complex network.

However it has been pointed out that interdependence within the network is not necessarily beneficial. Borders and Johnston (2000) point out that the existence of inappropriate interdependence and interaction results in inadequate exchanges of resources. These inadequate exchanges can delay the completion of projects resulting in a costly and unnecessary loss of productivity. As Johnson et al. (2004) point out, not all interorganizational relationships can or should be close and collaborative, in that not all networks merit the resources required to maintain strong alliances.

This paper seeks to assess the nature, perspectives and characteristics of interactions in the tourism network in Australia. There are two stages of this research. The first stage obtained the perspectives of network participants on the challenges facing tourism, key growth segments, brand and promotional strategies and customer insights and satisfaction levels. Participants were also asked to provide advice to the national marketing organization on a range of developmental topics.

The second stage of this research assesses the interaction patterns among network participants. Individually based interactions are compared to corporate based interactions. The sequence, ordering and trajectory of the interactions are examined as are the jointness, interdependence and heterogeneity of the interactions. A network map is produced based on the frequency and importance of the communications and interactions. The research will also address key questions identified by Johnston, Peters and Gassenheimer, 2006. These are: Is the network characterized by tighter or looser coupling between network partners? How important is collaboration to the survival (or success) of each participant? How does work get done in groups?

Figure 1 shows the tourism industry participants and relationships. The relationships are political and consultative in nature. What are not shown are the interrelationships between industry bodies and their members. There is much interdependence and possible conflict between the national and local tourism authorities. The national tourism body has particular skills in tourism planning and tourism research. They also have significant resources and the ability to influence inbound tourism patterns. This paper seeks to assess and understand the interactions within this network.

Figure 1 Industry Participants and Relationships
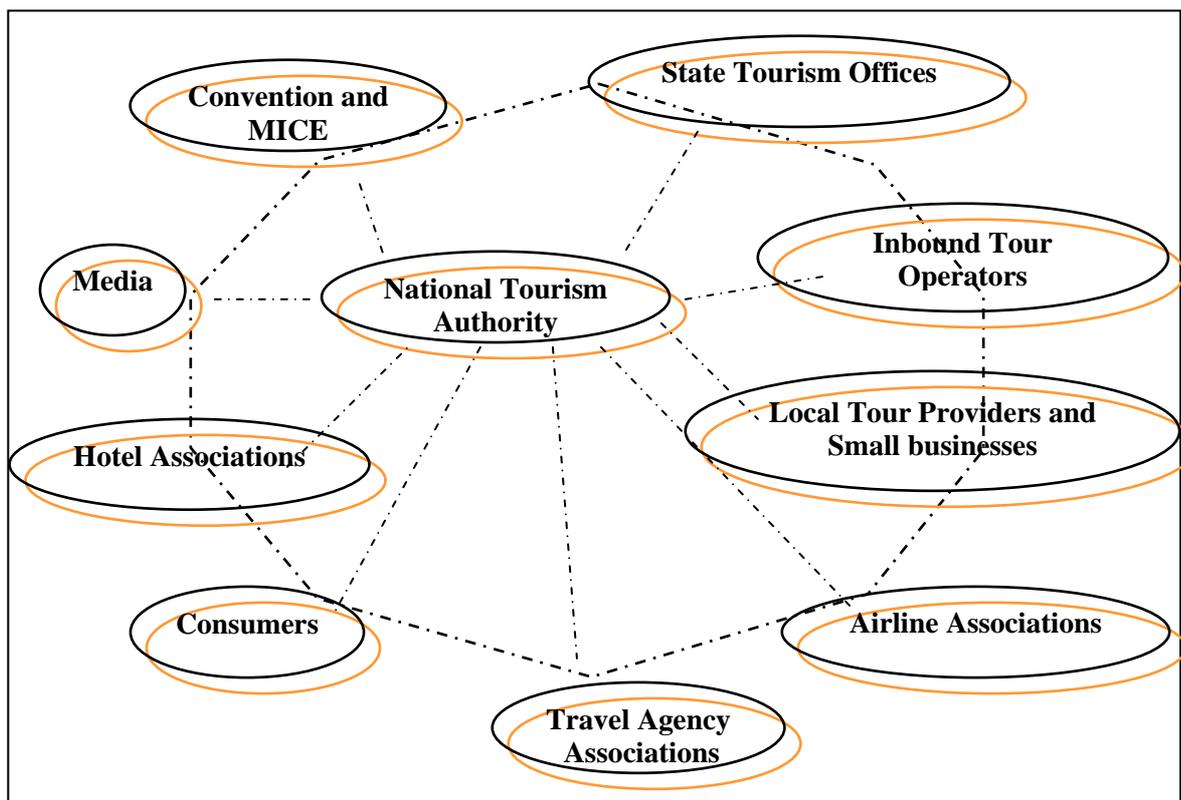
Thirty five in-depth interviews have been conducted in stage one and thirty five interviews will be conducted in stage two using both face-to-face and telephone interviews with a range of tourism industry stakeholders from all states within Australia. These include senior managers in airlines, tourism bodies and authorities, hotel associations, travel agents, in-bound travel agents, communications agencies, cruise lines, hotels, state tourism bodies, wholesale travel agencies and travel industry associations. These stakeholders have quite different business and organizational objectives and different levels of involvement and interest in national marketing and tourism development plans. Interviewees were provided with information about the purpose of the study and potential uses of the information.

Insights are provided regarding tourism challenges and destination marketing planning. Through this process, the perspectives and interests of tourism organizations are assessed and compared. From this questioning, the perspectives and attitudes of the tourism network participants become clear and their vested interests are highlighted. The size of informant, position in the network, planning orientation, location and role and objectives of the tourism network participant frame and influence these perspectives.

The stage one topics for questioning in Australia were as follows: respondent's position and role, key business challenges, tourism issues and environmental issues facing Australian tourism, main competitive advantages of Australia, opportunities for sustainable tourism growth, markets that will provide the main opportunities for growth, segment description of the tourism industry, tourism products and services, price levels, channels, market communications, promotion for each segment, products (for example, attractions, culture, man-made, infrastructure, services such as hotel, spa, medical), branding and market position, analysis of brand building strategies and marketing positioning strategies, expected new product trends, strengths and weaknesses of Australia as a holiday destination, evaluation of promotion of other countries, tourist satisfaction problems. Respondents were asked for recommendations for desirable changes of tourism marketing plans for the next 3-5 years to improve tourism programs. The composition of respondents is shown in Table 1.

Table 1 Sample Composition for In-depth Interviews

Stakeholder Group	Australia
Government bodies	6

Airlines	2
Cruise Ships	1
Travel agents	6
Travel consultants	4
Hotel industry	6
Other	10
Total Interviews	35

In stage two, the same thirty five network participants will be re-interviewed. These network informants expressed satisfaction with the prior interview and willing to provide further information on the nature of their interactions and communications within the network. The stage two topics will relate to the nature, frequency, importance and scope of interactions. The pattern of interactions between network participants will be assessed. The time dimensions of the interactions (sequence, ordering and trajectory) and the relativity dimensions (jointness, interdependence and heterogeneity) will be assessed. The costs and benefits of interactions will also be assessed. Further, the nature and extent of the coupling between network partners will be assessed as well as the importance of collaboration to the survival (or success) of each participant

Stage one of this project has found that tourism network participants in Australia have different objectives, plans, needs, challenges, markets and opportunities. This work-in-progress paper provides recommendations concerning the marketing planning process and their dissemination and application by the tourism industry. Ways to improve collaboration and cooperation within the industry are discussed. Through this process, the perspectives and interests of tourism organizations are assessed and compared. The perspective and attitudes of the tourism network participants become clear and their vested interests are highlighted. These tourism perspectives are framed by size of informant, location, role and objectives of the tourism organization.

The next step in this project is to understand and classify the nature of interactions and communications within this network as well as the benefits and costs of interaction. Interaction can be problem-solving both incurring costs and producing benefits. The content of interactions by network participants will be assessed regarding co-promotion of tourism events, co-funding of promotions and event and experience delivery. As recommended by Ford and Hakansson (2007) a structure of interactions between participants in a network will be developed in terms of time dimensions of the interactions (sequence, ordering and trajectory) and relativity dimensions (jointness, interdependence and heterogeneity). The value of networks and relationships will be assessed with a view to providing normative advice to the industry.

The research will also address key questions identified by Johnston, Peters and Gassenheimer (2006). These are: Is the network characterized by tighter or looser coupling between network partners? How important is collaboration to the survival (or success) of each participant? How does work get done in groups?

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