Part 2

Integrated Tourism Destination Planning

Planning For Integrated Tourism Development
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INTER-FIRM CO-OPERATION AT NATURE-BASED TOURISM DESTINATIONS

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ABSTRACT

The tourism industry as a nature-based tourism destination can benefit from the protection of the natural environment with a view to its competitive position relative to other destinations. However, these potential benefits do not automatically translate into co-operation between individual tourism businesses. In this paper, the literatures on common property governance and regional clusters is used to analyse inter-firm environmental co-operation at nature-based tourism destinations. Several factors conducive to co-operation regarding the use of the shared environmental resources are identified from the common property literature. These factors are found to be broadly consistent with insights from the literature on clusters. The environment is the joint regional characteristic that is the key to cluster competitiveness of tourism businesses at the nature-based destination. Hence, inter-firm environmental co-operation is expected to materialise in nature-based tourism clusters. The theoretical findings are illustrated with empirical evidence from Tropical North Queensland, Australia.

KEY WORDS

Cooperation, tourism, environment, common property, clusters

INTRODUCTION

Tourism has developed into a global industry with increasing worldwide competition evident between tourism destinations. Tourism growth has been due to enhanced efficiencies in global transport, the associated fall in transport costs and prices, and rising prosperity for a large part of the world’s population. The World Tourism Organisation forecasts total international arrivals to increase from 565 million in 1995 to more than 1 billion in 2010 and more than 1.5 billion in 2020 (World Tourism Organisation 1999).

Tourism destinations derive their main attractiveness from various sources. The appeal of some destinations is based on their man-made attractions, such as their
cultural/historical background or the presence of modern amusement parks. Other destinations are chiefly famous for their natural assets including beaches, lakes, forests, mountains and general scenic beauty. Nature-based tourism has been a fast growing segment in the international tourism market (World Travel and Tourism Council 1998).

The natural environment is the main basis upon which a nature-based tourism destination, as a collective unit, competes with rival destination regions. The degree of competitiveness of a nature-based tourism destination depends crucially on its ability to sustain the quality of its natural assets vis-à-vis other destinations. This suggests a strong incentive for the tourism businesses operating at a nature-based destination to protect the quality of the region’s environmental attractions. However, while the notion of collective, inter-regional competition establishes interdependence between individual businesses, this incentive does not automatically translate into co-operation between individual tourism businesses with respect to environmental protection.

Indeed, because the environment often possesses the characteristics of a common property resource, governments impose environmental regulations to manage the use and protection of environmental resources.

The emphasis in this paper is on the rationale behind inter-firm environmental co-operation at nature-based tourism destinations. It is shown that in certain circumstances, common property resource problems can be overcome. If inter-firm co-operation can be encouraged, it provides an alternative to imposed government regulation of environmental resource use. The factors that are conducive to achieving co-operation between firms are established. For that purpose, two separate fields of the economics and management literature are investigated, and their complementarities established. The first body of literature focuses on common property resources. It considers issues such as the (dis) incentives for free riding, and the design of alternative institutional arrangements. The second body of literature pertains to the industrial organisation of regions and the strategic interactions between firms operating within regions. This is built on the concept of the cluster and the associated inter-firm relationships within a region that are simultaneously competitive and co-operative in nature.

The paper is structured as follows. Theoretical notions underlying common property governance are discussed in Section 2. The factors that promote co-operation between firms regarding the joint use of environmental assets are established. The institutional arrangements to facilitate the co-operative links receive special attention. In Section 3, the factors determining inter-firm environmental co-operation are investigated in the context of the strategic interactions between firms in regional clusters. In Section 4, the insights from the two bodies of literature are considered in the context of nature-based tourism destinations. This is illustrated with empirical evidence of the Australian nature-based tourism destination Tropical North Queensland. Concluding comments and policy implications are offered in Section 5.
In this section, the factors underlying inter-firm environmental co-operation are identified. The common use of natural resources does not necessarily result in co-operation between the users of those resources. Indeed, it can lead to conflict and adverse outcomes. Hence, before establishing the factors for co-operation, the problems regarding the joint use of environmental resources are discussed first.

‘Tragedy of the commons’, ‘prisoner’s dilemma’ and ‘collective failure’

The lack of co-operation, or an inadequate level of co-operation, is the central problem with respect to the joint use of an environmental resource. It is an example of a “social dilemma” in which individuals make independent decisions in an interdependent situation (Dawes 1980). Following Ostrom (1990), the largely non-co-operative outcome is reflected in three related theoretical concepts. The first is the ‘tragedy of the commons’ (Hardin 1968), involving the overexploitation of resources and the deterioration of their future quality. Since the tragedy of the commons scenario relates to non-rival and non-exclusive use of resources, it has been argued that the concept is better described as the ‘tragedy of open access’ (Turner, Pearce and Bateman 1994). The key to the tragedy of open access concept is that there is no inherent incentive for rational individuals to co-operate in the use of a common resource. However, a common property resource is used by a specific group only and is, therefore, excludable yet non-rival. The conditions for an appropriate incentive framework for a common property resource are considered further in this section.

The second concept with respect to non-co-operation is the theoretic game notion of the prisoner’s dilemma (see, for example, Axelrod 1984). The dominant strategy for the players in this game is not to co-operate even though they would be better off by co-operating. Two of the essential assumptions of a game with a prisoner’s dilemma structure are the absence of communication between the players and the non-repeated nature of the game. The relevance of dropping these assumptions in a game to analyse common property resource use problems is discussed later.

The third concept regarding non-co-operative outcomes is that of collective action developed by Olson (1965). It is associated with situations in which individuals’ efforts are interdependent, i.e. one individual’s level of effort affects that of others. Olson shows that collective actions for the joint benefit of individuals in a group are not always taken when individuals pursue their own interest, resulting in ‘collective failure’. Following Sandler (1992), three central themes in Olson’s notion of collective failure can be identified. Firstly, collective failure is positively related to group size. The larger the group, the smaller the chance that the group is ‘privileged’. The latter refers to one of the two polar cases of the three groups identified by Olson (1965). A group is privileged if “each of its members, or at least some of them, has an incentive to see that the collective good is provided, even if he has to bear the full burden of

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1 It should be noted that in addition to the link between group size and privilege (the discrete choice of participation), size is also associated with the level of the contribution and with the optimality of the equilibrium (Sandler 1992).
providing it himself.” (Olson 1965, 49-50). The second polar case is the latent group that is so large that individual members have no incentive to contribute to collective action. An intermediate group is one that is sufficiently small to enable individual providers of the collective good to be revealed. Contrary to a privileged group, collective action in an intermediate group requires some kind of group co-ordination.

The second theme associates collective failure with the asymmetric composition of the group. Heterogeneous groups, in terms of income and/or tastes, are more likely to be privileged groups as a small subsection of the group may have sufficient incentives to provide the collective good. In some cases this may result in “a surprising tendency for the ‘exploitation’ of the great by the small” (Olson 1965, 35). The less endowed members of a group would essentially “free ride” on the efforts of the better off.

A final theme, and one that receives special attention below, is the design of institutional structures that promote collective action. The purpose of the institutional framework is to change the game structure into one in which non-co-operation is no longer the dominant strategy. Or, as Ostrom (1990) puts it, “how to enhance the capabilities of those involved to change the constraining rules of the game to lead to outcomes other than remorseless tragedies.” This implies the design of an institutional system that allows the joint users of a resource to achieve the collective benefits despite the incentives for opportunistic behaviour (see, for instance, Bromley 1992; Ostrom 1998, 1990).

The implication of the above three concepts is that common property situations appear, generally, to result in adverse, non-cooperative outcomes. However, the empirical evidence of the diversity of institutional structures for joint resource use highlights the need to move away from the restrictive framework of non-co-operative game theory (Ostrom 1990). An institutional arrangement can be represented by a game structure in which the players choose their actions in pursuit of certain pay-offs bound by rules and constraints. If communication between players is allowed, and if moreover the game is played repeatedly, a mutually co-operative outcome is possible. In other words, not all common property resource use situations represent simple prisoner’s dilemmas. In fact, many cases are better described by alternative game structures in which mutual cooperation is the most beneficial outcome and is achieved without external enforcement.

In the context of co-operative games, Axelrod (1984) discusses five ways of promoting co-operation. Three of these are relevant here. The first is to ‘enlarge the shadow of the future’. Using an iterated prisoner’s dilemma game, it is shown that the incentives for co-operation increase with higher pay-off parameters. The future’s shadow can be enlarged by enhancing the durability of the interactions between parties, and by increasing the frequency with which parties interact. The second way to promote cooperation among players is to pursue reciprocity. This is related to the “tit-for-tat” game strategy that produced the best co-operative, mutually beneficial outcome in

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2 The pay-off parameter is the ratio of the pay-off of the next move to that of the previous move.
3 In the “tit-for-tat” game strategy a player starts with a co-operative choice and subsequently mirrors the other player’s previous choice.
iterated prisoner’s dilemma tournaments (Axelrod 1984). The incentive for cooperation can be achieved, in a negative sense, by a credible threat of punishment. In a positive sense, reciprocity can be fostered in the reinforcing virtuous circle of the relationship between reputation, trust and reciprocity (Ostrom 1998). Finally, cooperation is promoted by enhancing players’ ability to recognise other players and to remember what occurred during previous interactions.

For instance, Ellickson (1991) details cattle related disputes between ranchers that are mainly governed by informal norms and sanctions. It shows the importance of ranchers’ “informal ledgers of debits and credits” that are invoked when required.

**Institutions and environmental regulatory regimes**

While there is a potential for conflict in the joint use of environmental resources, the implementation of an appropriate institutional structure can provide the required cooperation incentives in relation to collective benefits. In North (1990), institutions are defined as “the rules of the game in a society, or, more formally, the humanly devised constraints that shape human interaction.” In a more comprehensive definition, Kasper and Streit (1998, 28) define institutions as “man-made rules which constrain possibly arbitrary and opportunistic behaviour in human interaction. Institutions are shared in a community and are always enforced by some sort of sanction.”

Institutions can be classified as either external (imposed) rules or internal rules. The former are determined in the “formal collective-choice arena” (Ostrom 1990). Internal institutions include norms, customs and traditions that have evolved over time in the “informal collective-choice arena”. In addition, institutions can be either formal if they are sanctioned through formally established procedures, or informal if they are enforced spontaneously within the group. Informal sanctions are, in general, possible only if there is mutual vulnerability between the group members (Singleton and Taylor 1992, 315).

Given this taxonomy, many internal institutions are also informal, and likewise external institutions are often formally enforced. This is consistent with Coleman’s (1990) distinction between incremental and “heroic” sanctions. The former occurs when the costs of monitoring and enforcement are low and if the number of sanctioners is high. For instance, the loss of reputation can be a very effective sanction to punish individuals from violating the time-tested rules within a community. “Heroic” sanctions are characterised by high monitoring and enforcement costs and a small number of enforcers. In the extreme case, the government assumes the role of the sole sanctioner.

Figure 1 shows the relationship between institutions and the use of a common environmental resource. The figure is adapted from Ostrom (1990) incorporating the above general classification of institutions. It shows that the behaviour of resource

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4 A firm’s failure to sustain co-operative relationships with other firms can result in the loss of reputation and, consequently, negative pecuniary effects.

5 As Johnson (1997) argues, however, this is based on the assumption that the benefits of mutual monitoring and incremental sanctions are distributed evenly, which is not necessarily the case.
users is, in principle, determined by a combination of institutions. It is consistent with Altham and Guerin (1999, 91) who refer to this as the "mix of traditional regulation, economic instruments, market mechanisms and self-regulation." For instance, primarily external laws complemented by formal monitoring and enforcement by a government agency may drive a user's actions. Alternatively, or additionally, actions may be determined by strong norms that have evolved over time within the group. Non-compliance with these norms, for instance detected through informal monitoring among group members, is penalised and may result in the loss of reputation.

**Figure 1**  
**Institutions and resource use**

The most efficient institutional framework is the one that results in the lowest transaction costs *ceteris paribus* (Coase 1937, 1998; Williamson 1998). North (1990, 58) argues that "the more complex the exchanges in time and space, the more complex and costly are the institutions necessary to realise co-operative outcomes." This implies that the reverse is true also. For instance, Nee (1998, 87) argues that internal and informal institutions are particularly effective in reducing transaction costs of monitoring and enforcement because "conformity (...) is produced spontaneously in the course of social interactions in networks of personal relations". The latter refers to a less complex structure of personal interactions which generally occurs in smaller groups. It provides a strong foundation for the effectiveness of incremental sanctions.

Figure 1 is related to three basic modes of environmental regulation: public regulation, self-regulation and co-regulation (Leveque 1996). Public regulation reflects the situation where public authorities through external institutions and formal monitoring and enforcement primarily determine the rules of the game. This regulatory regime is often in place because individual incentives for appropriate behaviour driven by internal institutions and informal enforcement are assumed to be inadequate. However, a government controlled regulatory system may also have some shortcomings. A government agency faces various problems including incomplete information and insufficient monitoring capacity. The costs of overcoming these problems, if possible

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6 It should be noted that establishing a private property rights system can be problematic too. This is particularly the case with respect to the allocation of property rights regarding non-stationary resources, e.g. water and fisheries (Ostrom 1990).
at all, may render the system inefficient and potentially prohibitive. Moreover, the power of those who run the system is easily abused (North 1990).

There are two alternatives to public environmental regulation. The first is a self-regulatory structure in which individuals achieve collective action through voluntary co-operation within the group. In that respect, internal institutions combined with formal or informal monitoring and enforcement are paramount. The factors that affect the required co-operative arrangements are discussed shortly. The second alternative is co-regulation. It is a hybrid type of regulation that involves a variety of institutions and enforcement mechanisms. For instance, authorities determine the environmental objectives while the resource users decide on the required measures. In a more advanced form, the resource users are also involved in setting the overall objectives. The co-regulatory structure may help in limiting free riding, through complementary external and internal enforcement, while offering more flexibility and efficiency regarding the stipulations contained in the regulations. This dual advantage of co-regulation may explain why a mixed regime of various institutions to regulate the use of common property resources is often observed (Ostrom 1990, 14).

Factors affecting common property co-operation
The ‘tragedy of the commons’, the ‘prisoner’s dilemma’ and ‘collective failure’ are concepts that have provided seemingly compelling arguments for policy making regarding the use of shared environmental resources. In many instances they have been used as the justification for government dominated structures and public regulation. However, the above discussion implies the potential of alternative regimes to produce jointly beneficial, co-operative outcomes. In particular, the discussion suggests five factors that enhance the success of environmental co-operation and self-regulation.

Firstly, the likelihood of reaching and maintaining co-operative agreements regarding the joint use of an environmental resource is greater, the smaller the size of the group, i.e. the smaller the number of resource users. The second and third factors are the frequency and durability of the interactive relationships between group members. Co-operation is enhanced by repeated interactions between group members over a long time horizon.

The fourth factor relates to the degree of homogeneity of the group members. A relatively homogeneous group composition with respect to members’ preferences and stakes in the joint benefits reduces the incentives for free riding and enhances the possibility of a mutually beneficial co-operative agreement.

Members’ learning capacities constitute the fifth factor. Individual group members’ ‘memory banks’ of past actions influence co-operation by others. The greater the learning capacity, the greater the likelihood of co-operative behaviour since this facilitates monitoring and sanctioning of free riding within the group.

Singleton and Taylor (1992, 309) define a small group as consisting of “hundreds or thousands, not millions of actors”.

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7 Singleton and Taylor (1992, 309) define a small group as consisting of “hundreds or thousands, not millions of actors”.
The above factors are indicators of the complexity of the structure of interactions between group members and the associated institutions. The factors are consistent with the 'community' concept of Singleton and Taylor (1992) which is characterised by shared beliefs and preferences, stable membership, and continued and direct relationships. They are also broadly consistent with the variables that reduce environmental externalities and promote internal institutions as identified by Ostrom and Schlager (1996). Under the conditions indicated above, the transaction costs of negotiating, monitoring and enforcing co-operative agreements are expected to be relatively low.

In addition to the above determining factors, two others can be identified. The first of these factors is the demand-side driven incentive for co-operative environmental action (Leveque 1996). The greater the intrinsic importance of the environment to the demand for the joint product sold by group members, the greater the incentives for, and hence the greater the chances of, co-operative arrangements.

The second additional factor pertains to the geographic size of the shared environmental resource. The greater the area covered by the resource, the further dispersed the operations of resource users are likely to be. This makes monitoring and enforcement more difficult and, hence, may be an incentive for non-co-operative behaviour. However, consistent with Ostrom and Ostrom (1977), it is possible to have smaller areas of shared resources within the larger area, with each smaller area being used and self-regulated by a small group of actors.

Two final points are noteworthy. Firstly, several of the above factors are inter-related. For instance, the size of the group is expected to be positively related to the frequency of interactions and to members' learning capacity. Secondly, the factors are separate aspects of the one overall condition where the members' perceived long-term benefits of co-operation exceed the perceived long-term costs (Ostrom and Schlager 1996).

3 Regional clusters and inter-firm co-operation

The factors identified above determine the likelihood of co-operative arrangements between the users of a shared environmental resource. In this section, the extent to which those factors are congruent with inter-firm cooperation in geographically concentrated clusters is investigated.

Regional clusters

A cluster may be defined as "a geographic concentration of interconnected companies and institutions in a particular field." (Porter 1998, 78). Central to the concept of the cluster is the notion of simultaneous competition and co-operation between firms (Best 1990, Pyke and Sengenberger 1992, Loasby 1996, Herrigel 1996, Enright 1998, and Schmiz 1999). Brandenburger and Nalebuff (1996, 14) refer to this as "co-opetition": "Business is co-operation when it comes to creating a pie and competition when it

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8 As argued by Schmitz (1999, 467), Porter's (1990) earlier notion of cluster does not generally apply to the geographical and sectoral concentration of firms, but to the ties between groups of industries within one country.
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comes to dividing it up. (...) The combination makes for a more dynamic relationship than the words ‘competition’ and ‘co-operation’ suggest individually.” Similarly, Porter (1998, 79) argues that “clusters promote both competition and co-operation.” Best (1990) develops the idea of the “New Competition” and argues that the common prosperity of firms in an industry, and hence the competitiveness of the industry, depends on the appropriate balance between inter-firm competition and inter-firm co-operation. It is this idea that sets the “Old Competition”, focused chiefly on competitive relationships, apart from the “New Competition”.

The balance between competition and co-operation applies particularly to the strategic interactions between firms operating in a geographically concentrated region (Best 1990, 237; Enright 1998, 333; Porter 1998, 80). In a regional cluster, individual firms’ competencies, each limited to a particular activity, together form the aggregated competence of the region in competition with other regions. Hence, firms within the region compete with each other in certain areas on the basis of their individual strengths, while they co-operate with a view to their collective inter-regional competition based on the region’s distinctive features. Many different areas of co-operation and competition in a cluster can be identified: “[s] successful regional clusters tend to have co-operation among direct competitors in some activities, such as lobbying, trying to create markets, participation in trade fairs, investing in industry-specific infrastructure, provision of specialised training, obtaining market intelligence, and generic promotion. Other activities, such as company-specific marketing, production, sales, new product development and process development tend to be carried out in a competitive fashion. (Enright 1998, 335).

The dual notion of inter-firm competition and inter-firm co-operation is consistent with Richardson (1998) in which co-operative relationships between firms are explained by the firms’ relative distinctive capabilities. Foss and Loasby (1998, 5) observe that the co-operative arrangements between firms are the equivalent of the ‘external organisation’ in a Marshall style industrial district.

Krugman’s (1991) economic analysis of geographic location is based on the notion of external economies. The latter are the impetus for regional agglomeration of inter-related firms because they are efficiency enhancing i.e. social benefits exceeds private benefits. The external economies are threefold: the presence of pools of specialised labour skills; the presence of specialised suppliers; and informational and technological spillovers. Schmitz (1999) builds on the notion of external economies by developing the concept of “collective efficiency”. The latter is defined as “competitive advantage derived from local external economies and joint action.” (Schmitz 1999, 466) External economies are seen as unintended, incidental benefits, or the “passive” component of collective efficiency. However, the competitive advantage and the growth of a cluster also require “active” joint action, i.e. deliberately pursued inter-firm cooperation.

A wide range of cluster studies are identified and studied in the literature. These include the film industry in Hollywood, the high technology sector in Silicon Valley, the watch industry in Switzerland, the shoe industry in southern Brazil, the wine cluster
in California, and the "Third Italy" region. The application of the cluster concept to tourism destinations is discussed in Section 4.

Inter-firm co-operation in clusters

A key dimension of the cluster concept is the existence of consultative or co-operative links between the firms. The firms are interdependent, as they are components of different phases of the production chain. The co-operative relations can be facilitated by sector organisations including trade associations and joint marketing arrangements (Best 1990, 17), and informal links between firms (Porter 1998, 80). These types of inter-firm co-ordination are not captured by the 'market or hierarchy' dichotomy in the transaction cost analysis based on Coase (1937) and Williamson (1975). This point is also emphasised by Herrigel (1996, 29) and Schmitz (1999, 477). Porter (1998, 80) observes that: "[a] cluster, then, is an alternative way of organising the value chain. (...) Thus, clusters mitigate the problems inherent in arm's-length relationships without imposing the inflexibility's of vertical integration..."

Best (1990) identifies two prerequisites for inter-firm co-operative relationships to promote joint competitiveness. Firstly, it requires a sector strategy that incorporates a clear purpose for co-operation that is shared between the firms in the sector. Secondly, successful co-operative activities require appropriate monitoring and enforcement to deal with the occurrence of free riding. The second prerequisite is crucial since the shared purpose needs to be translated into some area(s) in which co-operation is viable. While inter-firm co-operation in regional clusters may be collectively beneficial, the issues of individual incentives for co-operation and the chance of opportunistic behaviour by free-riders are relevant. In other words, there may be barriers to attaining the active joint action component of Schmitz's notion of collective efficiency. Hence the 'tragedy of the commons', the 'prisoner's dilemma', and 'collective failure', discussed above with respect to common property resource use, are possible outcomes.

Similar to the common property case, an important observation with respect to inter-firm co-operation in clusters is that not all social dilemmas are necessarily equivalent to prisoner's dilemmas. The extent of co-operation in the context of joint benefits is determined by the specific characteristics of the particular situation. This is illustrated by reference to Figure 2. Figure 2(a), based on Ostrom (1998) and Hwang and Burgers (1997), presents the multi-person prisoner's dilemma in which "n" individuals choose between co-operation (C) and non-cooperation (NC) with respect to a collective benefit. The vertical axes represent the individual pay-offs of co-operation and non-cooperation. From left to right on the horizontal axis, the number of individuals co-operating (m) increases. If all players co-operate, each receives a pay-off equal to point Q. However, the greater the number of players co-operating, the greater the individual benefit of not co-operating (up to R). If rational players are not able to resist the temptation to defect, each individual ends up with a pay-off indicated by point P. The difference between point P – a Nash equilibrium – and point Q represents the prisoner's dilemma of the situation. Given the slide from right to left along the NC curve, Hwang and Burgers (1997) call this scenario the 'Slippery Slope'.

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It is against this standard exposition that Ostrom (1998) introduces her argument that produces the triangle of trust, reciprocity and reputation as discussed in Section 2. She shows that outcomes other than the one predicted by the prisoner’s dilemma are possible. In that light, Hwang and Burgers (1997) discuss three other scenarios. One of these, the ‘Self-Arrested Slide’ scenario, is of particular relevance here and is now discussed briefly.9 In the ‘Self-Arrested Slide’ scenario, depicted in Figure 2(b), the NC curve has shifted down. The reduction in non-cooperation pay-offs is due to the costs of non-cooperative behaviour. While there is still an incentive for some individuals not to cooperate, the slide down the NC curve stops at point S and gives rise to m1 players cooperating. However, the slide would not occur at all, and all individuals would cooperate, if the costs of non-cooperation were sufficiently high to shift the NC curve below the C curve. The costs of not cooperating may be in the form of the loss of reputation among group members and subsequent damage to their businesses. In that sense, the institutional environment in which the interactions occur determines the outcome. The nature of the institutional framework governing relationships within clusters will be considered in subsequent chapters.

Figure 2 Multi-party co-operation scenarios

(Ostrom 1998; Hwang and Burgers 1997)

The diversity of scenarios shows that the outcome of a social dilemma situation depends on the particular circumstances in which the interactions between parties take

9 The other two are the ‘Sticky Mountain’ scenario, in which all individuals have an incentive to cooperate once a critical mass of cooperation is reached, and the ‘Circle Dance’ scenario which exhibits a pattern of switching between cooperation and non-cooperation (for instance depending on the presence of a collective external threat).
place. The outcome depends to a large extent on the same factors as those that determine the likelihood of co-operation and the strength and credibility of internal institutions regarding the use of shared environmental resources.

The number of firms in the cluster, the frequency and durability of their interactions, the degree of homogeneity the firms, and their learning capacities determines the chances of successful co-operation in the cluster.\(^\text{10}\) It is expected that the geographic concentration of a cluster, where individuals interact socially and politically as well as economically, enhance the tendency towards co-operation and strong internal institutions. In particular, the repeated nature of interactions between individuals is facilitated by close geographic and social proximity between firms in a region and “fosters better co-ordination and trust.” (Porter 1998, 80).\(^\text{11}\) This can be complemented by the credible threat of informal enforcement, which is easier when the parties are geographically proximate.

The potential for opportunistic behaviour in clusters, and the important role of institutional arrangements therein, is acknowledged in the clusters literature. In terms of dealing with free riding, the emphasis is on the powerful incentives for co-operation provided by internal institutions backed up by informal enforcement. As Enright (1998, 328) observes, “[t]he proximity of major industry participants and rapid information flows ensure that attempts at opportunistic behaviour would be punished swiftly and surely.” Herrigel (1996, 59), also documents that “no producer wanted to breach the understandings that led to co-operation for fear of being excluded from common prosperity by the community of producers.” With reference to the discussion of Figure 2(b), this implies that the costs of non-cooperation are sufficiently high as to entice co-operation by all firms.

Finally, the product demand factor affecting inter-firm co-operation can also be relevant in the case of regional clusters. An important reason for co-operation in clusters is the benefit from collective inter-regional competition with respect to the joint product of cluster members. In that case, the demand for the cluster’s joint product relative to other clusters’ products is crucial in firms’ consideration of perceived costs and benefits of co-operation.

### 4 Inter-firm co-operation at nature-based tourism destinations

In this section, the issues surrounding common property resources and the cluster concept are considered in the context of nature-based tourism destination regions. Subsequently, the factors affecting inter-firm co-operation, identified above, are assessed and illustrated with evidence from Tropical North Queensland, one of Australia’s major nature-based tourism destinations.\(^\text{12}\) The empirical evidence is drawn

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\(^{10}\) The area size factor is, in principle, covered by the geographic proximity within the cluster.

\(^{11}\) The above is consistent with Ostrom’s (1998) triangle of trust, reciprocity and reputation.

\(^{12}\) Tropical North Queensland extends north to Cape York Peninsula, west to the Gulf of Savannah, and south to Cardwell. The region’s prime tourist attractions are the Great Barrier Reef and Wet Tropics rainforests. The region is generally known as ‘Far
from a survey of tourism business operators in the region. Details of the survey and the survey findings are reported in Huybers and Bennett (2000b).

**Nature-based tourism destinations: common property and clusters**

The joint use of environmental resources by tourism operators at a nature-based destination has the characteristics of common property situations as discussed in Section 2. This comprises two dimensions (Healy 1994). Firstly, the potential overuse of the tourism resource is reflected in short-term crowding problems and long-term resource degradation. Secondly, there is a tendency for free-riding to occur with respect to investment to improve the quality of the resource. To overcome these problems, various institutional regimes of common tourism use of the environment are available. As discussed above, achieving multi-firm co-operation to deal with problems related to shared environmental resources is not straightforward. Establishing trust and reciprocity among tourism business operators or effecting a credible threat of enforcement may be difficult, resulting in incentives for opportunistic behaviour. In the extreme case, this would destroy the very basis for the attractiveness of the nature-based tourism destination. This may be the rationale for the presence of government imposed regulations.

However, as shown in Section 3, the conditions conducive to co-operative environmental protection arrangements between businesses are likely to be met in the case of regional clusters. Given the close proximity within the cluster – in geographic, social and economic terms – the transaction costs of co-operative agreements within the industry are expected to be relatively low due to the likely strength and credibility of internal institutions and the close social control in both informal and formal ways.

The concept of the cluster as discussed in Section 3 is applicable to tourism destinations. Tourism destinations are often regionally concentrated around certain key natural or man-made attractions. This is consistent with the external economies rationale behind clusters. Many different firms, specialising in different stages of the tourism product chain, contribute to the production of the destination’s tourism product. They include accommodation, transport, and attraction operators. The interactions between these tourism business operators provide an example of a social dilemma of independence in the face of interdependence. Tourism operators in the region compete with each other on the basis of their individual competencies. At the same time, however, these tourism businesses are mutually dependent and hence pursue collective benefits. This provides the incentive for inter-firm co-operative activities. In line with the concept of collective efficiency, the aim of co-operation between the tourism businesses is to compete successfully with rival destinations on the basis of its collective distinctive features. The conceptual implication is that tourism businesses at a destination may be seen to operate in a two-tiered market structure with both intra-regional and inter-regional dimensions of competition.\(^\text{13}\)

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\(^{13}\) It should be noted that a higher level tier, namely the country level, may be identified. However, for the current purpose, the regional perspective is taken.
Since the destination, as a whole, competes with other destinations, it can be conceptualised as an aggregate unit of analysis at the higher tier.

For a nature-based tourism destination region, it is expected that the distinguishing regional characteristic is the superior quality of its natural environment. The collective benefits for the region’s tourism businesses are crucially associated with the region’s natural environment. In other words, the environment is the basis for Best’s (1990) “shared purpose” as the prerequisite for successful regional co-operation. It is the “local source of uniqueness” (Porter 1998, 89) from which the region’s competitiveness is derived. This implies that the conditions at nature-based tourism destinations are expected to promote co-operative environmental arrangements between tourism business operators. This is now discussed through the assessment of the previously established environmental co-operation factors for Tropical North Queensland.

Environmental co-operation in Tropical North Queensland
The size of Tropical North Queensland’s tourism industry is relatively small. While the region covers a fairly large area, most tourism operations are run from offices that are clustered in and around Cairns or Port Douglas. Facilitated by this close proximity, there are frequent, informal contacts between the tourism businesses in the region. In addition, contacts between businesses are also formalised in a number of regional industry associations. Many of the businesses and, importantly, the leading people in these organisations have been operating in the region since its initial development as a major tourism destination in the early 1980s. The durability of repeated formal and informal communications has established the foundation for various co-operative activities in a large section of the Tropical North Queensland’s tourism industry.

This favourable assessment of the incentives for inter-firm environmental co-operation in Tropical North Queensland’s tourism industry is reinforced by the product demand factor. The incentives for self-regulatory environmental protection are greater in the case of the nature-based tourism industry than, for instance, for the mining industry. In contrast to the mining industry’s product, the state of the environment is intrinsically linked to the attractiveness of the product offered by the nature-based tourism industry. The quality of the environment as the key determinant of the demand for Tropical North Queensland’s tourism product is established in Huybers and Bennett (2000a).

The importance of the environment is reflected in the nature of collective destination promotion, also a major area of inter-firm co-operation in the region. There is a clear perception and conviction within Tropical North Queensland’s tourism industry that the environment is, and will remain, the main point of regional product differentiation.

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14 Since tourism is a demand-defined industry, it is not straightforward to identify businesses that are mainly tourism related. Membership of the regional tourism industry association ‘Tourism Tropical North Queensland’ (TTNQ) of approximately 600 covers 90 to 95 percent of all tourism operators in the region who invest in marketing (TTNQ, pers. comm.).
15 These include the ‘Alliance for Sustainable Tourism’ and the ‘Far North Queensland Tourism Operators Association’.
16 This is consistent with Enright’s (1998) notion of regional cooperation regarding generic promotion, and inter-firm competition on the basis of company-specific marketing.
Hence, joint destination promotion, both domestically and internationally, is focused on the quality of the region’s environmental attractions. This creates the impetus for intra-regional co-operative environmental protection to manage the effects of the region’s growth on environmental quality. It is associated with the homogeneity of tourism businesses in terms of their relative stake in maintaining that quality. The detrimental effects of environmental degradation of the region’s environmental attractions would occur across the nature-based tourism businesses in the region.

The final environmental co-operation factor to be considered pertains to the size of the shared environmental resources and its effect on informal monitoring and enforcement. The Cairns Section of the Great Barrier Reef covers an area of approximately 35,000 km$^2$. The Wet Tropics rainforests are approximately 9,000 km$^2$ in size. However, most commercial tourism activities take place at particular sites within the Reef. Three tourism businesses have constructed their own reef pontoons that are visited by around three-quarters of day-trip reef tourists.

There are immediate incentives for those firms to protect the environment at each site. The situation is similar for the locations that are frequented by relatively small groups of operators. The small group situation provides the potential for effective internal institutions regarding the use of those sites. However, with respect to more dispersed locations and scattered or roving tourism operations, the scope for environmental co-operation is more limited.

The above assessment implies that the conditions in Tropical North Queensland are generally conducive to inter-firm co-operation regarding environmental protection of the region’s environmental tourism assets. This is evidenced by various unwritten and some written codes of conduct that are followed voluntarily by tourism businesses in the region. Examples of these internal institutions include the formal codes of conduct for a number of sites on the Great Barrier Reef including Cod Hole and Michaelmas Cay. These are sites that are visited by a relatively small number of tourism businesses. The self-imposed stipulations regarding tourism activities have been developed and accepted by those businesses.

The marine tourism industry has also developed a set of ‘Best Environmental Practices’, which are widely adhered to. The Great Barrier Reef Marine Park Authority (GBRMPA) has endorsed these environmental best practice guidelines. The guidelines pertaining to activities like anchoring, mooring and reef walking extend beyond the legal requirements for those activities. A further example is the co-operative monitoring program ‘Eye on the Reef’ which is an outcome of the joint industry-government Reef Tourism 2005 project. Under this program, tourism businesses collect and record relatively simple, i.e. non-scientific, data about the quality of the reef and submit this to GBRMPA. The program serves a dual purpose. It provides important data to GBRMPA with respect to the reef’s quality, and it ensures an involvement of tourism businesses and their employees in the monitoring of the reef.

Written codes of conduct and formal co-operative environmental protection activities in the region’s tourism industry are particularly evident in the marine sector. This may be
due to the relatively small (and the more dispersed nature) use of the shared marine resource by other parties, in particular by non-commercial recreational users, compared with some of the land-based resources.\textsuperscript{17} For instance, the proportion of leisure users in the land-based Daintree/Cape Tribulation National Park is estimated at around fifty percent of total usage. Leisure users largely visit the same sites as many commercial tourism operators. This reduces the incentives for formal co-operative arrangements among land-based tourism businesses.

Nevertheless, in both the land-based and the marine sector, there are unwritten codes of environmental conduct with which the majority of tourism businesses comply.\textsuperscript{18} The crucial importance of the environment to the Tropical North Queensland’s tourism industry explains the strength of internal institutions within the industry, which are complemented by informal monitoring and enforcement. The close proximity and the repeated interactions between the tourism businesses facilitate peer pressure and social control. In cases of improper operator activities – including reef anchoring and improper waste disposal or littering – the threat of informal sanctions has been largely sufficient to change those practices.

However, internal institutions and informal enforcement have not been able to guarantee prudent behaviour by all tourism businesses in the region. It should be remembered that non-tourism users also cause environmental damage. In those cases, external monitoring and enforcement carried out by government authorities has been called upon. The structure of imposed, external institutions with respect to the use of the environment in Tropical North Queensland is extensive. Three government organisations are involved in the management of the region’s National Parks and other protected natural areas. These are GBRMPA, the Wet Tropics Management Authority, and the Queensland Environment Protection Agency (QEPA).

The main management tools are the zoning plans and specific management plans that set out the different activities allowed at different sites. Tourism businesses that want to operate in the protected areas are required to apply for operator permits.\textsuperscript{19} Detailed information about proposed tourism operations is assessed for their compliance with the provisions set out in the zoning and management plans. QEPA staff on a case-by-case basis carries out the assessments. In addition to policy development and permit assessment, environmental management activities carried out by government agencies include surveillance and enforcement.

This extensive governance structure and the associated administrative processes and activities appear to be associated with substantial transaction costs. With respect to the...

\textsuperscript{17} There is, however, concern within the marine tourism industry about the environmental effect of other commercial users of the Great Barrier Reef, in particular extractive industries such as fishing. However, the activities of those industries are easier to identify.

\textsuperscript{18} An additional incentive for a tourism business to carry out environmentally responsible activities is the potential for an ecotourism accreditation awarded by the Ecotourism Association of Australia.

\textsuperscript{19} The duration of tourism permits is six years for marine tourism operations, and three years for land-based operations.
tourism industry, one facet of the external structure – the operator permit process – could be targeted with a view to simplification and reduced agency and compliance costs. In light of the discussion above, strict regulation of tourism use of the environment may not be necessary. Indeed, this has been acknowledged by regulating authorities. For instance, GBRMPA “has looked to the self-interest of tourism operators to complement regulatory instruments. [...] Tourism on the Great Barrier Reef provides one of those relatively rare opportunities where the incentives facing tourism operators are closely aligned with those of the regulator.” (Tourism Review Steering Committee 1997).20

On the other hand, external monitoring and enforcement by authorities can be an effective complement to internal monitoring within the industry. As discussed above, external enforcement by authorities has been important as a last resort measure to bring about environmentally responsible behaviour by resource users. External monitoring can be important with respect to scattered tourism operations. However, the perception within Tropical North Queensland’s tourism industry is that the available resources within the government agencies are biased towards policy development instead of field surveillance. The suggested simplification of the permit process and conditions might free up resources that could be redirected towards enhanced monitoring activities.21

5 Conclusion

In this paper, environmental co-operation between firms at nature-based tourism destinations is investigated. The common property governance literature suggests a number of factors that promote environmental co-operation. These factors include group size, frequency and durability of firm interactions and the intrinsic importance of the environment to product demand. These conditions apply favourably to a geographically concentrated cluster of interdependent firms at a nature-based tourism destination. The environment is the collective regional characteristic that is the main basis for joint competition with rival destinations. Inter-firm co-operation at a nature-based tourism destination is expected to occur with respect to the sustainable use of the region’s natural environment.

This suggests that the use of shared environmental resources by businesses at nature-based tourism destinations can avoid potential “tragedies”. In other words, a self-regulatory governance regime, based on strong internal institutions complemented by informal monitoring and enforcement, can be particularly effective at nature-based tourism destinations. In addition, the transaction costs of such an institutional structure are expected to be lower than in the alternative case of government imposed regulatory framework.

20 One condition of the operator permit is that tourism businesses pay a per-client fee to authorities. Since there are no entrance fees to National Parks in Queensland, the tourism industry perceives itself as an easy target for government revenue raising. That situation could complicate attempts to change this aspect of the external regulatory system.

21 This could also deal with the “lock up and protect” trend regarding the region’s environmental assets. Locking up natural areas is in conflict with the aim of World Heritage status, which is to conserve and present World Heritage values.
However, the incentives for inter-firm environmental co-operation do not necessarily imply that self-regulation can be relied upon completely. Indeed, a case-by-case assessment of the scope for environmental co-operation between tourism businesses should inform the appropriate institutional design. As the evidence from Tropical North Queensland shows, the required incentives for co-operation and disincentives for opportunistic behaviour could call for a hybrid regime of internal and informal institutions combined with formal monitoring and enforcement.

The policy implication of the findings in this paper is that governments should be aware of the alternative governance options regarding the regulation of tourism use of environmental resources at nature-based tourism destinations. Assessing the costs and benefits of the alternative options may reveal that there is merit in restructuring existing regulatory frameworks. The institutional setting within the nature-based tourism industry provides the in-principle conditions conducive to protection of the region's environment at relatively low cost. Hence, institutional structures that are potentially more efficient and effective than imposed regulatory systems deserve policymakers' attention.
References


THE EFFECT OF TELEVISION INDUCED TOURISM ON THE VILLAGE OF AVOCA, COUNTY WICKLOW©

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ABSTRACT

The purpose of this paper is to consider the influence of film induced tourism on a small rural community. It focuses on the sociocultural impacts of filming the television series, Ballykissangel on the village of Avoca, Co. Wicklow, and Ireland. Ballykissangel is a rural television series, which is based on the everyday activities of its residents.

There is little in the way of academic publications which deal with the effect of television film on the popularity of film locations as visitor destinations. There is, however, some relevant material about the effects of motion picture film (movies) on tourism. This paper surveys material drawn from academic research, journals and newspapers about the effect of film, both television film and movies, on visitor numbers (Tooke and Baker, 1996).

The key primary research method involves the carrying out of personal interviews, which were conducted with the key players involved in the development of Avoca in order to assess their views on the impact of filming. Responses were sought from a systematic sample of Avoca residents as to the positive and negative sociocultural impacts of the filming of Ballykissangel on their community. This paper found that there is strongly held opinions on the benefits and costs of increased tourism to the village.

This paper concludes that an increase in visitors inevitably has an effect on Avoca’s sociocultural balance. However, where the results of the research come into their own is as a community-planning tool for future filming locations. It is imperative that communities consider the issues and effects beyond immediate economic benefits.

INTRODUCTION

This paper focuses on community research at Avoca, a small village in County Wicklow, Ireland that is the setting for the television series Ballykissangel. The series popularity appears to stem from the viewer’s desire for the simple qualities in life

22 A systematic sample was preferred as it was representative of the population. Every 9th person was chosen without regards to district and townland divisions within the listing.
represented by the rural idyll portrayed in the programme. Community attitudes induced by the series are traced and examined. The aim of this research is to identify the various attributes of those within the community that hold similar attitudes towards film-induced tourism.

*Ballykissangel* has had a dramatic impact in creating economic wealth for Avoca but it may have had a negative effect on the social and physical environment as well as causing a non-compliant attitude from residents of the village. Avoca is located to the Southeast of Wicklow between Arklow and Rathdrum. The picturesque village is situated in the wooded scenic Vale of Avoca. It is mainly located on the east bank of the Avoca River.

With a population of 490 (1996 Census) and Register of Electors of 881, Avoca has suffered from a population decline over the last number of decades due, in part, to the reduced prominence of agriculture as a viable industry and to the closure of the mines, which provided employment for large proportion of the rural population. This is forecasted to change, as Avoca is fast becoming a commuter town for the greater Dublin area. The Central Statistics Office (CSO) states that the population of Avoca for 1996 was 490 and they forecast that Avoca would continue to grow which will be evident in the 2001 census.

In a regional tourism context, Avoca is part of the Midlands-East Tourism Region. Avoca is a significant tourism centre as it is located on the main tourist routes, thus it is a tourism focal point for Wicklow. The location of Avoca in the County makes it a through destination for visitors. The landscape in the immediate hinterland of the village provides a spectacular natural setting. The prosperity that the Avoca area is currently enjoying is mainly due to the fact *Ballykissangel* is set there.

From a tourism prospective, the village is small and attractive with a lot of tourist potential and is very much in demand by film crews. The highly successful British Broadcasting Corporation (BBC) television series *Ballykissangel* has brought worldwide attention on Avoca. The effects are being felt in the village that has experienced a surge in the numbers of visitors to the area. An estimated 5,000 tourists visit the area per week which is up from around 500 per week pre *Ballykissangel*. These tourist are all taking a great interest in the local setting for the series – Fitzgerald's Pub, Avoca Parish Church, Hendleys Grocers, Letts Butchers and Fr. Peters House which are locations associated with key characters in the series.

**Theoretical Background**
The literature demonstrates that filmmaking may lead to considerable positive and negative impacts in relation to sociocultural and planning issues. It illustrates the
influence of the profile of residents on attitudes towards tourism development and the need for community involvement.

Through magazine and newspaper articles, the concept of movie influenced tourism has received popular support but most of the evidence has been gathered from singular instances, hearsay or anecdotal accounts (Barth 1991, Datton 1995, Gordon 1995, Gross and Green 1995, Hogg 1995, Mayfield 1993, Rice 1994, Sloan 1995, Warneke 1994). What has been missing in the discussion of this phenomenon is data to support the idea that motion pictures induce tourists to visit film locations (Riley, Baker and Van Doren, 1998).

Butler (1990) discusses the influence of media and the ways in which people derive images information and awareness of destinations. And he also suggests that as people read less, what is shown in movies, videos and television will become even more important (Tooke and Baker, 1996).

Within the community of film commissioners, tourism promoters and media writers the notion of movie induced tourism has been acknowledged (Golden 1995, Graham and Grossman 1993, Grossman 1995, Heavens 1995a, 1995b, Lyall 1995, Miller 1995, Orris 1984, Rickey 1994, Steinberg 1995), although little has been done to use knowledge until recently. Taking advantage of it has only occurred in recent years when videos and movie maps have been produced by tourism bureau’s seeking to attract visitors (British Tourist Authority 1995). These marketing efforts have been done with the intent of profiting from movie-induced tourism (Riley, Baker and Van Doren 1998).

Recently a series of case studies were conducted in the United Kingdom to investigate television-induced tourism (Tooke and Baker 1996). These investigations studied four dramas and their subsequent effect on location visitation, which in each case increased drastically. For the site of Castle Howard featured in Brideshead Revisited the number of people visiting the area increased by 30%. These studies coupled with many anecdotal accounts proved impetus for this investigation.

People living around movie locations are affected by the business of movies. Tourism bodies are convinced of this fact but evidence on this phenomenon has been sporadic and small in volume. The various studies have revealed a wide range of reasons for visiting locations and an array of attractions that lure people (Riley, Baker and Van Doren 1998).

While some attention has been paid to how regions and countries capitalise on film images in destination marketing campaigns by researchers such as Riley, Baker and Van Doren (1998), Tooke and Baker (1996) much less research has focused on the impact of image and film-induced tourism on locations and their attendant communities. An influx of visitors is not always welcome or advantageous with many towns unsuited to supporting the concomitant tourism growth because of limited infrastructure, facilities and services. In most cases the ideal community did not seek to
be the site for the filming yet they are left to cope with the consequences of increased traffic, crowding and pollution (Beeton, 2000).

An example of this is the town of Goathland (the town portrayed as Aidensfield in the English TV series *Heartbeat*) where it was found that although the township of 200 residents had up to 1.1 million annual visitors, hoteliers were experiencing lower occupancy levels prior to the success of the series (Demetriadi, 1996). The town that had been a quiet tourist retreat was repositioned as a significant day visitor attraction. There appears to have been a fundamental change in the nature of the village and its relationship with visitors due to crowding and the loss of opportunities for the local community to use its own facilities (Beeton, 2000).

Pilgrimage is the prime attractions of *Dallas*, the now concluded long running American television series. Visits to the Southfork Ranch, the family home portrayed in the series, is not high on the American tourist’s priority list. Whereas Western Europeans visiting Dallas often want to see the Southfork Ranch, which has 500,000 visitors each year. The popular weekly television show has been called an hour long commercial for Dallas and Texas all over the world (Riley and Van Doren, 1992).

Scott (1982) discusses the financial benefits to tourism caused by television. The English Tourist Board is quoted as saying that *All Creatures Great and Small*, a long running television drama series about a veterinary surgeons practice in the Yorkshire Dales in the 1930’s and 1940’s generated business to the value of £5Stg million to the Yorkshire Dales. James Herriot the vet and author, gained a special award from the British Tourist Authority for bringing humour and entertainment to millions and making even more people aware of the delights of Yorkshire and Britain (Ruler, 1984).

An increase in visitors inevitably has an effect on the locations economy, environment and sociocultural balance. Very often the location will not have the carrying capacity to cope with large increases in visitors which results in a number of possible undesirable consequences (Tooke and Baker, 1996). Tooke and Baker (1996) identified the difficulties associated with the filming of the *Last of the Summer Wine* series in Holmfirth, England which included traffic and pedestrian congestion caused by tourists.

As tourism develops in a community, changes will occur in the response to it, depending on the level of touristic development and whether they are positively or negatively affected by tourism (Doğan, 1989). However, Butler (1980) and others have indicated that the level of tourism development influences resident perceptions of tourism impacts and rural residents generally have positive attitudes toward recreation facilities opportunities and tourism development. Tourism is a sociocultural event for the traveller and the host. Part of the travel attraction is the opportunity to see different areas of the world and observe foreign cultures and ways of life (Murphy, 1985). It has also emerged as a forceful agent of change in many of the communities in which it has been encouraged (Ap and Crompton 1993).
The academic literature has shown that movie induced tourism, which creates tourism development can have both a positive and negative effect on the local community. This is reflected in the *Ballykissangel* experience as elucidated to in the following section.

**Methodology and Findings**

This paper examines the assumption that *Ballykissangel* has had a profound impact on the residents of Avoca and that their attitudes have been generally positive to date. Responses are sought from a systematic sample of residents of Avoca as to the positive and negative sociocultural impacts of *Ballykissangel* on their community.

The literature pointed to positive attitudes if host community benefits are derived from it. To determine the validity of the hypothesis the following research questions have been examined during the course of the research analysis:

- Do Avoca residents have positive attitudes towards the filming of *Ballykissangel* in their village?
- What conclusions and recommendations could be put forward in light of the research findings?

The research is narrow in scope yet there is a sufficient number of individuals in the total population to constitute a study that will contribute to the future development of tourism in Avoca. This type of research is ideal for comparing results of similar surveys conducted at different times in order to monitor residents’ attitudes at various stages.

The key primary research method involved the carrying out of personal interviews, which were conducted with the key players involved in the development of Avoca in order to assess their views on the impact of filming mandating. The author carried out an initial review of the available literature, which yielded a number of subject topics, which were important to the research. Interviews were carried out with Miss Vibeke Dijkman, Advisor and Information Contact, Wicklow Film Commission and Mr. Peter Moore, the Proprietor of the Meetings Pub, Avoca, the Chairman of Vale of Avoca Development Association (VADA) and of the Avoca Tourism Association. These were aimed at assisting the compilation of the more relevant research subjects topics, as well as possible sources of information. This further refined the subject matter and informational requirements.

Most residents maintain that *Ballykissangel* is good for tourism (65%), good for local employment (26%) and some of the residents find it exciting (45%). It should be noted, however, that 40% of the residents refer to it as a nuisance.

The relationship among locals and the film-crew is very positive. The residents find them approachable and very friendly. The film-crew will do anything within their means to assist the locals and 72% of the residents say that they are easy to contact but only 48% were contacted in reference to any inconveniences which may effect them. While filming is taking place the attitude of the residents is equally divided.
However, only 24% of the residents were contacted initially about the location of the series but a public meeting was held for everyone to attend. It seems that the people who were actually contacted were the proprietors of the premises that were going to be used by the BBC for filming the series. The positive and negative aspects of filming the series in the village as stated by the residents are demonstrated in Table 1:

Table 1: The Positive and Negative Impacts of Filming the Series in the Village

<table>
<thead>
<tr>
<th>POSITIVE IMPACTS</th>
<th>NEGATIVE IMPACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local employment.</td>
<td>Not enough car parking facilities</td>
</tr>
<tr>
<td>Revitalisation and upgrading of the village</td>
<td>Traffic congestion</td>
</tr>
<tr>
<td>Friendly film-crew</td>
<td>Street restrictions and closures</td>
</tr>
<tr>
<td>Worldwide publicity</td>
<td>Increased tourist numbers</td>
</tr>
<tr>
<td>Something interesting to do</td>
<td>Arrogance of tourists</td>
</tr>
<tr>
<td>Good for tourism</td>
<td>Noise level restrictions</td>
</tr>
<tr>
<td>Respect obtained from the County Council</td>
<td>Abundance of souvenir shops popping up</td>
</tr>
<tr>
<td>Extra money brought in</td>
<td>Strain on local infrastructure</td>
</tr>
<tr>
<td>Avoca is now a tourist attraction</td>
<td>No public toilets</td>
</tr>
<tr>
<td>Shows village in positive light</td>
<td>Lack of privacy for residents</td>
</tr>
<tr>
<td>Nice to meet different nationalities</td>
<td>Ignorant film crew</td>
</tr>
<tr>
<td>Residents feeling proud of their community</td>
<td>Access problems for farming vehicles</td>
</tr>
<tr>
<td>Meeting Irish film stars</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Pearce, Moscardo and Ross, 1996)

Almost all of the residents (95%) agree that the filming of Ballykissangel attracts a significant number of extra visitors. 33% of the residents, however, feel that the village cannot cope with this extra influx. Again, 32% maintain that conflicts have been generated within the community due to the filming of Ballykissangel. For example, jealousy has arisen between residents and the local business people in relation to their money spinning ventures.

The most impressive factor found is that if the BBC decided to discontinue filming the series in the village, 71% of the residents would be very disappointed as they believe that Avoca would go back to the dirty old village that it was before the concept of Ballykissangel evolved.

This research found that there were strongly held opinions on the varying benefits and costs of increased tourism to the village as a result of being featured in a popular television series. The attitude to filming varies with distance from the village. Residents living one mile from the village centre have more negative attitudes than those actually living in the village centre. Residents living two miles away have the most positive attitude of all residents.
Although 45% of the residents are enthusiastic about the filming of *Ballykissangel*, 40% refer to it as a *nuisance*. The personal interviews reveal that the residents who were eager for the series to continue are those who benefit financially from it. Beeton (2000) supports this in her analysis of the impacts of filming *Sea Change* on Barwon Head in Australia.

During the personal interviews many mentioned the fact that only the people whose premises were going to be used were contacted prior to the series commencement. However, an open public meeting was held and everyone was welcome to attend. This was well publicised in the village via posters displayed in local shop windows. The residents feel that they should have been consulted on an individual basis for their personal approval rather than through a community workshop approach. This view corresponds with the negative replies that the author received through the mail survey.

Tooke and Baker (1996) identified the difficulties associated with the filming of the *Last of the Summer Wine* series in Holmfirth, England which include traffic and pedestrian congestion caused by tourists. Research carried out in ten New Zealand destinations by Lawson, Williams, Young and Cossens (1998) show that all residents agree that there was friction with the driving standards and the behaviour of tourists on the road.

**Discussion**

The Methodology and findings will be discussed under the following five headings:

1. Attitude Towards Filming
2. Relationship Between Residents And The Film-Crew
3. Positive and Negative Impacts Of Filming
4. The Decision To Use Avoca For The Filming Of Ballykissangel
5. Discontinue Filming

1. **Attitude Towards Filming**

Although 45% of the residents are enthusiastic in relation to the filming of *Ballykissangel*, 40% refer to it as a *nuisance*. The personal interviews revealed that the residents who were eager for the series to continue are those who benefited financially from it. Beeton (2000) supports this in her analysis of the impacts of filming *Sea Change* on Barwon Heads in Australia.

2. **Relationship Between Residents And The Film-Crew**

The relationship between residents and the film-crew is very positive as demonstrated by Tooke and Baker (1996). With only 48% of residents of Avoca contacted on a regular basis about the inconveniences of filming, the locals can become infuriated as parents have problems in transporting their kids to school and farmers cannot get through the village due to traffic restrictions. An undercurrent felt during the personal interviews is that only the people whose premises were going to be used were contacted prior to the series commencement. An open public meeting was held, however, and everyone was welcome to attend. The residents feel that they should have been consulted on an individual basis for their personal approval. This view supports the negative replies that the author received through the mail survey.
3. Positive and Negative Impacts Of Filming

Imagine a self-contained, small community such as Avoca with a simple, basic lifestyle visited by few outsiders. Suppose the tourism industry discovers this location and quickly develops it for tourists who suddenly arrive in droves. It would be surprising if these people were unaffected by the experience (Davidson, 1989). With this in mind the most dramatic aspect of the survey was the positive and negative impacts of filming on the village as described by the residents.

The primary positive impacts include the revitalisation and upgrading of the village. Worldwide publicity surrounding Avoca has lead to an increase in tourism numbers and the residents sense that this brings extra money into the village, shows the village in a positive light, creates local employment and installs a feeling of pride in the community which is defended by Crandall (1994). Once again, this is mirrored in Beeton’s (2000) research. As experienced in many counties, Wicklow County Council tends to concentrate on developing the towns and not the villages. This has changed dramatically for Avoca in the last few years, as at present the Council have no immediate plans other than to improve the roads and paths in the village and maybe build public toilets in 2001/2002.

With the tourist numbers increasing, residents maintain that there are interesting things to do as the village’s culture is being revamped and the local festivals are increasing in importance of for example The Melody Fair. Residents also enjoy meeting the different nationalities as it increases their international understanding of other countries as illustrated by Bosselman, Peterson and McCarthy (1999). They also enjoy mixing with actors, which gives them a buzz.

As with all positive impacts, there are negative impacts. The major negative impact is the strain on local infrastructure due to increased tourist numbers. Traffic congestion, not enough parking facilities, street restrictions and closures are the main problem experienced by residents. Many locals say that when they want to go to mass they cannot even park in the church car park during filming. The concept of *staged authenticity* as familiarised by Mathieson and Wall, (1982) appears in Avoca as a phoney folk culture is developing to satisfy the needs of the tourists through the development of an abundance of tacky souvenir shops in the village. Conflicts have arisen among the residents of the village and the residents who live one mile or more from the village. This is due to the villagers trying to make as much money as they can out of *Ballykissangel*. This was very much implied when carrying out the personal interviews with the local entrepreneurs. Butler (1980) supported this view in that entrepreneurs, who are financially involved in tourism, are likely to engage in aggressive promotion while an often small but highly vocal group, not in tourism, can expect to lead aggressive opposition to tourist development and the changes, which it brings.

4. The Decision To Use Avoca For The Filming Of *Ballykissangel*

*Personal Interview held with Mr. Tony O’Neill, Wicklow County Council Economic Development Executive on March 13th 2000.*
Tourism Destination Planning

Resulting from the survey, Avoca has compelling advantages as a destination for filming a television series. The majority of residents maintain that the primary reason why the BBC chose Avoca for the filming of *Ballykissangel* is the fact Fr. Daniel Breen allowed them to use the church for the series. In return, Fr. Breen receives money to assist in the restoration of the church. Tourists who visit the church also help in its restoration by purchasing candles and by giving a donation in return for a postcard of the church. The other main reasons as perceived by the residents, is its close proximity to Dublin, Ardmore Studios (Bray) Brittas Bay (Seaside) and the scenic location of Avoca in a beautiful valley surrounded by woods and a river.

Like many small villages in rural Ireland, there is a feeling of community spirit. VADA was developed in 1996 for the future development and prosperity of the area through an Area Action Plan. VADA is a result of a determined community spirit to revitalise the village and this attracted the BBC as they saw that work was already being carried out to improve the village before they started to film the series.

5. Discontinue Filming

It is worth noting that if the BBC decide to discontinue filming the series in Avoca, 71% of the residents would be very disappointed, as they believe that the benefits of *Ballykissangel* far outweigh the costs. A concern raised by Wicklow County Tourism is that many of the County’s tourist sites e.g. Glendalough, the Wicklow Mountains and even Avoca have reached saturation point and they are presently developing Visitor Management Plans for these areas. This is something that VADA will have to take into consideration when implementing any future plans for the village.

The positive impacts include the revitalisation and upgrading of the village. Worldwide publicity surrounding Avoca has lead to an increase in tourism numbers and the residents sense that this brings extra money into the village, shows the village in a positive light, creates local employment and installs a feeling of pride in the community. Once again, this is mirrored in Beeton (2000). As experienced in many counties, Wicklow County Council tends to concentrate on developing the towns and not the villages. This has changed dramatically for Avoca in the last few years, as at present the Council have no immediate plans other than to improve the roads and paths in the village and maybe build public toilets in 2001/2002.

As with all positive impacts, there are negative impacts. The most influential negative impact is the strain on local infrastructure due to increased tourist numbers. Traffic congestion, sufficient parking facilities, street restrictions and closures are the main problem experienced by residents. The concept of *staged authenticity* as familiarised by Mathieson and Wall (1982) appears in Avoca. However a phoney folk culture is

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5 Personal Interview held with Fr. Daniel Breen, Parish Priest, Avoca on March 16th 2000
6 Personal Interview with Mr. Peter Moore, Proprietor The Meetings, Chairman of VADA and of the Avoca Tourism Association on March 25th 2000
7 Personal Interview held with Ms Anne Prendergast, Wicklow County Tourism Officer on March 16th 2000
tourism destination planning
devloping to satisfy the needs of the tourists through the development of souvenir shops in the village.

Resulting from the survey, Avoca has compelling advantages as a filming location. This majority of residents maintain that the primary reason for the BBC in choosing Avoca for the filming of Ballykissangel is the fact that Fr. Daniel Breen permits them to use the church for the series.

In return, Fr. Breen receives money to assist in the restoration of the church. Tourists who visit the church also help in its restoration by purchasing candles and by giving a donation in return for a postcard of the church. The other main reasons as perceived by the residents, is its close proximity to Dublin, Ardmore Studios (Bray), Brittas Bay (Seaside) and the scenic location of Avoca in a beautiful valley surrounded by woods and a river.

The research findings have been helpful to the author in gaining a greater appreciation of the complicated interaction that exists within the tourism industry in reference to the impacts of tourism on a given destination. The literature review demonstrates that the filming of a series may lead to some considerable positive and negative impacts in relation to sociocultural and planning issues. Although there is limited academic literature dealing with the effect of television filming on the filming location, literature in relation to tourism development and sociocultural impacts of residential attitudes was reviewed. The research also illustrated the influence of the profile of residents on attitudes towards tourism development and the need for community involvement. The findings suggest that as tourism development reaches its carrying capacity, resident attitudes change and may become negative.

Conclusions and Recommendations
Tracing the relationship between film and tourism is problematic as in most cases the popularity of a film is unclear until well after it has been released, which can be too late for research into its tourism impacts. Hence many aspects of film-induced tourism have not been adequately researched, studied and analysed (Beeton, 2000).

In the past film-induced tourism has been incidental to the film itself with little consideration given to the long-term effects filming may have on a community. While such tourism can provide significant economic boost to a community, especially in a marginalised rural area, the community may not be prepared or willing to deal with the changes associated with film-induced tourism. Issues such as future development, crowding, congestion and increasing real estate values, community pride and economic benefits must be conducted in conjunction with each other as well as with the 'head in the sand' attitudes of those who hope it will go away and leave them as before. By recognising and considering the potential costs and benefits of film-induced tourism, the community has the potential to use the benefits to strengthen it and ameliorate the costs. While such a solution may appear simplistic, it certainly is not.

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9 Personal Interview held with Fr. Daniel Breen, Parish Priest, Avoca on March 16th 2000.
complexities of the communities in which we live play and work are increasing (Beeton, 2000).

Additional research is important to document these largely unexplored phenomena. In this regard the impacts of various movie locations and different icons must be explored. It would also be helpful to assess the correlation between relative box office succeed, visitation to locations, box office success and the length of visitation impact. As yet no studies have documented the economic impact of one movie on a location or community. Studies have also not shown which has the greater impact on a location, the movie or the media blitz that promoted the movie (Riley, Baker and Van Doren, 1998).

There are both positive and negative impacts of filming Ballykissangel in Avoca. It contributes economically to the village and has led to a renewal and increase in employment. Filming also appears to create a feel good factor in Avoca. The residents presently appear to be very content with the filming and feel it is beneficial to the local region. They do, however, feel that it causes some irritations to the local population such as parking restrictions and streets closures. If the tourism industry in Avoca continues to grow, these minor irritants may become greater as filming becomes more frequent and less of a novelty.

A large number of visitors are being attracted to Avoca as a result of the fame brought by Ballykissangel. Tourism is, in fact, fast becoming Avoca’s most important industry since the closure of the mines. To realise its full potential, however, it must be developed with the long-term view of achieving sustainability.

The filming which currently takes place in County Wicklow would appear to have many beneficial effects and causes very little irritation to the host population. While the aim of Wicklow Film Commission is to develop this industry, it must be in a planned manner that will lower the level of irritation to the host population10.

There is a need to study other towns and villages most notably those used in England for the filming of popular television series. Trends in these areas need to be examined and their contribution to community development evaluated. It would also be of interest to study the difference between the towns and villages that consistently succeed and those that don’t.

The research could assist in the setting up of a programme to minimise any friction that may arise in the future between tourists and residents. An overall plan for the development of the village as a tourist destination should be in place to solve the problems, which other tourist destinations have faced in the past due to lack of planning. Where the results came into their own is as a community-planning tool for future filming locations. Finally, it is anticipated that this research will contribute to the ‘Host-Tourist Relationships’ literature and encourage further research in the field of movie-induced tourism.

10 Personal Interview with Ms. Vibeke Dijkman, Advisor and Information Contact, Wicklow Film Commission on Monday 20th March 2000
Therefore, it is crucial for the tourism organisations within Avoca to consider the long-term effects of their tourism development plans through a better understanding of its local image and the impact that tourism can have on the community. The residents will also need to contemplate the authenticity of their tourism product because after years of travel experience more visitors now wish to get behind the scenes and learn more about foreign cultures and ways of life. To provide such authenticity and still maintain the daily routine of their community is one of the great challenges facing the residents of Avoca.

**Proposed Future Research**
The purpose of the proposed research is to examine how sociocultural impacts can be minimised through a more effective planning policy at local level. It will focus on the sociocultural impacts of filming the television series, *Ballykissangel* on the village of Avoca, Co. Wicklow, Ireland. Business and residential reactions to the negative sociocultural impacts in the past, present and future will be analysed Along with the planning tools that were used in the process. The study will be multi-staged, evaluating time and attitudinal changes over a specified period of time.
Bibliography


THE EVOLUTION OF POLYNUCLEID LEISURE AND BUSINESS COMPLEXES AND THEIR EFFECTS ON REGIONS

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ABSTRACT

Over the last decade important changes in the structure and evolution of both tourism destinations and the theme park industry can be observed. Tourism is facing new trends like the aim of regions to differentiate their offer from other regions, the rising expectations of consumers, or the growing importance of public-private-partnerships in the tourism industry. The combination of different attractions within one superior complex can also be detected. Concerning the actual evolution of these combined attractions, important changes can be seen in the emerging possibility of developing a region through the implementation of a tourism project marked by intensive capital investments and an increasing integration of theme parks into superior structures.

With regards to new trends and tendencies, four special hypotheses have been extracted throughout the paper to describe the general evolution of similar projects marked by an intensive mixture of different uses for tourism and services. These four hypotheses have been mainly developed in the course of the examination and comparison of the “Universal’s Port Aventura” and its position within the “Tourist Recreational Centre” in Salou, Catalonia, “Disneyland Paris” and “Ville Nouvelle” Marne-la-Vallée. The first hypothesis claims that during the evolution of an integrated tourism project the attractiveness of the first dominant factor, a theme park, is constantly shifted towards other complementary attractions. Therefore, a decreasing importance of the theme park within the emerging leisure and business complex can be detected. Secondly, an increasing mixture of different elements and a functional as spatial diversification within these projects can be observed in the course of their evolution. Thirdly, the development of similar destinations takes place in characteristic phases. Finally, these projects experience a successive integration into their host regions.

Based on these hypotheses, three different models are presented and discussed to describe the evolution of these projects and the successive integration of theme parks into superior structures. The first model describes the evolution of the attractiveness of a theme park during its integration in a superior multifunctional project. The second model has been developed to describe the modification of the product life cycle of these projects as presented by BUTLER. The third model schematically illustrates the polyphase evolution and also the spatial and thematic implementation of the whole project into a region.
KEYWORDS

Restructuring of tourist destinations, tourist area life cycle, geography of tourism, regional development, Catalonia, Port Aventura

New tourism trends and projects and their effects on regions

Over the last decade important changes in both structure and evolution of tourism destinations and the theme park industry can be observed. Tourism is facing new trends like the aim of regions to differentiate their offer from other regions, the rising expectations of consumers, the growing importance of public-private-partnerships in the tourism industry, as well as the combination of different attractions within one superior complex.

Concerning the actual evolution of these combined attractions, important changes can be seen in the emerging possibility of developing a region through the implementation of a tourism project marked by intensive capital investments and an increasing integration of theme parks into superior structures (i.e. Richards, 1993).

It is important to note that tourism projects that are large in terms of capital investments are considered to be one of the most important recent developments of the tourism industry. In this regard, the majority of enormous high capital investments oppose numerous positive effects onto the region. Thereby, the scientific discussion concentrates on the role of these projects in the promotion of local trade and investments, the importance and ability to diversify the local economic structure and on potential effects of tourism (Beckmann, 1990; Hatzfeld, 1994; Nacher and Selma, 1993). To achieve a most successful and exact evaluation of the potential and of the real results, both positive and negative effects have to be taken into account, as well as intensive interconnections between different processes. One process that proves characteristic throughout the last decade is the aim of many theme parks to differentiate their supply in a way that they develop from attractions visited primarily for one day towards overnight stay attractions and destinations that also offer accommodation. During 1992 several parks were concentrating on re-focussing their market position from day out attractions toward resort or overnight stay attractions [...].“ (Richards, 1993, p. 39)

In this respect, this paper tries to examine characteristic trends in the evolution of tourism destinations. The findings are based on the examinations by Anton Clavé (1996, 1997a, c), the Ajuntament de Vila-Seca, Jiménez (1995), as well as the author’s diploma thesis “Universal’s Port Aventura” and his position within the “Tourist Recreational Centre” in Salou, Catalonia, “Disneyland Paris” and the “Ville Nouvelle” Marne-la-Vallée. This paper will present and discuss different models to

23 Throughout this paper, the catalonian name of the project, „Centre Recreatiu i Turistic (C.R.T.)“, which comprises also the theme park “Universal’s Port Aventura” as the dominant factor of attractiveness, will be translated as “Tourist Recreational Center”. This denomination will be used synonym with the Spanish abbreviation “C.R.T.”
describe general guide lines on the evolution of similar projects and to specify its successive functional and spatial integration into a region.

The main regional focus, therefore, is based on the Costa Dorada and the development and effects of the “C.R.T.” onto the region. Although marked by a long tradition in tourism, this coastal strip in Catalonia suffered, like many other tourism destinations, from stagnating and even retrogressive numbers of visitors during the 1980’s. This led to an intensive search for different possibilities and strategies for a revitalisation of the region.

Even after the mid 1980s, these resorts suffered problems due to a fall in demand and were forced to face necessary restructuring (functional, environmental, sectional and territorial) [...]. A serious crisis was emerging, leading to a debate over appropriate strategies for regenerating and reconverting these old coastal resorts. (Marchena Gómez, Vera Rebollo, 1995, p. 118)

With the “Centre Recreatiu i Turístic”, these aforementioned strategies for regenerating and reconverting old coastal resorts and areas found their regional expression in a new form of leisure and business area. This area shall be discussed throughout this paper.

**Structure of the models development**

Considering different large-scale projects like the installation of Disney, the “Universal’s Port Aventura” does not form a single phenomenon for the mixture of tourism and business facilities, but reflects a very typical way for the evolution of an area used for leisure and business. Therefore, in this paper different models will be developed and discussed, in order to characterise general trends for the evolution of modern tourism and business projects and their effects on regional development. The approach for the development of the model will be orientated on the proposal of Freyer (1998) on the general phases of constructing a model (Fig. 1).
Fig. 1: Possible approach to the development of a model


The thematic originator is based on the evolutionary guidelines of the Center for recreation and tourism and the Universal Port Aventura in Catalonia and to a certain degree on the trends of expansion of the Disneyland Paris. Besides these two representative examples, the base of the model is formed by other similar projects, which combine multifunctional elements of tourism and business uses. These include the proceeding project of the “C.R.T.”, the theme park The Old Country with the connected housing and business area Kingsmill on the James in the USA, the different projects of Disney in Anaheim, Orlando and Honk Kong, and other projects in Europe.

In the first phase of abstraction and reduction, the different projects will be combined by their typical characteristics and then defined as “polynucleid leisure and business complexes”. After this definition of these new forms of multistructured centres, four different hypotheses of the models will be developed and discussed. These hypotheses form the theoretical base for two spatio-temporal models that have been developed in order to describe the evolution of the attractiveness of a theme park during his integration in a superior multifunctional project and the spatial and thematic implementation of the whole project into a region. The following explanations are based on the different projects mentioned above and the work of Anton Clavé (1996), Cooper (1992), Freyer (1998), Gordon and Goodall (1992), Isenberg (1995), Lundtorp and Wanhill (2001) and others.

The definition of polynucleid leisure and business complexes

Essentially, the evolution of theme parks began in 1954 in the USA with the opening of the first Walt Disney theme park, but recently characteristic changes and modifications
to the general idea of a theme park can be seen. Only a few proposals in literature that represent this multifunctional character of these centres can be found when searching for an adequate definition for these new multifunctional projects. Jones and Robinett for example define these structure as a „multi-park destination attraction complex“ (Jones and Robinett, 1993, p. 145), to indicate the successive integration of a theme park into a superior multifunctional destination.

Throughout this study, this definition of a „multi-park destination attraction complex“ will not be adapted, because it does not adequately take the multifunctional character of theses projects into account. It also does not mention uses like the organisation of congresses or the implementation of housing areas. It is indeed an „attraction complex“, a complex with a wide variety of different attractions, but this definition directs the emphasis too much on tourism and neglects other potential uses of the complex. Another definition was proposed by the Catalonian Parliament and was exclusively developed for the project in Tarragona. A law introduced in 1989 designated the planned project as a “Tourist Recreational Centre” and defined it as “extensive areas of land where recreational, cultural and leisure theme park activities and sporting, shopping, hotel industry and residential complementary uses are to be found side by side with their corresponding services”. (Generalitat de Catalunya, 1989, cited after Anton Clavé, 1997c, p. 259) In this definition, the different uses of the project are mentioned, but they are only partially taken into consideration in the name of the “Tourist Recreational Centre”. As this extensive mixture of different structures, attractions and uses for tourism and business is considered to be the main characteristic of these new complexes, they will be called a „leisure and business complex“ throughout this study. In a limited area with a theme park or a similar facility as the core element, diverse attractions of tourism and business uses are connected to a polynucleid system. The emerging multifunctional leisure and business complex is therefore characterised by a great diversity of different uses, a high attendance of visitors and workers inside the complex, and an increasing interconnection with the offers and installations of the region.²⁴ Considering these offers and installations of the region, one must distinguish between two different kinds of elements. Firstly, the elements and installations already part of the region before the implementation of the project, which gained more attractiveness during the evolution of the whole center. And secondly, elements in the region that are just being built because of spin-off-effects from the project. Throughout the following development and discussion of the different models, these attraction factors of the region will not be taken into consideration that form part of a concurrence to the centre, and which eventually have to cope with decreasing numbers of visitors, like other theme parks and leisure facilities.

Hypotheses of the models

While considering different trends in the leisure and theme park industry, different essential tendencies can be identified for the evolution of huge modern leisure and

²⁴ Compare Anton Clavé (1995a), who discusses the mentioned characteristics of “leisure and business complexes“ - great variety and diversification of attractions and uses, intensive circulation of visitors, workers and goods inside the complex, and increasing connection with offers and installations in the region - at the different projects respectively.
business projects. Based on these different trends in the tourist industry, four hypotheses can be built for the characteristic evolution of these projects, which themselves form the base for the models developed afterwards.

**Hypothesis I:** In terms of visitors and investments, a theme park (or a similar facility like a water park or an infotainment centre) is the dominant attraction inside the project and normally the first attraction to be built. During the evolution of the project, a continual loss and a steady transfer of this general attractiveness onto other emerging factors mark the attractiveness of the theme park.

This first hypothesis is considered to form the base for the hypotheses II and III, which discuss the evolution and structure of these projects. In the first two models, which are constructed primarily from the first hypothesis, the focus of the analysis is based on theme parks as singular attractions. A model that discusses the integration of a theme park into a greater project will succeed these two models. This is due to the dominant position and importance of a theme park in a greater project, which can be seen in examples from Anton Clavé (1997a, d), Hatzfeld (1994), Isenberg (1995), and others.

**Hypothesis II:** The internal spatial organisation of these projects is marked by a polynucleid structure; they contain a vast variety of different elements. These elements are normally characterised by a monofunctional structure, and orientated on one special offer. Therefore, the diversified structure of the entire project, which combines both touristic as well as business offers, will only be achieved by an intensive interconnection of the whole system.

As essential elements of these projects will be considered: one or more theme parks or similar installations, hotel and conference centres, different sports, recreation and leisure facilities, shopping centres, housing areas and "reserve areas" such as parking lots, open fields and protected areas within the project.

The polynucleid structure of the internal organisation can be perceived very clearly within the “C.R.T.” in Spain, but also within similar projects in the Disney enterprise. For example, the installations of Disney in the USA provide not only a theme park, but also a lot of other attractions like hotels, housing areas and sports facilities. Concerning the different installations and attractions within such projects, a characteristic pattern of their evolution can be identified, which leads to the third hypothesis:

**Hypothesis III:** The extension of the project takes place in different characteristic phases. Proceeding from the main investment, normally a theme park, other attraction factors are successively integrated in the project. During this process, a typical order of temporal completion can be perceived, while the different attractions vary in terms of start and duration of their development.26

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26 Compare Anton Clavé (1997a, c), Foster and Murphy (1991), Goedecke et. al. (1991) concerning the phased evolution of these projects and the successive implementation of new
After describing general patterns in the evolution of tourism destinations which are marked essentially by theme parks, their successive integration into the economic and functional structure of the host region must also be discussed.

**Hypothesis IV:** The projects are integrated in specified plans for the using of the corresponding area with the aim to achieve increasing benefits for the region and a wider regional differentiation. Before initiating the project, the surrounding region normally does not possess a very diversified structure of offerings for tourism and other services. These offerings and installations are gaining an increasing importance in the course of the evolution of the project due to the different spin-off effects.

These four guiding hypotheses reflect the basic characteristics of the evolution of polynucleid leisure and businesses centres, and compose major trends in tourism and the theme park industry. To summarise the contents and components mentioned in these hypotheses, the most important emerging characteristics of these models are:

- The dominant position of a theme park in the initial stages of the complex development
- The successive shift of attractiveness from the theme park towards the emerging alternative attraction factors,
- The intense interconnection of the different elements inside the complex,
- The successive interconnection of the complex with the attractions and offerings of the region,
- The integration of the whole complex into the leisure and business structure of its host region.

During the following chapters, these major evolutionary steps will form the base of different attempts for the construction and discussion of different spatio-functional models.

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27 The integration of similar projects shall serve for local and regional economic promotion and initiate the general expansion and diversification of the regional economic structure (Hatzfeld, 1994). Concerning this fourth hypothesis, compare the different plans for the using of areas as they had already been mentioned for the “C.R.T.” and the “Disneyland Paris”. During the development of the different models, this fourth hypothesis will function as a theoretical framework.
The importance of economic-geographical location theories for the construction of spatial-functional models

Before discussing the different models, different aspects of the general location of these projects should be mentioned. As previously mentioned, priori leisure projects are not fixed to a special location; they behave rather as industrial installations with economic concerns for the location. Therefore, it seems possible to apply classical location theories on leisure and business projects. Location theories, such as the search for the lowest costs (compare industrial location after Weber), the search for the highest profit (compare industrial location after Smith) or the search for optimised spatial and locations patterns (compare location theories after Christaller, Lösch and v. Thünen) are shown by leisure projects and can also be detected for industrial projects. After the implementation of the first leisure project in a region, there must also be discussed the role and the importance of different “localisation and urbanisation economies” throughout the evolution of the whole area. These different and regionally very important “localization and urbanization economies”

The possibilities and limitations for the application of classical location theories on leisure and business projects would be interesting topics for further research studies. In this study, these theories will be shortly mentioned and parallels will be shown between industrial areas and tourist destinations.

The product life cycle of polynucleid leisure and business complexes

The definition of polynucleid leisure and business complexes should point out that these emerging centres are responding to certain patterns of consumption. As an introduction to the development of a principally spatial model, the motivation should be discussed which leads to the construction of similar areas. What are those changing patterns of motivation? What are the basic motivations that lead to the realisation of these projects?

Considering the changing attitudes of tourists towards the quality of the tourist product, it was possible throughout the last few decades to recognise a growing awareness among consumers of the quality of products as well as towards tourist destinations. Therefore the expression of the “sophisticated consumer” was introduced to describe the changing structures of demand and their rising sensibility towards the quality of products. Economic growth, increasing time for leisure activities and the emerging possibility of comparisons between tourist products lead to theses fundamental changes in the attitudes of the consumers, which can be described as experienced consumers, or with an even greater awareness of the quality of the product, as sophisticated consumers.

28 Compare Hatzfeld, 1994, p. 48, who describes the general requirements of the location of tourism projects.
29 Important location criteria for the industry like the availability of commodities and labour or the proximity to sales markets will be substituted by economic indicators like the vicinity to potential pools of visitors, the infrastructural situation of the region or land prices.
After the perception of these changing patterns of motivation in the tourist behaviour, the question arises whether or not a correlation between rising expectations towards the tourist product and the spatial organisations of tourist destinations can be detected. Taking these requirements for a good tourist experience into account, a tendency for regions to try to diversify their offers for the tourists in order to meet these rising expectations can be seen. Urry (1990) points out that a variety of strategies are required in order to meet changing patterns of consumption. Experience suggests that there is no single model for ensuring survival. Instead, a variety of strategies are based on attracting new market segments and reviving existing ones. Restructuring policies involve a continuous process depending on the size and importance of the destination. [...] There is a need to integrate innovation, technical change, rationalization, and changes in the labour market, in quality and in entrepreneurship. (Urry, 1990).

Therefore, these centres can be perceived as spatial expressions of diversified structures of demand, as special consequences of the rising expectations that sophisticated consumers expect from attractions in various regions.

After Kotler (1980), these spatial and functional expansions can principally take place in three different classes of growth: as intensive growth, as integrative growth, or as diversification.³⁰

³⁰ Compare Kotler (1980), Cooper (1992), discussing different growth opportunities of tourist destinations. The integration of these considerations were taken into account in the presented models throughout this paper in three different aspects:

- Intensive growth: describes the aim for expansion of visitors, market penetration, and revenues of the project, and is integrated in the second principle of the first model which describes the rise of attractiveness of a theme park under decreasing rates of growth.
- Integrative growth: this aspect is taken into consideration through the successive functional and spatial integration of a leisure and business complex into its host region.
- Diversification growth: describes the successive functional diversification of a leisure and business complex, especially in Figure 5 and the third phase of the spatial model, the “phase of external interconnection and internal differentiation”.

These three different tourism destination growth factors should be considered throughout the development of each spatio-temporal model.
Fig. 2: The interrelationship of tourism space development models and integrated tourism destinations

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<th>PRODUCT LIFE CYCLE</th>
<th>TOURISM SPACE DEVELOPMENT MODEL</th>
<th>INTEGRATED TOURISM DESTINATIONS</th>
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Source: Own representation, based on Gordon and Goodall, 1992, p. 44-46

Taking the development of the tourism space into consideration, the evolution of integrated tourism destinations can effectively be integrated into existing models. In Figure 2, the different development stages of integrated tourism resorts are linked to the resort life cycle model by Butler (1980), and to the model of tourism space development by Miossec (1977). It seems to be quite difficult to apply cyclical models of tourist typologies, like of Cohen (1972, 1979), Plog (1973), and Smith (1977) on the evolution of these new evolving attractions. More probably, in this "[...] relatively homogeneous mass market resort destination, a normally distributed continuum of tourist types is evident, although these have fundamentally different forms of spatial behaviour within the resort." (Gordon and Goodall, 1992, p. 43) Therefore more unclear changes in the motivation of the tourists counteract with very different spatial development stages.
Considering the resort life cycle of these combined attractions, it seems to be more approbate to partition certain phases of the traditional model.\footnote{Compare the considerations of Cooper (1992), Goodall (1992), Gordon and Goodall (1992), Lundtorp and Wanhill (2001), Smith (1992) to the concept of the life cycle of tourism destination developed by Butler. An important aspect for the evolution of integrated tourism destinations can be found by Gordon and Goodall (1992, p. 42), where they discuss the development ex nihilio of special resorts. As examples of resorts that do not cycling the whole process but enter the life cycle in a later stage are presented projects like Cancún in Mexico. Further restrictions to this model consist in the variability of the life cycle for individual resorts. For integrated tourism destinations this seems to be an even more important aspects, because it is no longer possible to speak of one dominant destination, but of the interconnection of very different attractions with own life cycles combined in one superior complex. Therefore, the question arises whether or not the development of one common life cycle of the whole complex takes place, or the individualisation of the different attractions, that each element of the complex has its own life cycle. Concerning the defined polynucleid leisure and business complexes and the intensive interconnection of the different internal attractions, the formation of one modified life cycle therefore seems more probable.} The intensive interconnection of the different attractions seems to emerge in one life cycle for the whole destination rather than the individualisation of the life cycles of the different attractions. These intensive connections of attractions, which are added in a phased process to the complex, induce characteristic modifications to the normal life cycle. Most probably, they can be seen in the continuous and repeated alteration of stages of expansion and stagnation throughout the phase of development. This seems to be a possible answer to the continuously rising expectations of consumers and the aim of many destinations for a steady integration of innovatory elements into their tourist offer. Especially for theme parks it is a constant desirability to offer new experiences to the visitor.

**The evolution of a theme park within a polynucleid leisure and business complex**

During the integration of a theme park into a polynucleid leisure and business complex the respective evolution of such a complex around a theme park, different trends of the development of the importance and attractiveness of a theme park can be detected. Most important is the successive shift of attractiveness from the theme park towards other evolving attractions, under the premise that the theme park itself steadily enhances the number of visitors to the destination during its life cycle by Butler (1980). During this evolution, two main characteristics can be observed: first, the principle of a theme park experiencing decreasing growth due to a dependency on the development of complementary attractions, and second, the principle of loss of attractiveness of a theme park within a leisure and business complex.
The principle of loss of attractiveness of a theme park within a leisure and business complex

Within a leisure and business complex, a theme park normally possesses a dominant position especially at the start of the development. The following explanations, therefore, pay attention to this position and will examine the evolution of attractiveness of a theme park during the development of the centre. The change of importance of the different elements follows characteristic guidelines as shown in Figure 3. The development can be divided into three characteristic parts, the "phase of monopoly of attractiveness", "the phase of evolution of complementary attractiveness" and the "phase of agglomeration and interconnection of heterogeneous attractiveness factors".

During the physical evolution of the centre two principles can be distinguished: first, the principle of the loss of attractiveness of the theme park within the leisure and business centre, and second, decreasing rates of growth of the whole complex during his development. The first principle that is represented in the upper part of Figure 3 describes the successive shift of attractiveness from a theme park (ATP in the figure) towards the emerging new elements of the complex. At the beginning of the evolution, a theme park inherits a primary function of the centre, which is dispersed gradually onto the new attractions; the theme park becomes a "normal" attraction beside a lot of attraction factors. It is important to note the relativity of the loss of attractiveness of the theme park.

It is also possible that the theme park gradually increases the number of visitors, but while other factors emerge such as the increase of visitors to the whole area, this will always be less than the increase of number of visitors to the whole complex.

During this process, an important influence can be perceived from different synergistic effects, like the same administration, infrastructure, and stimulating effects from localisations and urbanisation economies. The whole process will be described in the following paragraph.
### Fig. 3: Trends of development of attractiveness of a theme park during the evolution of a polynucleid leisure and business complex

<table>
<thead>
<tr>
<th>Phase of</th>
<th>Phase of</th>
<th>Phase of</th>
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<tr>
<td>monopoly of attractiveness</td>
<td>evolution of complementary attractiveness</td>
<td>agglomeration and interconnection of heterogeneous attractiveness factors</td>
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**Principle I: Model of the loss of attractiveness of a theme park at a polynucleid leisure and business complex**

- Decreasing attractiveness of a theme park at a leisure and business complex under increasing attractiveness of complementary attractions.
- Temporal expansion of the complex.
- Limit of maximum share of attractiveness of a theme park at a polynucleid leisure and business complex.

**Principle II: Model of decreasing growth of a theme park in dependency on the development of complementary attractions**

- Decreasing rates of growth up to loss of attractiveness of a theme park under increasing significance of complementary attractive factors.
- Temporal expansion of the centre.
- Limit of maximum attractiveness of a leisure and business complex, under given conjunction of the different attractive factors of the complex.

<table>
<thead>
<tr>
<th>Legend:</th>
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<tbody>
<tr>
<td>Attractiveness of a theme park $A_{TP}$</td>
</tr>
<tr>
<td>Attractiveness of complementary attractions of a leisure and business complex</td>
</tr>
<tr>
<td>Attractiveness of the n-th attraction built after a theme park $A_n$</td>
</tr>
<tr>
<td>Sum of attractiveness of the n-th attraction and change of attractiveness of the previous complementary element, i.e. $A_n = \sum (\Delta A_{n-1}, A_n)$</td>
</tr>
<tr>
<td>Total evolution of attractiveness of complementary attractions $\sum (A_2 \ldots A_\omega)$ (with $A_2$ as attractiveness of the first attraction built after the theme park and $A_n$ as attractiveness of the last attraction)</td>
</tr>
<tr>
<td>Total evolution of attractiveness of a leisure and business complex, with $A_{LBC} = \sum (A_2 \ldots A_\omega) + A_{TP}$</td>
</tr>
</tbody>
</table>

**Source:** Own representation
After the initial phase, when the theme park mostly forms a singular attraction, new complementary elements are integrated in the centre, like hotels or shopping centres. The attractiveness of a factor is designated as $A_n$. The variation of attractiveness is then designated as $A_n^*$ which forms the sum of the attractiveness of the new element and the variation of attractiveness of the preceding elements:

$$A_n^* = \sum_{i=1}^{n} (\Delta A_{n-1}, A_n)$$

Under the premise of an increasing implementation of new elements into the centre and an intensive interconnection of these attractions, the „phase of agglomeration and interconnection of heterogeneous attractiveness factors” is achieved. The different factors are less important at the whole centre and it is easily possible to substitute them for other new elements.

The principle of decreasing growth of a theme park in dependency on the development of complementary attractions

Besides the overall loss of attractiveness of a theme park within a leisure and business complex, an intensive interconnection between the evolution of attractiveness of the different elements of the centre can also be seen. The resulting model, which describes the evolution of growth of the attractiveness of the whole project, has to take the synergistic effects into consideration that occurs between the different elements. Two essential evolutionary guidelines shall be described in the model: first, that on the one hand each element is constantly expanding his capacities, but second that this expansion takes place with decreasing rates of growth. This effect is denominated as the “principle of decreasing growth of attractiveness”. The whole process normally starts with the opening of a theme park, surrounded by more or less empty spaces that will be developed afterwards. During this phase the theme park or a similar attraction is the only factor of attractiveness and the only destination for the visitors. Therefore, this first phase, concerning the attractiveness of the center, is called the “Phase of monopoly of attractiveness”. Due to the product life cycle as developed by Butler (1980), the growth of attractiveness does not develop gradually but more in the way of a rising and then sloping curve – i.e. faster in the beginning with decreasing rates of growth during maturity. The decreasing rates of growth result from the growing age and the growing saturation in the interest of the visitors. To prevent an early point of saturation and to reach a prolongation of the life cycle, new attractions are continually added to the park, both inside as well as outside.

The development of the number of visitors gradually approaches a certain limit of attractiveness. This boundary value represents a certain amount of visitors, but this marginal value should be flexible during this process, i.e. the boundary value can be escalated due to increasing and expanding capacities of the complex. There are multiple factors of limitation such as the physical boundaries of the complex, limited monetary resources, the development of new leisure and tourism preferences and the economic situation of both the host region as well as of the regions of origin.
The initial state is replaced by a “phase of evolution of complementary attractiveness”, when the attractiveness of the theme park is growing at a smaller rate than those of the emerging complementary factors like hotels or shopping centres. Therefore, the theme park loses its dominant position and importance within the complex and an increasing significance of the emerging complementary attractive factors can be observed.

In the course of the development of the overall attractiveness of the theme park, the question arises should the theme park gain more attractiveness due to the opening of other elements and the emerging synergistic effects, or if the park just looses attractiveness to the new emerging factors, if a successive shift of attractiveness can be detected from the primary element, the theme park, towards the other factors. Summarized it can be seen that the attractiveness of the whole complex is greater than the sum of attractiveness of the singular elements.

The model of the phasical evolution of polynucleid leisure and business complexes

After the examination of the evolution of the life cycle of the complex, which primarily described the changes between phases of expansion and stagnation, in the following paragraph a spatial - functional model will be developed and discussed which illustrates the evolution of a polynucleid leisure and business complex within a region. The model starts with the assumption that the host region already possesses a certain diversified structure in terms of economy and tourism. The research results of Hatzfeld (1994) are, therefore, taken into consideration. He claims that a high-density population of potential visitors and a certain attractiveness of the region are principal requirements for the location of an important tourism project.\[32\] In this regard, it is worthwhile considering the trend of big tourism projects, which are marked by intensive capital investments being largely located near an important agglomeration. This way they can benefit from the already available population and potential visitors. This also lowers the costs for the initial infrastructural improvements in the region.\[33\]

Under the premise of a successive integration of the complex into its host region and an increasing interconnection of the internal attractions of the project, several characteristical stages can be perceived. These different stages have been arranged into four different phases as presented in Figure 4. Each phase is marked by a characteristic new development in terms of the integrative evolution of the complex within the region. According to the most important evolution within each phase, the different stages are named as “Phase of pole formation” (Phase I), “Phase of internal interconnection” (Phase II), “Phase of external interconnection and internal differentiation” (Phase III) and as “Phase of complex building and regional integration” (Phase IV). During the explanation of the different stages, a great importance will be attached on both evolution and major change of the functional orientation of the different spaces and areas within and outside the complex. Therefore in Figure 5, the

\[32\] Compare Hatzfeld, 1994, p. 48
\[33\] After Hatzfeld, 1994, p. 48, one of the most important advantages for the location of tourism complexes consists in an efficient infrastructural situation of the region.
major functions are extracted out of the model and are presented separately in order to specify the change and the successive diversification of the different thematic functions within the complex.

**Phase I: The Phase of pole formation**

In the "Phase of pole formation" (Phase I), which corresponds with the initial phase of the product life cycle of tourism destinations (Butler, 1980), the theme park forms the exclusive attraction of the area. Characterised by a central position, the theme park is surrounded by expanded spaces that initially lie idle and comprise of no certain uses except for the transition of goods and visitors. Hence, the only installations to be found are basic infrastructure like streets, train stations, and parking sites. Throughout the evolution of the centre, this area will be successively developed and graded up by future leisure and business uses. According to the model of urban expansion presented by Burgess and in order to embrace the changes in the functional structure of this part of the centre, this fraction will be designated as "Zone in transition".\(^{34}\)

In the course of the expansion of the theme park and the emerging primary concentration sector, which will be described in Phase II, the reserve area will continuously become smaller and functionally differentiated.

The primary use of the whole area in this first phase consists in the "experience" of the theme park, the frequentation of the visitors of the attractions and installations within the theme park. Therefore, it is possible to denominate this stage as "Phase of monopoly of attractiveness", concentrated on the theme park, as represented in Figure 3.

\(^{34}\) As an example for the possible restructuring of the reserve area can be mentioned a new parking block in the Disneyland in Anaheim, California. Finished in June 2000, it's been the biggest parking block in the world, according to the Disney enterprise. It has over 60,000 parking lots, spread over six floors. The emerging free spaces in the "Zone in transition" will be used for the further development and construction of the whole area. Therefore it serves as an example of the expansion of the internal concentration sector at the expense of the reserve area that becomes steadily smaller in the course of the evolution of the complex. Compare Ahius 2000, http://uranus.ecce-terram.de/test/facts/intern/projekte.html [Date: 15.7.2000] The denomination of the reserve area as "Zone in transition" mainly refers to the functional changes of this fraction throughout the evolution of the complex. The other possible denomination, "Zone of transition", would focus more on the physical transactions and the circulation of goods, services, and visitors who have to cross this area in order to reach the theme park and the primary concentration sector.
Tourism Destination Planning

Under the process of a successive integration of the complex into its host region and as increasing local attraction of the internal structures of the project, several characteristic stages can be perceived. These different stages have been arranged into four different phases as presented in Figure 4. Each phase is marked by a characteristic new development in terms of the integrative potential of the elements within the system. Industrialization of tourism management, internationalization, and the creation of local tourism structures are the main objectives of each phase. Each phase marks a new transition in the development of tourism destinations. The phases also reflect the change in the role of local communities in the management of tourism activities.
### Fig. 4. The Phases of Evolution of Polynuclear Leisure and Business Complexes

<table>
<thead>
<tr>
<th>Phase I: Phase of Pole Formation</th>
<th>Phase II: Phase of Internal Interconnection</th>
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<tbody>
<tr>
<td><img src="image1" alt="Diagram" /></td>
<td><img src="image2" alt="Diagram" /></td>
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<table>
<thead>
<tr>
<th>Phase III: Phase of External Interconnection and Internal Differentiation</th>
<th>Phase IV: Phase of Complex Building and Regional Integration</th>
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<tr>
<td><img src="image3" alt="Diagram" /></td>
<td><img src="image4" alt="Diagram" /></td>
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#### Key to Symbols:
- Total area of a leisure and business complex
- Theme park
- Hotel with MICE installations (inside - outside the area)
- Shopping Centre (inside - outside the area)
- Radiation effects of a leisure and business complex on the region
- Reaction of the region to a leisure and business complex
- New developing centre in the periphery of the complex, with corresponding evolution of a different elements and uses ("Localization Economies")
- External concentration area of goods, services, tourists and population ("Urbanization Economies")
- Reciprocal and unilateral relations between different elements inside and outside the area
- Fluid transitions between different attractions and sectors

#### Key to Uses:
- Reserve area for future leisure and business uses
- Potential source region of clients (vicinity region of a leisure and business centre, area of hotels and MICE installations)
- Sectors inside a leisure and business complex with offers for complementary uses (residential area, sports and leisure facilities, other facilities)
- Primary concentration sector with intensive uses oriented on tourism, business and services
- Secondary concentration sector with intensive uses oriented on tourism, business and services
- Interconnected concentration area with multifunctional uses for tourism, business and services
- Pole of attraction for tourism and business services

**Source:** Own representation
Phase II: The Phase of internal interconnection

The second phase starts with the inauguration of other elements within the area. Most often, hotels and shopping centres provide the first additional utilisation possibilities for the leisure and business complex. This is necessary in order to keep secondary expenses of the visitors within the leisure and business complex and also to provide complementary attractions. The theme park still attracts most of the visitors, as represented in Figure 3, but a declining tendency is visible. Through the evolution of complementary attractions, the visitors can choose between different attractions. The attractions are built close to one another in order to minimise the transaction ways between the different installations. These emerging installations are marked by an intensive interconnection because of the spatial closeness and the disposition of subsidiary and complementary uses for the visitors. Therefore, it is possible to speak of an emerging “zone of internal interconnection”, which should describe a primary concentration sector with intensive uses for tourism and services. The part is clearly separated from the reserve area, which becomes smaller due to the expansion of the inner concentration sector.

These characteristics in the face of position, utilisation, and point of time of the implementation of different elements into the leisure complex can also be seen within future projects. An example of this is a still unnamed project in Mississippi in the USA, which should be opened in 2004 on an area of 800 hectares. Starting from a theme park, which thematically will treat the different states of the USA, different complementary attractions like a water park, a shopping mall, several restaurants, hotels and golf courses will be implemented successively into the complex. As an expanded reserve area serves a purchase option on another 1,200 hectares in the adjacency of the park.³⁵

Through the connection of the first elements of the systems, a “primary concentration sector” emerges, both in terms of visitors and in terms of circulating goods and demanded services. This “primary concentration sector” shall principally be defined by the time of its evolution. A reserve area still surrounds this sector, and is already smaller than it was during the first phase. In distinction to the “secondary concentration sector”, which emerges throughout the next phase, this zone can be defined by the means of its earlier appearance. Furthermore, in the course of the development of the model, due to the demand it creates, this first concentration sector within the leisure and business project determines also the development of external, secondary zones of concentration, which emerge in the adjacency of the complex.

Phase III: The “Phase of external interconnection and internal differentiation”

The third stadium, the “Phase of external interconnection and internal differentiation”, starts with the emergence of different radiation effects of the leisure and business complex on the region. At this point, the complex changes from a primarily touristic destination to an integral functional offer of the region. Essentially, during this phase is the fact that the complex becomes both a destination and also a source, an emerging area for tourists. Already in the two earlier phases different effects of the complex on the region could be detected, like the investments in the regions, or the labour required from the region for the construction of the installations. Due to the opening of internal accommodation, and even stronger in the next phase with the inauguration of the housing area, the complex itself becomes an emerging source for tourists to the region. Within the scope of a successive diversification in order to meet rising visitor expectations, the uses and functions inside the complex will be completed by complementary uses like “working” and “accommodation” (Fig. 5), which find their expression in emerging conference centers, shopping centers, further hotels, restaurants and sport facilities.

Physically, this process can be observed by the creation of different urban axes that connect the region or a surrounding city with the complex, e.g. primarily different parts of the regions with special offers and attractions within the complex. Considering these influences, it is also possible to speak of “segmented radiation effects” in order to describe the effect that impacts from the complex. These are primarily concentrated on areas that possessed a certain business and leisure structure before the project was

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36 Considering the often-enormous capacities of the hotel area of similar projects, these radiation effects and impacts on the region must be considered as important for the level of demand in the corresponding city or region. For example, compare the „Walt Disney World“ in Florida, USA with 22,000 beds in 26 hotels in 1995 (Jahrfeld, 1996. p. 193). These numbers do not include potential further visitors from the leisure and business complex to the surrounding areas like the residents of the living areas of those projects, e.g. of the “Celebration City” inside the “Walt Disney World”.

37 As an example can be cited the planned prolongation of the city center and the main shopping street of Salou, province of Tarragona, which will be directly connected with the theme park and the shopping center of the “C.R.T.” For the spatial connection of the complex with the surrounding region, see Anton Clavé, 1997d, p. 258. There can be clearly perceived the evolution of three different axes connecting the complex with the region: first, the mentioned prolongation of the main shopping street of Salou, crossing the leisure and business complex between the planned shopping area and the theme park and on the same time establishing a connection with the second closest city, Vila-Seca; second, a corridor in the south of the theme park, traversing the complex south of the theme park and north of the sports facilities and the housing area and connecting the area with the region east of the complex and city of Tarragona; and third, the second prolongation of Salou’s main street towards the coast and the tourist destination and beaches of La Pineda.

The evolution of different functional urban axes can also be perceived in the central part of Florida in the USA. Initiated by the inauguration and successive expansion of the “Walt Disney World” in Orlando, an intensive urban spread could be perceived in the following decades in this former fallow region. Remarkably, this expansion didn’t take place in an evenly distributed spatial pattern but in the form of certain corridors of intensity due to the high mobility, infrastructural improvements and the connection of the region to important airports such as Miami and Tampa and the fast growing land values in the proximity of the “Walt Disney World”. This evolution of aligned attractions also can be described as “strip development”.

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initiated. The effects on the region, therefore, cannot be considered to be evenly distributed, but are instead marked by a mosaic spatial structure. In Figure 3, this is taken into account through the secondary concentration sectors outside the complex as external areas of expansion. In addition, the "secondary concentration sector" emerges due to the radiation effects of the leisure and business project on the region. While the development of the primary concentration sector normally takes places in a former fallow area, the secondary concentration sector already contained a certain diversified supply of services, goods, and touristic infrastructure before the initiation of the project. This supply experiences a noticeable revalorisation due to the radiation effects of the complex, like the expenditures of the visitors and the hotel guests of the complex and also the internal residents in the local economy.\textsuperscript{38}

\textsuperscript{38} Therefore, due to the emerging complex, a revalorization of the existing leisure and business structure of the region can be seen. The secondary concentration sector describes the spatial concentration of the radiation effects of the complex onto the region, i.e. the effects of the projects onto the economic structure of its host region.
It is evident that there is primarily a connection of attractions and offers of the leisure and business complex with installations and offerings in the region that already possessed an elevated importance for leisure and services and which will experience an increased valorisation through the implementation of the project. These zones of circulation and intensity are marked by an intensive concentration of local residents, a high density of services, an excessive circulation of goods and an increased frequentation of visitors from outside the region and also from the leisure and business complex.

Therefore, during this phase, the characteristic changes consist, on the one side, of the increasing internal differentiation of the complex and its functional diversification. On the other side, it consists of the successive connection of the attractions of the project with the different installations of leisure, business and services of the regions and the successive integration of the leisure and business complex into its host region. It is possible, therefore, to speak of a phase of “internal differentiation and external interconnection”.

**Phase IV: The “Phase of complex building and regional integration”**

The transition to a preliminary last stadium, the “Phase of complex building and regional integration”, is concerned to be more valuable than the previous ones. The
integration of the complex into its host region successively is completed, and the inner functional and spatial structure of the complex itself is completed to such an extent that the reserve area mostly disappears. Important differences to the previous stage also consist in the evolution of new attractions outside the complex, initiated by the greater economic potential created by the leisure and business complex.

Different attractions within the region emerge, such as new shopping centres, hotels, conference centres, housing areas, and new installations for leisure and recreation due to the spin-off-effects of the project onto the region. If you consider examples of similar projects, like the attractions and leisure areas created by the Disney enterprise, often the appearance of new theme parks or similar attractions in the adjacency of the theme park can be seen. This evolution should be taken into account by the new leisure and business complex emerging close to the first project, as it is represented in the graphic figure of this fourth phase. This new evolution can take place in two different spatial models: First, as is represented in Figure 4, the authorities of the leisure and business complex acquire a new property connected with the area, which is already developed. In this case of available space and sufficient benefits from the installations already constructed, a similar evolution can take place surrounding a new created pole of attractiveness, a further theme park or a similar attraction. This new attraction would also be integrated in an area with the possibility for further expansion. In the graphical representation of this fourth phase, this possibility of evolution from the same enterprise is taken into account through the intersection of the new project with the existing leisure and business complex. Second, is the case of the evolution of a similar project of another enterprise. If this intersection were to take place; the two areas would have to be separated.

Conclusion

39 As example can be mentioned both the “Celebration City” within the “Walt Disney World” (compare the considerations of Jahrfeld, 1996, p.193 - 195), and the planned housing area of the “C.R.T.” in Catalonia. The implementations of Jahrfeld (1996) further can serve as an empirical base for the adaptability of the developed models on the evolution of the Disneyland in California and the offers of Disney in Florida.

40 These considerations are based on the different forms of expansion of existing leisure centers during the last decades. Taking the two main installations of the Disney enterprise in the USA into account, there can be clearly seen two different ways of spatial evolution. The first theme park, the Disneyland in Anaheim in California, was marked by a relatively restricted spatial expansion a limitation to acquire further portion of land close to the park. Therefore, a lot of the further development of the zone took place outside the area acquired by Disney, proving the possibility of the second way of the further expansion of a leisure and business complex. In opposition to that situation, the area acquired from this enterprise in Florida was far more extended, giving space to further expansion. This possibility should be taken into account through the first explanation, as it is graphically illustrated in Figure 3. As example for the development of a new complex in the adjacency of the first project, a planned new theme park that shall be opened in 2004 beside the “Universal’s Port Aventura” can be mentioned.
This paper aimed to develop new models for spatial and functional evolution of new destinations in tourism. Considering the processes of the tourism industry and those projects mentioned and discussed throughout this paper, the proposed models seem to be able to describe new general and transferable tendencies in the evolution of tourist destinations. The mentioned "polynucleid leisure and business complexes" may be treated either as a new form of tourist destinations, as integrated tourism destinations or as modifications of yet existing tourism urbanizations. Considering the utility of these two models, it is still uncertain if they may contribute to theoretical concepts in tourism studies. Nevertheless, three principal uses of these models can be detected. Firstly, they can be used as a conceptual framework to analyze evolutionary trends of new tourist destinations. Secondly, they can act as a theoretical device to forecast spatial and functional evolution. Finally, they can be used as a guide for strategic regional planning, or as Cooper and Jackson (1989) stated 'for the utility of the life cycle approach in tourism studies.'
REFERENCES


BUSINESS STRATEGIES IN THE TOURISM SECTOR: AN INVESTIGATION TO IDENTIFY FACTORS WHICH INFLUENCE MARGINAL ORGANISATIONS TO MOVE INTO OR REMAIN ON THE FRINGE OF THE BUSINESS OF TOURISM AND ACTIONS TAKEN TO IMPLEMENT EITHER STRATEGY

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ABSTRACT

The traditional way of defining the tourism industry has been in terms of the circumstances of consumption, with a series of assumptions made about the suppliers of those goods and services used by tourists. The first assumption is that consumption of goods or services by tourists indicates the existence and presence of a ‘tourism industry’. The ultimate assumption is that all suppliers of goods or services used by tourists are components of this ‘tourism industry’. An implicit intermediate assumption is that all those suppliers have, or should have, a business relationship with tourists.

These assumptions were questioned by the study reported in this paper. The study aimed to determine whether the aforementioned assumptions are reasonable and realistic, focusing on the issue of whether a firm should be described as in the business of tourism and a component of the tourism industry, even if it is not strategically managed to target tourists. The business strategies of marginal tourism firms (suppliers of routine consumable goods and services whose markets comprise both tourists and locals) are investigated and the reasons why some of these firms choose to target tourists and why others choose not to target tourists are analysed. A conceptual framework of strategy development in marginal tourism firms is presented and implications of the research findings for integrated tourism planning are explored.

KEY WORDS

Marginal tourism firms, business strategy, tourism industries, integrated tourism planning.

INTRODUCTION

Traditional approaches to defining and measuring tourism have been based on the assumption that if an organisation serves tourists then it is a component of the ‘tourism industry’. As such, methods of measurement aimed at analysing tourism’s economic contribution have tended to focus on the behaviour of the tourist including direct observation of tourist expenditure, and observation of tourist receipts (Bull 1991). Smith’s ‘Two Tier’ approach (1989) is one such approach that utilises tourist receipts to
measure the supply side of tourism. Using this approach, if 80% or more of a firm's income is generated from tourist receipts then it is classified as being in tier one, which means it is directly involved in tourism. If less than 80% of a firm's income is generated from tourist receipts then it is classified as a tier two firm, one that would most likely continue to exist even in the absence of tourism. The usefulness of an approach like Smith's (1989) has been questioned by writers like Leiper (1995) and Gilbert (1990) who contend that the size of the tourism industry, as defined using methods based on tourist receipts and tourist numbers, is exaggerated. Instead they suggest that whilst the idea of 'the tourism industry' embracing all resources used by tourists, is useful for economists, it is too simplistic to be of great use in many other contexts such as government policies, business management and marketing, promotion, development and planning. This is because in many locations the majority of the organisations, which sell goods and services to tourists, also deal with a variety of other market segments, many of which do not fall within the definition of travel and tourism (Middleton 2000). According to Leiper (1996:373) 'the condition of being in the business and industry of tourism is the outcome of a managed strategy, not an abstract state transpiring by merely having tourists as customers'.

Therefore, consumer based approaches like Smith's (1989) are nonsensical in terms of the theory of market segmentation, because whether or not a firm targets tourists, cannot be known with certainty by simply observing the number of tourists among a firm's customers or associated tourist receipts. 'It is a supply side practice, so knowledge of its existence requires observation of the business strategies used by each organisation' (Leiper 1996:374). In terms of marketing and tourism supply a more precise approach to defining tourism supply is to focus on the business strategies of firms so as to identify whether they are actually targeting tourists rather than defining tourism supply based on tourist consumption. This information describing the hidden structure of the industry can be of greater use to business managers and organisations involved in policy and planning for tourism. Such information includes which firms in these marginal tourism sectors are strategically managed to target tourists and the inter-organisational links, co-operation and cohesiveness among these firms.

A criticism of approaches like Smith's (1989) 'Two-tier' model, is that approaches like these (19989), fail to recognise that organisations that supply goods and services to tourists have varying degrees of involvement in tourism. For example, whilst organisations such as hotels and airlines are commonly recognised as having a direct link to the tourism industry, the involvement of many other firms, including restaurants and retail shops, is more ambiguous. The importance of identifying the varying degrees of involvement that a firm can have with tourism industries was emphasised by Leiper (1995, 1996) who discussed the notion that tourism is 'partially industrialised'. In his discussion of partial industrialisation, Leiper (1995:135-136) theorised that firms that supply goods and services to tourists can 'be considered individually and can be divided into three categories:

(i) Organisations supplying tourists with goods or services but doing so without any significant business strategies aimed at tourists,
(ii) Organisations with strategies aimed at tourists, but without significant links with tourism industries,
(iii) Organisations strategically aimed at tourist markets and also functionally linked into tourism industries.

Leiper (1995:136) demonstrated the various strategic positions a firm can have in relation to tourist markets on the spectrum shown in Figure 1. The three categories allow for a distinction to be made between businesses that could be described as obvious tourism service providers. These would most likely be located to the right of the spectrum in the business and industry of tourism and firms not considered to be specialists in tourism. The majority of which, however, would be located towards the left side of the spectrum outside the business and industry of tourism. A smaller portion might then be located in the centre of the spectrum, in the business of tourism but not actively involved in tourism industries. Leiper (1995) used the term ‘marginal tourism organisations’ or ‘fringe dwellers’ to describe enterprises with no direct strategic relationship to tourists, but which are suppliers of routine consumable goods and services and whose markets comprise a mix of tourists and non-tourists. He questioned the validity and usefulness of general definitions that classify any firm that sells goods and services to tourists as operating within tourism industries. Leiper went further argued that for a firm to be classified as an active member of tourism industries it should have a business strategy aimed at tourists, and should have co-operative links with other organisations in the same broad line of business. These co-operative links may exist in the form of co-operative pricing policies, advertising and publicity messages, industry association affiliation, shared reservations systems and packaged tour arrangements (Leiper 1995).

Figure 1 - Four Kinds of Resources Used By Tourists

<table>
<thead>
<tr>
<th>'Natural' and other non-market sources of tourists' satisfaction</th>
<th>Organisations not in the business of tourism</th>
<th>Organisations in the business of tourism</th>
<th>Organisations in the business of tourism and participating in tourism industries</th>
</tr>
</thead>
</table>

Organic, environmental, non-industrial tourism
Highly industrialised tourism


Leiper (1992, 1995) proposed that in many locations, the largest proportion of firms that sell goods and services to tourists do so incidentally, operating on the fringe of tourism industries without any deliberate strategy to target tourists, or any active involvement in tourism industries. He investigated this issue in a broad manner using cases from his preliminary research that were said to be typical of the many organisations that supply goods and services to tourists in an incidental way, not by strategic design and without a deliberate strategy to promote tourism. A key outcome of his case research was the notion that simply because an organisation derives a portion of its income from tourists,
this does not mean that it has a deliberate strategy to target tourists. Instead, the case findings demonstrated that a marginal tourism firm could choose to pursue a strategy to occupy one of several different strategic positions in relation to tourism markets. Whilst several other researchers have attempted to develop an approach aimed at accurately defining the supply component of tourism, Leiper’s (1995) theory is unique. It proposes that the extent of a firm’s involvement in tourism markets and industries is a reflection of the business strategy and management practices of the firm.

Several key points from the literature suggest that there is merit in Leiper’s approach to understanding the supply side of tourism. From a policy and planning perspective, numerous tourism writers (Hall 1991; Ioannides and Debbage 1998; Smith 1995; Stear et al. 1989) have demonstrated a need to identify the sectors, which play primary causal roles in tourism and to distinguish between firms that contribute to tourism outcomes and ‘those which are simply passive beneficiaries of tourist expenditures’ (Stear et al. 1989:237). The benefits of making this distinction lies in the fact that policy makers can then direct more support and assistance to those organisations that have a legitimate interest in causing tourism, enabling them to overcome problems and identify industry opportunities. Leiper’s approach (1995) allows this distinction to be made and his method, which involves distinguishing between marginal tourism organisations according to whether or not they have direct strategic relationships with tourists, is in accordance with general business strategy theory. This theory implies that the first step in developing and implementing an effective strategy is defining what business a firm is in (Drucker 1968). A line of business is ‘a conscious effort of entrepreneurs and industry managers, which recognises certain groups and leads to an organisation dealing with them in a distinctive way’ (Abell 1995:148). Therefore, if an organisation does not make a conscious effort to service the needs of tourists in a distinctive way through specific elements of the marketing mix, then from the perspective of marketing and management strategy it should not be categorised as being in the business of tourism.

In addition to identifying the range of strategic choices available to marginal tourism firms, an important outcome from Leiper’s research (1995) was the identification of the need to investigate how and why organisations follow particular strategies.

Accordingly, the study discussed here, aims to investigate the extent to which marginal tourism firms (suppliers of routine consumable goods and services, and whose markets comprise a mix of tourists and non-tourists), are deliberately involved in the business of tourism. The primary investigation tool centered on researching the business strategies of a sample of marginal tourism firms located in Sydney, a popular tourist destination with significant tourist consumption and associated supply.

Of particular interest were the reasons identified by the managers of these firms for choosing a strategy to target tourists or alternatively to not target tourists and the specific actions taken to implement either strategy. The main reason for undertaking the study was because marginal tourism firms and their chosen business strategies are a relatively undeveloped area of tourism literature, which has not previously been explored in any great depth using empirical methods. Therefore the findings could benefit many stakeholders with an interest in sustaining the benefits of tourism.
Tourism Destination Planning

Research design

Combinations of qualitative and quantitative methods were used to obtain the relevant data for this study. 398 marginal tourism firms operating in the restaurant, retail shopping and entertainment/attraction sectors in and around the Sydney Central Business District were surveyed using a mail questionnaire for the quantitative stage of the study. The main objective of the mail survey was to determine whether significant numbers of tourists among the customers served by a business was synonymous with a strategy to target tourists. This stage also aimed to apply generic strategic management theory to marginal tourism firms to understand the factors that influence the decision to target or not to target tourists, and the key areas where action was taken to implement either strategy. A key finding of the quantitative research was that generic theory on strategy was not directly applicable to marginal tourism firms.

Therefore, in order to develop the theory specific to the business strategies of marginal tourism firms, qualitative research was undertaken. This involved conducting in-depth interviews with the owner/manager of eleven marginal tourism firms in Sydney, to gain an insight into the reasons why some marginal tourism firms have chosen to target tourists and why others have not and the actions taken to achieve either initiative.

Key Findings

Are significant tourist numbers synonymous with a strategy to target tourists?

As shown in Table 1., of the 80 firms that responded to the mail survey, 55(69%) had significant tourist numbers among their customers. Only 24(44%) of the 55 firms with significant tourist numbers among their customers had strategies to target tourists, whereas 31(56%) of the firms with a significant number of tourists among their customers were not targeting them with a distinctive strategy and marketing mix. For these firms the tourists simply formed part of the broader population that was being targeted. These findings therefore support the argument in tourism literature that tourist receipts are an imprecise measure of a firm’s true involvement in tourism and that there is no direct link between tourism’s economic impact and tourism business strategy (Leiper 1996).

| Table 1. Cross-tabulation of business strategy and tourist numbers (n=80) |
|---|---|---|
| | ‘Few tourists’ | ‘Significant tourist numbers’ | Total |
| Tourists not targeted | 25 | 31 | 56 |
| Tourists targeted | 0 | 24 | 24 |
| Total | 25 | 55 | 80 |

Source: derived from the responses to the mail survey for this study
The significance of this finding is demonstrated when relating it to Smith’s (1989) consumer-based approach for measuring the economic contribution of tourism. In applying Smith’s theory to the survey findings of this study, the outcomes suggest that the majority of these firms are in the tourism industry, because most (69%) have significant numbers of tourists among their customers and associated tourist receipts. Therefore, the findings appear on the surface to support the idea promoted in the slogan ‘Tourism Is Everybody’s Business’, because despite the firms in this study selling non-tourist specific goods, most had significant contact with tourists. The application of Smith’s (1989) theory to the empirical evidence of this study also appears to support claims regarding the apparent size and economic contribution of tourism - ‘the largest and fasting growing industry in the world’. It appears that a broad cross section of firms have significant contact with tourists. An analysis at the microeconomic level, however, produces a different picture concerning the size of the tourism industry. By differentiating between firms that are actively targeting tourists and firms that are simply passive beneficiaries of tourist expenditure it would appear that significantly fewer firms are strategically managed to target tourists than is implied by counting the number of firms with a significant number of tourists among their customers. For most of the firms in this study (56%), the fact that a significant proportion of their customers were tourists was incidental to the strategic activities of the business. Whilst managers of these firms were happy to serve tourists, they did not distinguish them from other customers, instead they performed the exact same service for local clients as they did for tourists.

Factors influencing choice of strategy for firms that target tourists and actions taken to implement the chosen strategy:

Case analysis of seven marginal tourism firms that targeted tourists revealed that individual firms differ regarding type of strategy being pursued, the influences on choice of strategy and the areas where actions are taken to implement the chosen strategy. This demonstrates that the strategies of marginal tourism firms are more complex than general industry classifications would suggest. However as a group, the seven firms revealed various factors that appeared to be common reasons among these firms for targeting tourists. These were related to a lack of spending and visitation by local residents, and the difficulty in generating repeat visitation from Sydney residents, thereby presenting a need to identify and target new markets. For most of these firms tourists were considered a logical market segment to attract because of the firm’s location in a popular tourist area.

Other reasons cited concerned tourists’ propensity to spend more money than Sydney residents, due to factors relating to the exchange rate for inbound visitors to Australia and the popularity of shopping as a tourist leisure activity. For several firms, the decision to target tourists was influenced by published forecasts predicting an influx of tourists to Sydney pre and post the 2000 Olympic Games. Others simply believed that their products or services were more suited to the needs of tourists due to the fact they were considered to be distinctively Australian, such as sheepskin products and authentic Aboriginal arts and crafts.
Case analysis of seven marginal tourism firms that targeted tourists also highlighted some common areas of action among these firms when implementing a strategy to target tourists. Most of the twelve actions drawn from these cases related to making changes to the ‘hard’ elements (Fifield and Gilligan 1995) of the marketing mix such as;

- selling new or additional products or services, creating new promotional campaigns;
- using new and different advertising media;
- changing the pricing structure of certain products and services;
- and even extending business trading hours in the case of one retail shopping centre.

For some of these firms the move into the business of tourism meant renovating or refurbishing the existing business premises, and for a few it even meant relocating the business to an area known to be popular with tourists. The aim was to attract the greatest number of customers off the street, thus minimising the amount of advertising required. For one firm a change in business location was required after changing the business structure and moving from a wholesaler to a wholesaler/retailer, due to the difficulty in identifying adequate distribution channels through which to sell the firm’s product to tourists.

Several of these firms also employed additional staff with skills and experience specific to tourism, this was particularly important for organisations trying to capture inbound tourist markets. These firms therefore recruited specialist tourism marketing managers to generate business from inbound markets. The most significant outcome in relation to actions taken to target tourists was the emphasis placed by all of the managers of these firms on forming co-operative relationships with other tourism firms for the purpose of marketing, advertising and promotions. The managers of these firms believed that it was in the best interest of their firm to co-operate with other firms in their area to reduce marketing costs. The establishment of tourism industry contacts and industry association membership was also cited as important methods of generating business and keeping informed about current industry issues relevant to a specific sector.

Factors influencing the decision not to target tourists and actions taken to implement the chosen strategy:

Half of the reasons given by the managers of firms that were targeting tourists were related to several undesirable characteristics of their existing local markets, which therefore presented them with a need to look for fresh markets. In contrast the reasons cited by the managers of four case firms for not targeting tourists were related to managers of these firms believing that tourists did not meet enough of the necessary market segmentation criteria to warrant targeting them with a distinctive strategy and marketing mix. For instance, tourists were perceived by most of these firms as difficult to identify and target with advertising and promotional activities due to the heterogeneous nature of tourist markets in Sydney, and the fact that many were independent travellers as opposed to groups and packaged tours. Also, the managers of these firms perceived tourist markets to not be as lucrative as many of the local Sydney
resident markets, mainly because they do not provide the same opportunity to generate repeat business as many tourists to Sydney are one time visitors. The compatibility of tourists with a firm’s existing local clientele was also a consideration for these firms due to the common perception that local residents do not want to patronise a business that is seen as ‘touristy’. Therefore, if a firm were to attract tourists it would most likely lose a lot of its existing clientele. Another interesting factor was the opinion of some managers that there is a trend towards tourists wanting to see and visit the places that are popular with local residents rather than ‘touristy’ areas, so that they can experience local culture. Hence, if these firms successfully targeted local residents then tourists would follow.

The location of firms in areas of the city that are already visited by significant numbers of tourists was also a key influence on their choice of strategy. Managers believed that because tourists already visit their area then there is a good chance that firms might attract a proportion of this passing tourist trade without having to target tourist markets with marketing activities. Also, significant tourist visitation to these areas has recently resulted in local precinct institutions such as the Sydney Cove Authority and Darling Harbour Authority, changing their strategies by shifting the focus to educating local residents about what The Rocks and Darling Harbour precincts have to offer them.

A shift in strategic focus for these areas has also been driven by new residential developments in nearby precincts presenting an opportunity for firms in these areas to capitalise on these new markets. Many firms located in these areas have changed their strategies to focus on local markets so as to take advantage of the expensive marketing campaigns co-ordinated and funded by these authorities. In addition, one newly established firm suggested that it did not target tourists because at this early stage of development where it is still in the start-up phase, it wanted to avoid defining its target markets too narrowly. Therefore it aimed its product at the broader Sydney population, residents and tourists.

As with firms that were targeting tourists, the managers of firms that were not targeting tourists focused on making changes to elements of the marketing mix to implement their strategy, and most cited the importance of selling a distinctive product or service. However, rather than focusing on forming co-operative relationships and strategic alliances, these firms emphasised the importance of using direct marketing activities and creating positive word of mouth advertising, repeat business and walk in trade. Several of these managers noted they were unsuccessful at generating business using advertising via mass media. As a result, their focus has shifted towards direct marketing methods such as a business website, setting up product displays at conferences and distributing a monthly newsletter aimed at creating customer loyalty and repeat business.

A conceptual framework of strategy development in marginal tourism firms

Numerous models exist within the strategic management literature that demonstrate the process a business will go through to formulate and implement business strategy (Andrews 1978; Luthans, Hodgetts and Thompson 1990, Mintzberg, Quinn and Voyer...
These models typically suggest that various factors, relating to a firm's internal and external environments and its goals and objectives, influence choice of strategy. These general constructs of strategy development have mostly been based on research into manufacturing firms. No theoretical models specific to strategy development in tourism firms are known to exist. A suggested reason for this relates to a general lack of research and theory into this area. Therefore, this study aimed to contribute to filling this gap in the tourism literature by using the findings from the case research to develop a conceptual framework. This framework outlined the reasons why certain marginal tourism firms have chosen to target tourists and why others have chosen not to and actions taken to achieve either initiative. Figure 2. depicts these factors.

The conceptual framework of this study has integrated certain aspects of Andrew's (1978) model by separating the framework into components relating to strategy formulation and strategy implementation. Although Andrew's (1978) model is twenty-three years old it is frequently cited in the later literature on strategic management such as Mintzberg and Quinn's (1996), which are standard text on strategy. Whilst this design is not intended to imply that all marginal tourism firms use formal methods of strategy formulation, it enables interpretation of the influences on choice of business strategy and actions taken to implement the chosen strategy. The centre box in the framework indicates that a commonality among these marginal tourism firms is that they are suppliers of routine goods and services to a mix of tourists and non-tourists. Two strategic options available to these firms in relation to tourist markets are suggested, to target tourists or alternatively not to target tourists. The two boxes on the left side of the framework contain factors that were cited by managers of the case firms as reasons for targeting tourists and the actions taken to implement a strategy to target tourists. Unlike other general models of the strategy process, the factors cited in this framework are very specific to marginal tourism firms. The two boxes on the right side of the framework comprise factors and actions relevant to the strategies of marginal tourism firms following a strategy that does not involve targeting tourists.

To provide an explanatory description, the components of the framework will be related to two of the cases from the qualitative research for this study. The cases of The Argyle Department Store and Harbourside Shopping Centre demonstrate how two businesses operating within the retail sector and which both have significant tourist numbers among their customers have chosen to pursue different strategies in relation to tourist markets. The Argyle Department Store is an example of a business with significant tourists among its customers but which does not have a strategy to target tourists. Strategy development in this firm can be explained by several of the factors on the right side of the framework. The factors that influenced the decision not to target tourists for the management of this firm are presented in the top right box in the framework.

They included the fact that the Argyle is located in a popular tourist area (The Rocks), so tourists come anyway. The Argyle also follows a similar strategy to its landlord, The Sydney Cove Authority, by targeting local residents from new nearby residential areas. The manager of The Argyle Department Store also believes that tourists want to experience non-tourist areas and therefore they have decided to target Sydney residents,
assuming that tourists will then follow. Actions taken by the Argyle Department Store to implement a strategy does not involve targeting tourists included some of the actions cited in the bottom right side in the framework. These were to sell a distinctive product and create positive word of mouth advertising by satisfying their customers needs and exceeding their expectations.

In contrast, Harbourside Shopping Centre chose to target tourists for reasons demonstrated in the top left box in the framework, including a lack of spending and visitation by Sydney residents and the location of the Shopping Centre at Darling Harbour, an inner Sydney precinct known to be popular with tourists. Also, Harbourside’s management believed that tourists had the propensity to spend more money and pay higher prices than local residents. Finally, Harbourside wanted to take advantage of the opportunity to attract some of the thousands of extra international visitors expected to visit Sydney during the 2000 Olympic Games. The actions taken by Harbourside Shopping Centre to move into the business of tourism by targeting tourists were extensive and are presented in the bottom left box in the framework. They included renovating the existing premises, selling new merchandise, undertaking co-operative promotional and marketing activities with other nearby firms, and establishing tourism industry contacts. They also joined relevant industry associations to gain information and support relevant to operating in the tourism industry. The shopping centre also advertised using different media tools and recruited additional staff with skills specific to tourism.
Figure 2 - Conceptual Framework of Strategy Development in Marginal Tourism Firms

Factors Influencing Choice of Strategy

- Lack of spending or visitation by Sydney residents.
- Difficulty in generating repeat visitation from local market.
- Location in popular tourist area.
- Expectation that tourist markets will spend more money, pay higher prices than local markets.
- Reduction in the amount of direct competition from businesses offering a similar product or service.
- Products or services for sale being more suited to the needs or wants of tourists.
- Increase in tourist numbers to Sydney pre and post Olympics.

- Location in popular tourist area, so tourists will come anyway.
- Following the strategy of the landlord
- Development of nearby residential area presenting an opportunity to expand business in existing markets.
- Targeting of local markets will cause tourists to follow as they wish to experience non-touristy areas.
- Wish for business not to appear touristy, as this image might drive away local clientele.
- Tourists too difficult to target with marketing activities.
- Indication from the spending behaviour of low budget tourists that tourists are not a lucrative market segment.
- Offering by the business of general product aimed at the general population.

Marginal Tourism Firms

Suppliers of routine goods and services to a mix of tourists and non-tourists

Target Tourists

- Renovating or refurbishing existing premises.
- Relocating to an area with higher tourist visitation.
- Adding additional products or services to existing product lines.
- New promotion aimed at tourists.
- Forming co-operative links with other firms that target tourists such as co-operative marketing campaigns.
- Joining industry associations, increasing firm involvement in industry services.
- Using new distribution channels.
- Changing the organisational structure.
- Retraining existing staff and recruiting additional staff with tourism specific skills.
- Changing the prices of products or services.

Do not Target Tourists

- Advertising using Sydney's print media.
- Selling a distinctive product.
- Designing a business website.
- Setting up product displays at conferences.
- Establishing a customer loyalty club.
- Using joint promotional campaigns with nearby businesses.
- Putting posters on internal company bulletin boards in nearby offices.
- Depending mostly on positive word of mouth advertising and walk in trade.
The purpose of the framework is to contribute to the advancement of theory concerning marginal tourism firms. It may also be useful for researchers, tourism managers and regional and national tourism organisations. As empirical studies into the strategies of marginal tourism firms is an undeveloped area of research this framework may provide a starting point from which to test the utility of the framework on marginal tourism firms in other sectors, locations and contexts. In addition, the factors and actions identified within the framework might provide managers of marginal tourism firms with ideas on the type of factors to consider before choosing their individual strategies and examples of actions that can be taken to implement their chosen strategies. Finally, the framework might assist regional tourism organisations by enabling them to understand why firms choose to make tourism their business, so that they can focus on these factors when developing advertising campaigns aimed at encouraging business involvement in tourism markets. The framework might also assist these organisations to develop business brochures aimed at informing business managers how to make the transition into the business of tourism.

Implications of the research findings for integrated tourism planning
Assessments of the economic value of tourism inevitably shape the opinions and decisions of regional tourism organisations, policy makers, entrepreneurs, business managers and investors concerning tourism in their region. Current approaches to assessing the value of tourism at the regional level assume that any firm that gains economic benefits from tourist expenditure is in the tourism industry. Such an approach can only be detrimental to regional tourism in the long-term. Aside from producing inflated statistics regarding the size and economic value of tourism, which can result in inappropriate business decisions, it can also lead to wasted efforts by members of regional tourism organisations, who imagine that every enterprise in their region should be doing things to foster tourism. By identifying the sectors which play primary causal roles in tourism, we can distinguish between firms that contribute to tourism outcomes and ‘those which are simply passive beneficiaries of tourist expenditures’ (Stear et al. 1989:237), regional tourism organisations can provide more assistance to the most appropriate organisations. Organisations that have a legitimate interest in tourism research and which rely on more accurate data from which to make business decisions. They can also work with the managers of these businesses to generate ideas about the future of tourism in the region, as well as initiatives aimed at creating a positive destination image. The findings of this study could also assist owners and managers of marginal tourism firms, in deciding whether or not to change their current strategy, in can also help to position them in the business of tourism, as well as providing them with ideas regarding the actions that they can take to move into the business of tourism.

Smith (1995:6) is one writer who stated that all involved in tourism require better information to improve the efficiency of business structures and administration arrangements, to improve strategies for coping with risk and uncertainty and to provide a firmer basis for profitable marketing. Yet the findings indicate that the approach advocated by Smith (1989) based on tourist receipts, is questionable in terms of the accuracy and usefulness of the information obtained. This is because it does not allow for a distinction to be made between firms that are consciously and purposefully involved in tourism and those who do nothing to cause tourism (Stear et al. 1989).
Analysis of tourism supply using Leiper’s (1995) business strategy approach produces a very different outcome regarding the size of the tourism industry compared with approaches that utilise tourist receipts as a measure of business involvement in tourism. In terms of the number of firms with strategies to target tourists, it appears that the size of the industry is much smaller than published figures - based on tourist receipts - would suggest. Less than half of the businesses, with significant tourist based sales, were directing some portion of their overall business activities at this client sector. Therefore from a supply side perspective, statistics describing the economic impact of tourism appear to be exaggerated. Slogans such as ‘Tourism Is Everybody’s Business’ used in the promotional and advertising activities of certain regional tourism organisations in Australia are based on the assumption that any organisation that sells goods or services to tourists is in the business of tourism and should be actively fostering tourism. However, the findings of the study reported here, indicate that the majority of marginal tourism firms are not performing specific production and marketing activities directed at the specific needs of tourists (Krippendorf 1986) But, rather they have chosen not to make tourism their business. Therefore the attitude of tourism boosters that tourism is inherently of automatic benefit to the hosts was found to be too simplistic from the perspective of business management.

Gunn (1988) emphasised that for tourism planning practices to be effective all stakeholders must be involved so that planning is integrative and strategic. Hall (1991), however, noted the difficulty of this task because the diverse structure of the tourism industry has made co-ordination of the various elements of the planning process extremely difficult due to the often poorly defined linkages between its components. These characteristics of the tourism production system therefore act as real barriers to achieving integrative destination planning. This fact was exemplified by the diverse strategies of the responding firms in this study, the majority of which were not doing things to cause tourism. The fact that at the micro economic level, the majority of marginal tourism firms are not actively involved in tourism markets, means that it becomes the governments responsibility to co-ordinate tourism in the region and to ensure that the business practices of these firms are integrated within the wider planning processes of the region. This may require the development of industry co-ordination mechanisms through peak industry bodies such as the provision of financial incentives and research, along with marketing and promotional assistance to firms to get them to become more actively involved in creating a positive tourist destination image for the region.

The research could also prove to be very influential on the strategic decisions of business managers. This influence is not limited to those who target tourists, but will also impact managers considering tourists as a potential market segment, as it would appear that the proportion of firms with strategies to target tourists is much smaller than the number of firms benefiting from tourist expenditure. Therefore the number of firms in direct competition with these organisations could be significantly fewer than originally thought. This finding also suggests that it may not always be feasible or desirable to target a particular type of consumer and ‘the value of a set is not a
sufficient condition for it to be targeted (Leiper 1996:373). This principle seems to have been ignored by tourism boosters.

Hall and Schou (1988) discussed the fact that tourism is characterised by extensive complementary factors between organisations within a geographic domain and suggested that the success of individual tourism organisations and destination areas largely depend on symbiosis between different suppliers. As such, information that identifies firms that purposefully target tourists also provides an opportunity for business managers involved in tourism to form co-operative relationships with these firms in the form of joint marketing and promotional campaigns. This information can help these organisations, many of which are small businesses, to work together and with industry associations for the benefit of regional development, to gain advantages for their own products and services and to present a unified front to local, regional and national governments (Witt and Moutinho 1994). In contrast if an organisation does not target tourists then it is unlikely that it will co-operate with other organisations in developing initiatives to attract the tourist dollar.

Conclusion

The findings of this study of marginal tourism firms in Sydney appear to support Leiper’s approach to defining tourism industries according to the strategic practices of a firm in relation to tourist markets. Such a micro-economic approach provides a different perspective on the actual size of the tourism industry in terms of the number of firms that are purposefully dedicating some of their business activities to catering for the particular needs of tourists. Contrary to consumer-based approaches to defining the tourism industry using tourist numbers and tourist receipts, Leiper’s (1995)-business strategy approach suggests that the industry is much smaller than published figures would indicate. This finding as well as the various reasons cited by the managers of these firms for targeting tourists or not targeting tourists, could have significant implications for those involved in tourism planning. As it appears a different approach needs to be developed so as to effectively and efficiently co-ordinate the elements of the planning process.
References


AN APPROACH FOR INTEGRATED DEVELOPMENT OF QUALITY TOURISM.

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ABSTRACT

'Tourism is an industry', is the first sentence of the conference prospectus. In our modern industrialised consumer society that is ruled by economic goals, economies of scale, efficiency, up scaling and globalisation one can hardly believe that a shift towards another paradigm could be more valuable. The one-sided industrial perspective of tourism disregards the complexity of the phenomenon. Tourism planning and development should take human mankind, human relations, human society, human environment and human development into account. Such a multisided, holistic and systemic perspective leads to an integrated approach towards planning and development in which community quality of life should be the starting point.

Such an approach towards planning and development could be based on the satisfaction of community needs, in which tourism can not be separated from other drivers. Besides, needs and satisfiers are not defined by an external elite of expert planners or project developers but by the civil society. It focuses on long-term accounting (sustainability) in stead of short-term economic profits.

The aim of the paper is fourfold:

- To question the industrial perspective towards tourism
- To visualise the complexity of (quality) tourism
- To describe a methodology for integrated planning/development of quality tourism
- To illustrate the methodology with a pilot study conducted in Antalya, Turkey in March 2001.

KEY WORDS

Integrated planning, quality of life, tourism, community development
1. Current development thinking

According to Thijs (1995), there has been a succession of paradigms in the thinking about development. In the 1950s and 1960s, a model of economic thinking dominated, as propagated by the World Bank. Capital investment and technical support were seen as very important instruments. In the seventies the International Labour Organisation (ILO) introduced the model of basic needs. This refers to the elementary provision of clean drinking water, food, health care and housing. During the eighties the International Monetary Fund (IMF) emphasised the concept of structural adjustment. This concept focussed in on the decrease of governmental expenditure and enlargement of market mechanisms. Finally, in the nineties environmental organisations pushed the idea of sustainable development, taking the limits to growth into account. (Thijs, 1995).

With regard to prevailing values, two types of society can be distinguished: the consumer society and the conserver society. Both can be regarded as the extremes on a continuum. See Table 1 (Jackson, 1989).

<table>
<thead>
<tr>
<th>Consumer society (values: dominant social paradigm)</th>
<th>Conserver society (values: new environmental paradigm)</th>
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<tbody>
<tr>
<td>Development is led by providers</td>
<td>Development is led by community</td>
</tr>
<tr>
<td>Planning is conducted by outside planners and suppliers</td>
<td>Planning is conducted by community itself</td>
</tr>
<tr>
<td>Planning is based on economic values</td>
<td>Planning is based on human values</td>
</tr>
<tr>
<td>One-sided objective: economic growth and profit (future prosperity: HAVING)</td>
<td>Holistic objective: human development (future prosperity: BEING)</td>
</tr>
<tr>
<td>Science and technology as instrument of development</td>
<td>Societal growth as instrument of development</td>
</tr>
<tr>
<td>Development is not limited by environment</td>
<td></td>
</tr>
<tr>
<td>- Unlimited supply of environmental resources</td>
<td></td>
</tr>
<tr>
<td>- Unlimited absorption capacity of environment</td>
<td></td>
</tr>
<tr>
<td>Planning is characterised by exploitation -- environmental degradation</td>
<td>Planning is characterised by conservation -- long term accounting</td>
</tr>
<tr>
<td>Output: welfare/utility measured in quantitative and material terms</td>
<td>Output: quality of life, measured in qualitative terms</td>
</tr>
<tr>
<td>Profits go to outside planners and suppliers (individualism)</td>
<td>Profits go to community (collectivism, equity)</td>
</tr>
</tbody>
</table>

Jackson, 1989; Burns, 1999

The consumer society is predominant in the western industrialised world and the conserver society in the developing countries. Thijs (1995) mentions a few other
characteristics of the modern west: secularisation, individualism, rationalisation, focus on work and production, wish to transform and rule the world, obsession with growth and progress, and reductionism (the strategy to understand the pluriform reality from the perspective of only one uni-dimensional model of development)

The difference between the consumer and the conserver society as explained above, has implications for the role and nature of tourism destination planning. These differences can be schematised as follows (Table 2).

### Table 2. Generalisation of the two predominant approaches to tourism development

<table>
<thead>
<tr>
<th>Consumer society</th>
<th>Conserver society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism is regarded as a (separate) industry</td>
<td>Tourism is regarded as a tool for community/societal development and is not seen as separate from other agents of change</td>
</tr>
<tr>
<td>Development is led by the tourism industry and travel intermediaries (supply led)</td>
<td>Development is led by the community, the civil society (community led)</td>
</tr>
<tr>
<td>One-sided objective: economic growth and profit</td>
<td>Holistic objective: human development</td>
</tr>
<tr>
<td>Planning is characterised by homogenised/undifferentiated destinations and large scale developments (economies of scale)</td>
<td>Planning is characterised by differentiated destinations and small scale developments</td>
</tr>
<tr>
<td>Marginalisation of potential participants in development process</td>
<td>Equitable distribution of ownership of development process</td>
</tr>
<tr>
<td>Planning and forms of tourism requiring high levels of resources</td>
<td>Planning and forms of tourism based on non consumptive enjoyment of environment</td>
</tr>
</tbody>
</table>

Burns, 1999

### 2. Criticism to predominant development thinking

The most important shortcoming of the western development paradigm is the neglect of the complexity of the society. For development it is important to prevent oneself from adopting simplistic viewpoints, and to take the complexity of life as the starting point (Thijs, 1995, p. 22). If the society is regarded as a complex system, a system approach is required in which disciplines like philosophy, anthropology, sociology, geography and history can reveal a valuable interdisciplinary holistic contribution (Botton, 2000; Elliott, 1995; Pratt, Howard & Brady, 2000).

Tourism is only one of the elements (subsystems) in this complex societal system. It is interwoven with all other elements in it. Therefore, tourism affects the whole society, economically, but also personally, socially, environmentally and historically. A one-sided focus on tourism as an economic industry does not consider its relation with the other elements in the system. Tourism development based on (unilateral)

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1 The civil society comprises a broad spectrum of social institutions with a wide range of interest in development, including. NGO’s and community level organisations.
Tourism Destination Planning

personal/industrial, political and economical starting points, neglects other (societal) values. Such tourism development might lead to short term economic profits. But in the long run it doesn’t lead to wealth creation for the whole community. The social and cultural aspects of the quality of life of a community might be especially negatively affected. Tourism development leads to a change in the local community and culture, leading sometimes to it having few distinguishing features and with little remaining of its unique setting and history. Even from the economic point of view the advantages should be flattered. Economic progress doesn't always profit the whole community, but only some groups (Table 1). Some residents might even feel negative economic impacts. Besides, there's evidence that increased tourism development might lead to increases in local governmental debt (Christensen, 1994). Thus, a one-sided economic perspective endangers a massive exploitation of destinations, as the (economic) expectations of destinations increase and tourism is regarded as a panacea for (economic) diseases, while tourists demand more and are less satisfied (Postma & Jenkins, 1997).

If tourism is to be viable as a long-term (economic) strategy, the danger of exploitation must be acknowledged and the resource base must be protected in the process. “The host community is the economic social, cultural and infra-structural resource base for most tourism activity, and resident quality of life is a measure on the condition of that resource” (Christensen, 1994).

Burns promotes a local focus, based on principles of sustainable human development in which tourism is regarded as a (sub) system, that aims for an independent, differentiated destination, with decreased dependency on the core and focussing on development goals as defined by the community and local social institutions (Burns, 1999). Tourism development should be regarded as multisided, multilateral and interdisciplinary. Besides, the tourism development context should be taken into account (Butler, Simpson & Wall, and Eadington in Pearce & Butler, 1999). Those contextual factors differ from place to place, from region to region. “Successful tourism development will depend on a full appreciation of contextual factors and the way in which these are incorporated into the development process” (Butler, 1999).

Because of the complexity of the societal system and the place of tourism in it, decisions about development should be taken cautiously and responsibly. Because "values are the overarching criteria people use to make decisions” (Hall & Jenkins, 1995), tourism development should be conscious about the values within society. Tourism both creates and responds to value change, and values and value change lie at the heart of all decision making and policy. Those values should be made visible and weighed against each other. As tourism is multilateral, economic values should be contrasted with personal values, social values, environmental values and historical values. Those values should be used as a starting point for formulating and executing strategies to develop tourism (O’Neill, 1993). While different forms of tourism generate different levels and types of impact, the values (together with knowledge of the potential and/or actual impacts generated) should be used as a starting point for choosing certain forms of tourism and the level of tourism that is desirable (Pearce, 1999). We should be aware that “many values often appear hidden and usually they
are taken so much for granted that they tend to be ignored in research and applied implications" (Hall & Jenkins, 1995). The value-laden nature of tourism is, however, becoming increasingly recognised and contested, particularly within the cultural and heritage aspects of tourism development” (Hall & Jenkins, 1995).

Kramer has illustrated the complexity of society and the role of value perceptions in a model. The model shows five dimensions (value perceptions) from which the quality of life in general or tourism in particular can be looked at.

**Quality of Human Life**

Model of value perceptions

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Students of the MA International Leisure & Tourism Studies (CHN North Netherlands) have used this model to discuss the values in the community of Antalya, Turkey and investigate and unravel the relationship between tourism and society (MAILTS, 1999).

3. **An alternative paradigm for integrated tourism development**

In the previous sections of this paper some arguments have been mentioned to come up with an alternative approach for tourism development. This approach should match the characteristics mentioned in the second column of Tables 1 and 2. Tourism should be managed as a local resource, where local needs and priorities take precedent over the goals of the tourism industry (Murphy, 1995 in: Burns, 1999). The whole community is
encouraged to take part in the planning process, including NGO's. The planning process should be based on a holistic approach, which aims to ensure long-term accounting (De Kadt, 1992, in Burns, 1999). The Quality of Life of the community is taken as the starting point and tourism as one of the possible 'instruments' to improve it². Plans for societal development should profit the Quality of Life of the whole community. I would call such an approach 'Integrated Tourism Planning' pur sang and the form of tourism it leads to 'Quality Tourism'³.

Such an approach is perfectly illustrated by Christensen (1995). He developed a community Quality of Life framework, based on Sirgy's theory of individual development⁴ and Rubin's theory of community development⁵. Christensen states that tourism development should include monitoring, evaluating and improving the host community residents' Quality of Life as a condition for sustainability. In his model he synthesises and expands the literature on Quality of Life research as it relates to tourism development.

**Community Quality of Life Framework**

The framework starts with the implementation of a community development project (in this case tourism based). That project, along with external forces to the project, affect change in factors of Quality of Life. The changes cause varying impacts at different

² It is important to realise that tourism is not one of the instruments per sé to improve the quality of life. This will depend on the nature of the current Quality of Life and the geographical characteristics of the area (political, social, economical, cultural and physical)!
³ Usually Quality Tourism is defined from the perspective of the tourist's quality time.
social scales. The impacts are evaluated by individuals within the context of the relevant social scale. How people perceive these impacts, is tempered by the scale of reference of the individual. This process of impact and evaluation is ongoing and dynamic. In the future, the agents of change are listed in order from individual initiative to government regulation. The order is important because principles of sustainable development would suggest that appropriate solutions should be applied at the lowest possible social scale. The tourism industry, however, should also be a leader in protecting and enhancing resident quality of human life through responsible business practices. “Appropriate development strategies integrated with a holistic approach to quality of life in the host community will contribute to greater sustainability of the tourism industry” (Christensen, 1995).

4. From Quality of Life to (tourism) development plans

To be able to improve the community Quality of Life, it is necessary to assess the current Quality of Life and identify areas that need improvement. Most literature about Quality of Life studies deals with the quality of life at the personal level and the measurement by quantitative indicators of the persons' environment. According to Mannell (1999) attention has shifted from studies focused on mental health problems and how well people coped with difficult life events to subjective well being and the quality of life as a whole. Mannell states that the use of objective measures (like gross national income, levels of crime and public violence, etc.) is not sufficient to assess the quality of contemporary life. He quotes Campbell (1980) in stating that "we cannot understand the psychological quality of a person's life simply from a knowledge of the circumstances in which that person lives" (Mannell, 1999). Instead, quality of life should not be regarded as a strictly internal construct, independent of the exterior conditions of a person's life.

However, there is one interesting theory and methodology for development that regards the community Quality of Life as a starting point and matches the characteristics as outlined in the previous section. This theory and methodology was developed in the eighties by an interdisciplinary team of researchers from various countries in Central and South America, Canada and Sweden, ranging from disciplines like economics, sociology, psychiatry, philosophy, political science, geography, anthropology, journalism, engineering and law. The approach developed by Max-Neef e.a. is essentially trans-disciplinary in nature. Such an approach attempts to gain greater understanding by reaching beyond the fields outlined by strict disciplines. (Multi-) disciplinary approaches aim at describing, interdisciplinary at explaining and trans-disciplinary at understanding. (Max-Neef e.a. 1989; Max-Neef, 1992). Max-Neef e.a. defines Quality of Life as the way we experience our lives. The theory is based upon the distinction between fundamental human needs (existential needs versus axiological needs), satisfiers (the way in which a need is expressed) and goods (means to empower satisfiers to meet the needs). The economy should be organised in such a way that "economic goods empower satisfiers to meet fully and consistently fundamental human needs". (Max Neef, 1992). Through direct and participatory democracy, needs, dissatisfiers and satisfiers are defined. The procedure leads to concrete plans for community development. The approach generates
a capacity for greater self-reliance. Projects based on this so-called Human Scale Development expand the national autonomy and distribute the fruits of economic development more equitably. Because of the requirement of participatory democracy, civil society needs to be empowered, meaning that the role of social actors, social participation and local communities must be stimulated. The universal human needs are subdivided in two categories. The nine\(^6\) axiological human needs are:

- Subsistence
- Protection
- Affection
- Understanding
- Participation
- Leisure
- Creation
- Identity
- Freedom

Those needs indicate deprivations, but also, and at the same time, individual and collective human potential (Max-Neef et al., 1989; Max-Neef, 1992).

The existential human needs are:

- Being: registers attributes, personal or collective, which are expressed as nouns.
- Having: registers institutions, norms, mechanisms, tools (not in a material sense), laws, etc that can be expressed in one or more words.
- Doing: registers actions, personal or collective, which can be expressed as verbs.
- Interacting: registers locations and milieu (as times and spaces). It stands for the Spanish ESTAR or the German BEFINDEN, in the sense of time and space. There is no good word in English.

Satisfiers are collective forms of being, having, doing and interacting, in order to actualise the (axiological) needs. Economic goods are objects or artefacts that affect the efficiency of a satisfier, thus altering the threshold of actualisation of a need either in a positive or negative sense.

As the needs are universal, they are shared by all human beings. No matter in which period of time they live or in which country or culture. Satisfiers, chosen at the intersection of each axiological and existential need, define the difference in time or culture (Max-Neef et al., 1989; Max-Neef, 1992).

The plan process comprises two separate sessions in which a panel attempts to define dissatisfiers that harm the fulfilment of the (axiological) needs, and satisfiers that might fulfil the realisation of those needs.

\(^6\) Recently, Max-Neef seems to have added a tenth need called transcendence (Reid, 1995).
By confronting dissatisfiers and satisfiers with each other, plans are defined to go from an undesirable situation to a desirable one, i.e. improving the community Quality of Life\(^7\) (Max-Neef e.a, 1989). As such the method can be used for purposes of diagnosis, planning, assessment and evaluation, e.g. with local grass-roots groups, academics or government officials. Besides, the technique described is applicable at local, regional or national levels. The method has proven its value. It has been successfully applied in hundreds of communities in South America and Africa at various levels (Max-Neef e.a, 1989; Max-Neef, 1992).

5. Pilot study in Antalya, Turkey

In the spring of 2001, students of the MA International Leisure and Tourism Studies, CHN North-Netherlands conducted a pilot study to test the usefulness of the theory and method of Max-Neef e.a. in the region of Antalya, Turkey. Due to language barriers, the students only interviewed persons who spoke English or German. In some cases interpreters were involved. Ordinary people in the street did not participate in the interviews and panels. The researchers have limited their investigations to the dissatisfiers, leaving the satisfiers for another time. Besides, the students have also tried to explicitly relate Quality of Life to tourism. (MAILTS, 2001).

Firstly, the students have conducted about 50 in-depth expert interviews with representatives of the community. Examples of interviewees are police officers, students, shop owners, car rentals, taxi drivers, academic, politicians, hotel managers, tour operators, and the like. We asked the interviewees

- to value the importance of the nine axiological needs, using the constant sum method (maximum of 100 points);
- to rate the degree of satisfaction for each of the axiological needs on a Likert scale (from 1=very unsatisfied, to 5=very satisfied);
- to rate the impact of tourism on the (dis) satisfaction on a Likert scale (from 1=no impact, to 4=very strong impact).

Afterwards the means and medians have been calculated. The results are presented in Table 3.

\(^7\) A detailed description of the method is given in Max-Neef, 1989.
Table 3. Needs and their satisfaction in the region of Antalya, Turkey, spring 2001

<table>
<thead>
<tr>
<th>Universal axiological needs</th>
<th>Importance (1)</th>
<th>Degree of satisfaction (2)</th>
<th>Impact of tourism on (dis)satisfaction (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Median</td>
<td>Mean</td>
</tr>
<tr>
<td>Subsistence</td>
<td>15.6</td>
<td>16</td>
<td>2.8</td>
</tr>
<tr>
<td>Protection</td>
<td>14.4</td>
<td>14</td>
<td>3.4</td>
</tr>
<tr>
<td>Affection</td>
<td>12.9</td>
<td>10</td>
<td>3.8</td>
</tr>
<tr>
<td>Creation</td>
<td>10.7</td>
<td>10</td>
<td>2.6</td>
</tr>
<tr>
<td>Freedom</td>
<td>9.7</td>
<td>10</td>
<td>3.3</td>
</tr>
<tr>
<td>Identity</td>
<td>9.7</td>
<td>10</td>
<td>3.0</td>
</tr>
<tr>
<td>Participation</td>
<td>9.3</td>
<td>10</td>
<td>3.1</td>
</tr>
<tr>
<td>Leisure</td>
<td>9.2</td>
<td>9</td>
<td>3.3</td>
</tr>
<tr>
<td>Understanding</td>
<td>8.5</td>
<td>8</td>
<td>3.1</td>
</tr>
</tbody>
</table>

(1) measured with Constant Sum Method (max 100 points),
(2) 1=very dissatisfied, 2=dissatisfied, 3=neutral, 4=satisfied, 5=very satisfied
(3) 1=no impact, 2=some impact, 3=strong impact, 4=very strong impact
MAILTS, 2001

This quantitative exercise was added to try the possibility of valuing Max-Neef's needs directly and relating them directly to tourism. It did reveal a kind of hierarchy between the needs and the satisfaction of those needs. Subsistence and protection were regarded as the most important needs, leisure and understanding as the least important.

On average the interviewees were rather satisfied about the satisfaction of the needs, except for creation, the only need the interviews were dissatisfied about. The last column of Table 3 confirms that tourism has a more or less strong relationship with almost all aspects of community life. The impact of tourism on participation scores the lowest. Hopefully, the method for the quantification of needs, satisfaction and impact of tourism can be improved in the near future. Apart from the aforementioned quantitative part the students have paid much attention to the qualification of needs and dissatisfiers, following Max-Neef's procedure as closely as possible. For each of the nine axiological needs they have investigated which dissatisfiers in the areas of being, having, interacting and doing were most relevant in the community of Antalya. This was first discussed during the expert interviews. Finally, all of the dissatisfiers that have been mentioned during the interviews were collected on one sheet, still linked to the respective axiological need.

One week after the expert interviews, a number of the interviewees attended a panel discussion. During the panel, a kind of Nominal Group Technique was used to reduce the number of dissatisfiers down to the most important ones. This led to the following list. The first dissatisfier was regarded as the most important. The others are put in random order. See Table 4.
Table 4. Most important dissatisfiers with regard to the Quality of Life in Antalya region, Turkey, spring 2001

<table>
<thead>
<tr>
<th>Dissatisfier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing gap between the rich and the poor</td>
</tr>
<tr>
<td>Lack of money</td>
</tr>
<tr>
<td>Increasing unemployment</td>
</tr>
<tr>
<td>Lack of impact of NGO's on tourism policy</td>
</tr>
<tr>
<td>Lack of education in tourist sector (quantitatively and qualitatively)</td>
</tr>
<tr>
<td>Increasing harm of physical environment</td>
</tr>
<tr>
<td>Tolerance (building permits, behaviour of police)</td>
</tr>
<tr>
<td>Increasing harm of aesthetics of goods and buildings by commercialisation</td>
</tr>
<tr>
<td>Reduction and intensification of the season because of rise of temperature</td>
</tr>
<tr>
<td>Disappearance of authentic function of tea houses</td>
</tr>
</tbody>
</table>

MAILTS, 2001

At this stage it wasn’t relevant anymore which needs all the dissatisfiers were related to. As the table shows, all of the items that have been mentioned are directly related to the development of tourism in the region. Surprisingly the qualitative exercise revealed more dissatisfaction about the Quality of Life then the quantification of the needs and their satisfaction.

The qualitative exercise as described above should be repeated some months later, but then it should aim at identifying the determination of satisfiers. By confronting dissatisfiers and satisfiers with each other, measures can be designed to improve the Quality of Life of the community in Antalya and the role tourism can play in these plans.

6. Conclusion

In this article various arguments have been given for a paradigm shift in our thinking about (tourism) development. In this alternative approach community quality of life should be taken as the starting point for development. Tourism should not be regarded as a separate industry led by project developers and travel intermediaries, but as a phenomenon that is intertwined with the community. Tourism should be seen as a tool for societal development led by the civil society itself. Only such an approach can lead to sustainable profit for the whole community. Max-Neef has developed an approach that could be valuable in this regard. The method has partly been tested in the region of Antalya, Turkey. In the region, this pilot study has been received with great enthusiasm. Various times the researchers have been complemented about this approach, in which tourism is investigated in relation to community life as a whole.

Thus the project not only gave a slight insight in the dissatisfiers of the community quality of life, but was also an ‘educational, creative and participatory exercise that brought about a state of deep critical awareness’ (Max-Neef e.a., 1989; Max-Neef, 1992) not only with the students, but with the interviewees and panel members as well.
7. Acknowledgements

The researchers in Antalya were Niels Antonis, Otmane Sadoki, Ferdinand Postma, Grace Karijomedjo, Marcel Snippe and Naomi Lumangkun. I would like to thank them for their great enthusiasm and dedication during the preparation and execution of the research in Antalya as part of the MA International Leisure & Tourism Studies, CHN University of Professional Education, North Netherlands. Thanks also go to Mrs. Berry Vos, owner of MITHRA Travel in Antalya. She has been a very important facilitator of the Quality of Life project during the last 3 years. Doors were opened for us that would never have been opened without her. Thanks to the input of the students and Mrs. Vos, the project has been a learning enterprise.

8. References


9. Related literature


THE ROLE OF POWER IN RURAL NETWORKS: A CASE OF THE PEAK NATIONAL PARK.

Ms. Gunjan Saxena. Research Assistant on European Union funded the three-year project SPRITE (Supporting and Promoting Integrated Tourism in Europe’s Lagging Rural Regions). This paper is part of the research work that the author undertook as part of her Ph.D. in Staffordshire University before joining Coventry, and is currently awaiting the supervisor’s final comments.

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KEY WORDS

Power, networks, relationships.

INTRODUCTION

The approach and focus of this research is positioned in the context of previous research into tourism partnerships. The research looks into the relationships of local stakeholders at the destination level, and stresses the need for a balance between the interests of different interest groups, as a crucial element in achieving sustainable tourism development. Epistemologically, this paper draws on the approach of relationship marketing, which has been used here to examine the significance of social relationships, characterised by variables such as trust, commitment, mutual exchange and fulfilment of promises. The theoretical concepts therein are adapted to examine the circumstances of public, private and voluntary sector collaboration in tourism provision. It is proposed here that marketing can prove an organising principle for key individuals and institutions involved in tourism provision, as the focus of relationship marketing is on the relationship itself rather than the singular exchanges of resources which occur in the relationship (Gronroos, 1996).

Furthermore, for the purposes of this research, a network paradigm is used to examine socio-economic relationships. A key premise of this research is that there is a fundamental, even inalienable, nexus between relationship and network concepts and processes, which can be used to explore networking, alliances, inter-organisational collaboration and partnerships in the tourism field.

The approach of relationship marketing and the network was used in this research to explain socio-economic relationships amongst suppliers in tourism.

Relationships rest on (1) economic and social exchange; (2) the structure of reciprocity (3) restricted exchange, limited to two persons both in time and space; and generalised
exchange, in terms of the number of people involved in unit time and space in the same social exchange transaction (Homans, 1961; Blau, 1964, 1975; Malinowski, 1944).

These contribute cumulatively to social solidarity and trust. These variables help in the understanding of relational processes, characterised by co-operation, and competition. According to Altman and Taylor (1973), three factors hasten or restrain the growth of a relationship. First, there are the personal characteristics of the participants, which include variables such as similarity of goals, need complementarily etc. Secondly, there are situational contexts or circumstances conducive to building relationships. Thirdly, there are the outcomes of the exchange in terms of rewards and costs. Thus, past outcomes, anticipated future outcomes, as well as present outcomes, enter into the decision to increase or decrease the level of involvement in a relationship.

THE APPROACH OF RELATIONSHIP MARKETING

Techniques for measuring trust and determining factors leading to relationship building such as those identified by Crosby (1990) and Morgan and Hunt (1994) cannot be used in the existing tourism scenario at the destination given the limited number of any established networks associated with rural tourism in UK. Hence, it is necessary to examine alternative approaches to gain an understanding of the propensity of actors to enter into co-operative relationships with others.

Relationship marketing is suggested as a possible approach, for joint management of tourism growth, in accordance with the concept of sustainable development, that stresses environmental limit or carrying capacity. This research advocates the concepts and methods of relationship marketing which offer a potentially useful framework for understanding, explaining and managing networks and collaborations. Broadly speaking, however, the key concepts, processes and elements in relationship marketing, central to understanding the relationships and the networks include (Payne, 1995; Bagozzi, 1979; Berry, 1991; Gronroos, 1990a; Gummesson, 1987; Webster, 1990):

- The relational exchange as opposed to transactional exchange that means identifying, establishing, maintaining, enhancing, and when necessary terminating social relationships amongst providers, formed as a result of business transactions.
- Emphasis on trust and commitment that reinforce social relationships formed as a result of ongoing business interactions amongst partners.
- Shift of emphasis from products and firms to people, organisations, and social processes. The emphasis is on the social and associational nature of marketing and businesses in general.
- Interactivity, which implies exchange of information between partners, based on honesty and open communication.
- Emphasis on exchange and mutual fulfilment of promises. The promises are of an economic nature concerning exchange of goods, and services that lead to social contacts and future commitments.
It is these key elements of relationship marketing that are suggested to build or possibly to redefine relationships between key actors, with a focus on ‘programming, partnership and packaging’ (Morrison, 1989), to achieve policy goals and processes of sustainable tourism at the destination level. The long-term character of relationships is defined and shaped by a larger framework where the glue that binds the entire network is an elaborate pattern of interdependence and reciprocity. The approach is useful as it helps to understand the role of marketing as a process achieved through joint working and co-operation which can help secure the objectives of conservation, recreation and access for public benefit in both public and privately owned land (Countryside Commission, 1981b). As the approach involves a shift of emphasis from products and firms to people, organisations and social processes, it can help to reach a better understanding of complex networks of personal relationships that provide the linkages between actors, market opportunities, and resources. As the emphasis is on variables like trust, commitment, mutual understanding and reciprocity that encourage and stimulate entrepreneurial and innovative thinking towards relationship building, it can help in reaching particular kinds of visitors, who may be most suited to the special needs and conditions of the local environment and economy.

It can be defined as the process of identifying and establishing, maintaining and enhancing, and when necessary also terminating relationships with customers and other stakeholders, at a profit so that the objectives of all parties involved are met. This should be done through the mutual exchange and fulfilment of promises (Gronroos, 1990; 1997). Sheth (1995) states that relationship marketing is the understanding, explanation and management of the on-going collaborative business relationship between suppliers, whereas Gummesson (1995) defines it as a marketing approach based on relationships, interactions, and networks. In more general terms, Gronroos (1996) defines the relationship-oriented approach to marketing as a phenomenon related to the relationships between a firm and its environment. The relationship philosophy relies on co-operation and a trusting relationship with partners.

RATIONALITY FOR THE USE OF THE NETWORKS APPROACH

While the approach of relationship marketing is concerned with the relationships, it fails to acknowledge the network structure, which multiple relationships give rise to. The network approach helps to understand the complexity of multiple relationships, in relation to both structure and process. Relationship marketing approaches focus on management of relationship life-cycles from a focal firm’s point of view. The networks approach on the other hand is not management orientated, but describes market processes as interaction within relationships and market structures as network structures. The focus is more on relationships as they are than as they should be. In network definitions, the inter-connection between actors and the emergent aspects of networks are stressed.

Both relationship marketing and the networks approach focus on relationships and dyads. However, the networks can be sub-divided into two distinctly different structures, subsets of a network, which can be called a ‘net’ (Mattson, 1997). The first type of net focuses on relationships, defined from a focal firm’s point of view. The
second type of net is defined from some other criteria than a focal firm, e.g. technical interdependence or spatial proximity. The ‘embedded’ (Granovetter, 1985) nature of the individual relationships and of nets of interconnected actors, is very much in focus in the networks approach but only treated to a limited extent in relationship marketing. ‘Embeddedness’ refers to the fact that the socio-economic actions of the actors are affected by the actors’ dyadic (pair wise) relations and by the structure of the overall network of relations (Granovetter, 1992). The networks approach thus focuses on the interdependence between relationships, and between more than two actors. This difference is very significant as the relationship marketing approach focuses on individual dyads to examine socio-economic relationships between two entities, without considering that the other actors are also involved in similar relationship strategies. Interdependence between the individual parties is rather weak in the limited view of the relationship marketing. How the individual relationships are embedded in a wider network structure (comprising both complementary and substitute relationships), is not discussed (Mattsson, 1997).

**Dyad** is a relationship between two entities. Dyads are characterised by pair-wise relations between two entities: individuals or businesses. When three entities interact, they form a triad. The networks approach takes a dynamic and long-term perspective on exchange. Exchange relationships are seen as dependent on prior exchange, on adaptation and institutionalisation within the relationship. The exchange relationship has some value for the parties involved and therefore marketing is seen as an investment activity. Thus, the market is created, sustained and changed by the actors involved in exchange activities. Relationship marketing is similar to the networks approach in the sense that the time dimension of individual relationships is important, that the relationship is of value and those values are created through relationships. Thus, marketing is also of an investment nature. However, relationship marketing does not consider the emergent nature of the network of interconnected relationships.

This makes it essential to include a discussion on the networks to fully comprehend the inter-connected ties and relationships, as the approach takes account of more than the sum of the dyadic interactions amongst the partners. The networks approach focuses on the ‘embedded context’ in which each dyadic relationship occurs (i.e. the positive or negative secondary effects flowing from each party’s relations with others in their networks (Anderson, Hakansson, and Johanson, 1994).

**USE OF THE NETWORKS APPROACH IN STUDYING RELATIONS AMONGST PROVIDERS**

The idea of networks arose simultaneously in a number of different scientific disciplines. The network metaphor was utilised to describe chains or webs of cellular and molecular interactions in both biology and physics (von Bertalanffy, 1950). In wildlife biology and population ecology, network applications were used to describe the movement of animal herds across land areas during seasonal migrations (Lewis, 1977). In the social sciences, networks research had its origins in social, psychological, and anthropological research of small groups, socio-metric analyses, organisational research, and studies of tribal and village systems (Moreno, 1951; Barnes, 1954; Bott, 1955; Mitchell 1969; Rogers, 1987). The following disciplines and sub-disciplines also
mention network approaches: sociology of science and technology, organisation theory, social policy, innovation studies, political science, industrial marketing and purchasing, economic geography, enterprise studies, and comparative studies of economic systems.

Some of the authors have also employed hybrid approaches, supplementing network analysis with other theoretical approaches (e.g., enterprise studies, resource dependency theory). The field is thus far from homogeneous and coherent. Although network research has received considerable attention as an emerging scientific paradigm in other disciplines, its potential has not been fully explored in building ties amongst tourism stakeholders.

THE EMBEDDEDNESS OF SOCIO-ECONOMIC RELATIONS
Research uses the networks approach along with relationship marketing to understand central theoretical constructs which are embeddedness, relationships and networking (See Fig. 2). The type of relationships, actors and relationship characteristics, define the basic nature of the embeddedness. The embeddedness is also defined by the contents and functions of specific relationships, which create the dependencies between the actors (Mainela, 2000). Through embeddedness and networking the providers are organised and simultaneously positioned in the competitive market (Johanson and Mattsson, 1987). However, the sustainable tourism product, achieved through networks and relationships is a relative concept, arrived at through interaction and learning, and affected by the previous experiences and present expectations.

Fig. 1: Embeddedness, Networking, and Sustainable Tourism Development.
In this research, the emphasis is on the roles of the relationships and the networks and the actions needed for their development in arriving at a common understanding of sustainable tourism product. It is stressed here that economic behaviour is embedded in and mediated by a complex and extensive web of social relations and in this sense the economic and the social should not be separated. The concept of embeddedness is important to tourism, in terms of the types of relationships existing, and also the ways in which these are inter-linked with the natural resource base of a region. The close-knit nature of many rural communities in a region suggests that personal knowledge and trust relationships are significant in defining the quality of the tourism product (Lowe et. al., 1995).

However, it should be noted that the sustainable tourism product that a destination has to offer also needs to be able to become disembedded from the locale in order to make connections with spatially distant consumers, and to be the vector of local rural development. Too much embeddedness can curtail the market reach of the tourism product, which will then be doomed to remain small-scale, local, and marginal in relation to a globalised tourism sector (Amin and Cohendet, 1999).

In analysing such embeddedness, it is important to consider not only the developmental impacts of tourism, but also the demands tourism places on environmental or cultural resources, the extent to which it benefits and empowers local providers, and the way in which it harnesses local endogenous development forces.

Structurally networks consist of patterns of actors, activities and resources (Hakansson and Johanson, 1988) or of linkages between entrepreneurs, opportunities and resources (Aldrich and Zimmer, 1986). All these elements can be seen to form own networks, but they are also related to each other in the general structure of the network and are defined in relation to each other (Hakansson, 1985). Some relationships are purely instrumental whereas others include strong emotional obligations and rely on trust. These characteristics are elements of the strength of ties, which basically divides relationships into weak and strong ones. Granovetter (1985) stresses the social dimension of all economic actions, as they are essentially embedded in personal relations between individuals.

The approach of relationship marketing is essentially dyadic in nature (Dwyer, Schurr, and Oh, 1987; Pederson, 1998) and fits comfortably into the network paradigm based on exchange and reciprocity. The concept of network organisation is closely connected to relationship marketing, as the network structure is built upon social interactions and relationships, which provide security and trust (Lowe, 1988; Gummesson, 1995). Authors regard relationship marketing as part of the developing ‘network paradigm’, which recognises that firms are held together and co-ordinated by means of norms of sharing and by commitment based on trust (Achrol, 1991; Thorelli, 1986). Thus, collaboration through relationships, networks and interaction is the core of the contribution from relationship marketing.
AN ANALYSIS OF THE ROLE OF RELATIONSHIPS AND NETWORKS

The interesting dimension that the network and relationship marketing approaches bring to the sustainable tourism development at the destination, is the illustration of the importance of social ties, person-level interaction and individualised contents of relationships which generate commitment and trust.

Table 1: Reasons for forming Networks and Building Long-term relationships

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bigger Marketing Base</td>
<td>12</td>
<td>11.3</td>
<td>48.0</td>
<td>48.0</td>
</tr>
<tr>
<td>Access to resources</td>
<td>10</td>
<td>9.4</td>
<td>43.5</td>
<td>43.5</td>
</tr>
<tr>
<td>Information Exchange</td>
<td>16</td>
<td>15.1</td>
<td>69.6</td>
<td>69.6</td>
</tr>
<tr>
<td>Strong Lobbying and Negotiation Tool</td>
<td>11</td>
<td>10.4</td>
<td>44.0</td>
<td>44.0</td>
</tr>
<tr>
<td>Reduced Costs of Advertising</td>
<td>15</td>
<td>14.2</td>
<td>57.7</td>
<td>57.7</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>11.3</td>
<td>48.0</td>
<td>48.0</td>
</tr>
</tbody>
</table>

While 5.7% admitted experiencing problems due to not being in some sort of cooperative arrangement, 17% actually faced problems in forming networks and building long-term relationships. These can be listed below:
Table 2: Problems in forming networks and building long-term relationships.

<table>
<thead>
<tr>
<th>Problems</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Constraints</td>
<td>8</td>
<td>7.5</td>
<td>44.4</td>
<td>44.4</td>
</tr>
<tr>
<td>Competition</td>
<td>3</td>
<td>2.8</td>
<td>16.7</td>
<td>16.7</td>
</tr>
<tr>
<td>Incompatibility in goals of business and existing partnerships</td>
<td>8</td>
<td>7.5</td>
<td>44.4</td>
<td>44.4</td>
</tr>
<tr>
<td>Lack of personal Interaction amongst business owners</td>
<td>7</td>
<td>6.6</td>
<td>38.9</td>
<td>38.9</td>
</tr>
<tr>
<td>Strong financial position of some businesses</td>
<td>7</td>
<td>6.6</td>
<td>38.9</td>
<td>38.9</td>
</tr>
<tr>
<td>Absence of a Facilitator</td>
<td>3</td>
<td>2.8</td>
<td>16.7</td>
<td>16.7</td>
</tr>
<tr>
<td>More advantage in operating individually</td>
<td>5</td>
<td>4.7</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Lack of experience of working in joint initiatives</td>
<td>9</td>
<td>8.5</td>
<td>50.0</td>
<td>50.0</td>
</tr>
</tbody>
</table>

In addition: ‘the trouble with information is that cavern owners would not share information they thought to be confidential. I think they feel. I don’t know. I think it would enable people to know how much money they were making or not, because there is a lot of competition between the four caverns. They might see other caverns getting commercial advantage....’

(Participant No. 6)

It is the individual agents that make decisions and it is their decision-making that influences the socio-economic events that are seen as the unintended outcomes of the actions of inter-dependent individuals, rather than the consequences of individual actions.

For instance it was pointed out that: In any organisation, no matter what it is, you always find that there is a hard core that will be involved in the organisation. Outside of that hard core, there are those that perhaps one would like to say sit on the fence. I don’t know whether that is a good expression or a bad one. But I will use it. They sit on the fence. They are quite happy to be sat there as long as nobody knocks them off the fence, they are more than satisfied to stay there forever and a day.

And that typifies ninety percent, ninety five percent of most of the membership. They (the local businesses) are basically very happy with the way things are. They pay a modest sum of money. They get themselves in the brochure just to prove that they are doing their little bit’.
Tourism Destination Planning

(Participant No. 9)

‘And I think you know personal relationships are very, very important in any kind of you know business development or whatever, and you know that if there is that face to face contact, if people know that it is not just a faceless agency that from wherever you know that they can talk to and who they have met before, then that makes relationships much, much easier’.

(Participant No. 3)

Thus, various aspects of networking affect tourism providers’ actions in ways that are not entirely economic. Social relationships condition people’s understanding of the situation, its causes and consequences, the range of feasible alternatives, and choices they make (Tigges et. al., 1998).

Similarly, another participant agreed: ‘What it [working in joint initiatives] does do is that it encourages people to have a more broader perspective. You see things from other people's point of view. Might not necessarily agree with that, however. And also it strengthens the community.... because you are communicating more. We don’t

People put in whatever they can put into it provided it works. It works in a number of ways. I really enjoy what I am doing, and it works for it achieves the results. It works because I like going to meetings because it is a social thing. It works in a number of ways. I think the interest that people have might not be selfish. It might not entirely be altruistic. It’s not selfish.... because it ought to be community that benefits, but individuals also get some benefits out of it.... whether it is more trade, more tourists, more children going to schools whatever’.

(Participant No. 19)

The application of both the approaches to sustainable tourism development lies in the fact that they demonstrate that though networking is crucial to access resources, without relationships it is easy to fall into a trap of short-term profits. Thus, the convergence between the two approaches of relationship marketing and networks results in understanding relationships whereby key partners in a network feel committed to:

‘(1) Providing resources, opportunities, and benefits that are superior to the offerings of alternative partners;
(2) Maintaining high standards of values and allying oneself with exchange partners having similar values;
(3) Communicating valuable information, including expectations, market intelligence, and evaluations of the partner’s performance; and
(4) Avoiding taking advantage of their exchange partners’ (Morgan and Hunt, 1994, p. 34).

The approach of relationship marketing is suggested as a complementary approach to the network, as the one that takes into account, personal trust, and reciprocity, amongst
individuals as the primary way of governing economic exchanges (Larson et al., 1993). Relationships require at least two parties who are in contact with each other. Networks emerge when the relationships become many and the complexity increases both in the relationships and networks the parties enter into.

It is important to recognise that although relational exchange is a very personal relationship, the long-term character of the relationship is defined and shaped by a larger institutional framework than the dyadic relationship itself. Dyadic implies that planning, adaptations, and dispute resolution are accomplished through bargaining and negotiation. But the process of bargaining and negotiation is at least minimally adversarial and not always conducive to developing relational norms. Over a period of time, there are inevitably situations where trust and goodwill are endangered in bilateral negotiations. MacNeil (1978) observes that the more relational an exchange becomes, the more it takes on the properties of 'a mini-society with a vast array of norms beyond those centred on the exchange and its immediate processes'.

This is illustrated here:

"I never miss any of those meetings. We never get anything done... (tongue in cheek). But you can go and meet your friends. And discuss important things. You start the meeting with all the people it is all the little meetings, with two or three of us in that corner just before the meeting starts. Oh I haven't seen you for a long time, oh by the way what about that and they are doing it, we are doing it, and they are doing it over there. You are meeting your friends. You sort out what you want to sort out. Forget all that. That is just a talking shop. Nothing gets done. But here is where the real business takes place."

(Participant No. 5)

CONCLUSION

Thus, for relationships to work over a long time, they must be embedded in a network of relationships that collectively define and administer the norms, which conducts dyadic relationships. The embeddedness perspective, derived from Granovetter (1985) contends that economic action is constrained and facilitated by ongoing social relationships and ties. It is particularly useful in examining tourism provision as it emphasises that long-term social relationships and networks are important for understanding how rural tourism providers experience, respond to, and shape local changes. The restructuring of places both leads to and is defined by the restructuring of social relationships in places. It is not proposed that local contingencies of action do not have structural origins, rather they are not only structural (Tigges et al., 1998).

In Granovetter's (1985) words: 'Actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy. Their attempts at purposive action are instead embedded in concrete, ongoing systems of social relations' (p. 487).
Some are relational in origin and it is these relational dimensions that this research seeks to highlight.

References:


TOURISM, SMALL AND MEDIUM Sized ENTERPRISES AND REGIONAL DEVELOPMENT – A CASE STUDY OF NORTH EAST ENGLAND.

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ABSTRACT

This paper examines the role small and medium enterprises (SMEs) in the tourism industry can play in regional development with specific reference to the role of the European Structural Funds and, more specifically, the European Social Fund (ESF). The empirical work considered in this paper was carried out between April 2000 and December 2000 as part of an ESF Objective Two funded project. The project was located at the University of Teesside in Middlesborough, Cleveland. Commentary within the paper is based upon this project and also experiences gained from an ESF Objective Four funded project located at Leeds Metropolitan University in 1998. The contribution of these two organisations to this paper is gratefully acknowledged. Please note that any viewpoints or opinions expressed in this paper are those of the author, not of the institutions concerned.

Background

There are numerous commentators of the role that SMEs play in regional development through regeneration (e.g. Wanhill 1996; Thomas 1996) and the role tourism can adopt in regeneration and regional development (e.g. Pearce 1992; Martin and Mason 1988). Various commentators have also discussed the role and importance of tourism in regional development (e.g. Pearce 1992; Vanhove 1999). This area is discussed in depth elsewhere, so whilst this paper refers to the literature in the area, it is not explicitly covered here.

The structural funds have a specific aim, in promoting the continuing economic and social cohesion of the European Union. This aim previously been operational in nature through the use of a large number of objectives and associated programmes (European Union 2000). Following a recent review process these have been concentrated on three objectives (Objectives One, Two and Three) and other community programmes (Interreg, Urban, Leader et al.). Tourism has, until recent years, played a minor part in regional policy and regional development with regional policy being oriented towards economic diversification (Church, Ball, Bull and Tyler 2000) but despite this, tourism has been included widely under Objective Two programmes (Downes and Rooney 1999).
This paper concentrates on Objective Two – which currently has the theme of supporting the economic and social conversion of areas facing structural difficulties (European Commission 1999a). Coverage of the current Objective Two specifically addresses those areas affected by industrial decline (the former Objective Two) and the redevelopment of rural areas (formerly Objective Five-b) – issues particularly in tune with the focus of regeneration and redevelopment.

Objective Two is particularly relevant to the tourism industry. The objective is targeted towards those areas suffering industrial decline – which quite often provide opportunities for heritage-based tourism and associated regeneration and redevelopment. Rural areas are also targeted by the Objective – again a sector brought to prominence recently with the foot and mouth disease outbreaks in the United Kingdom, which are thought to have originated in the North East region. More specifically, Objective Two is relevant to the tourism industry, as anecdotal evidence suggests that many of the funding instruments used are specifically focussed upon small and medium sized business – which constitute a large proportion of tourism businesses. Finally, Objective Two often provides funding for training related business support projects. Morrison (2000) recognises that small firm managers are those least likely to participate in training interventions – but often are those in most need of training. Thomas and Long (2001) further discuss that the lack of training has received little attention – particularly in the context of economic regeneration. Certain Objective Two funded projects have attempted to address this – one of which is considered in this paper.

The North East of the United Kingdom
The North East, former Objective 2 area of the United Kingdom displays unique characteristics and has specific features. The region has a high level of unemployment, for example between 1981 and 1997, the North East lost over 110,000 jobs in primary and manufacturing industries. The claimant count for unemployment (claiming benefit & available for work) in April 2001 stood at an average 5.6% in the North East, with up to 9.5% in some areas - compared to 3.2% for the United Kingdom. There is also little entrepreneurial activity - 15 start-ups per 10,000 population, against a United Kingdom figure of 40 per 10,000 population. The workforce also displays a generally lower skill level than other parts of the country – this is reflected in the lower level of average wages earned - £9.20 per hour in the north-east compared to £10.30 per hour in the United Kingdom. The region also has widely differing population densities – from 67 people per sq. km in rural Northumberland to 2,667 per sq. km in the urban area of Middlesborough (Government Office for the North East 2001).

1 For the 2000-2006 funding round. This is likely to change with the proposed enlargement of the European Union.
2 This was particularly relevant in the case of the Hartlepool Historic Quay, a heritage visitor attraction in the North East study area.
3 By funding instruments, those programmes supported financially by Objective Two – often through the ESF or the ERDF.
4 Thomas (1996) provides a discussion of the prevalence of small firms in the tourism industry – estimated to exceed 80% by number of firms.
Whilst displaying the population and community characteristics noted, the North East of the United Kingdom contains a number of unique tourism resources. There are heritage based visitor attractions such as Hadrian’s Wall, Lindisfarne Priory and the railway heritage area of Darlington. The area also hosts two large national parks – Northumberland and the North York Moors – and two regions holding Area of Outstanding Natural Beauty designation (the North Pennines and some of the Northumberland Coast). The Government Office for the North East estimate that tourism activity in the region supports in excess of 55,000 jobs (ibid.).

The North East region has received substantial input from the structural funds. The European Commission acknowledges that in the decade up to 1999, the region received in excess of £1 billion from structural funds (European Commission 1999b). This was available through the European Social Fund (ESF) and the European Regional Development Fund (ERDF), but also through community initiatives such as ADAPT; INTEREG II and the URBAN programme. The European Commission believes that ESF and ERDF funded programmes have created 21,800 new jobs and safeguarded 29,900 (ibid).

As with other regions, operational management of the programmes supported by the structural funds – and specifically Objective Two – is devolved to the partner and/ or delivery institutions. Government Office for the North East provides an element of management oversight – although this is problematic and is discussed later. A programme of monitoring and evaluative activity is undertaken – although this can be viewed as, at best, flawed.

**The Objective Two project.**

The project examined in this paper was based in the School of Business and Management at the University of Teesside in Middlesbrough. The project had three aspects – initially a completion of a process of Training Needs Analysis with small tourism firms and then the provision of small, short term training as required or the signposting of the small firms to appropriate local training providers. The project aimed to recruit twenty-five small tourism firms from the North East Objective Two region, working with them for forty hours each. The project brief also stated that twenty-five employees should be ‘assisted’ and twenty-five SME jobs safeguarded. Financial input from participant businesses was measured by the use of matched funding – i.e. attaching a nominal hourly costing to time spent on the project by the participant businesses. This was set at £25,000 for the project - £1,000 per business.

Due to the requirements of the funding provider, there were a number of criteria that the small firms had to meet. Participant businesses had to employ fewer than 250 employees have a net worth of less than £17 million and a turnover of less than £25 million. The business also had to be independent (e.g. not owned by another organisation) and not funded or connected in any way to a public sector body. The funding requirements proved to be restrictive. Much of the tourism activity in the region is connected in some way to the public sector – owned, operated or financially supported. This requirement excluded a large number of visitor attractions, museums
and galleries that could have benefited from the project. Recruitment of participant businesses had to then take place from the reduced potential catchment. The geographical limitations instituted by the funding body also excluded many organisations present in the aforementioned tourism resource areas.

The project gained extensive and positive publicity in the local media and support from several small local business organisations. A comprehensive listing of small tourism firms within the targeted project area was also employed. Despite the publicity and extensive recruitment activity undertaken on the project, very few businesses responded to the offer of assistance (in line with Morrisson 2000's experience) and some that expressed a desire to be involved were denied due to the funding requirements.

Part way through the project, an application was submitted to and subsequently accepted by Government Office North East to make a significant change (reduction) in the required outputs and matched funding required. The participant businesses required were reduced to 8 and the matched funding required was reduced to £500 for the whole project.

The overall results from the project were disappointing. Only four businesses were assisted by the project and a little in excess of £500 gained in matched funding. In excess of 30 employees were assisted by the project – both directly and indirectly – but it was not possible to prove that jobs had been safeguarded by the project.

Discussion and commentary
The reasons for the partial failure of the project are complex but from experience clear. Exclusion of a large number of potential beneficiaries by geographical limitations and requirements of the funding body was the base cause of the failure to recruit businesses. The 'pool' of potential businesses was significantly lowered by these exclusions. An exploration of the reasons for the low recruitment was made through follow-up calls to businesses. Many of the potentially eligible businesses believed they were too small to benefit from the project (e.g. with only 2-3 employees), could not spend the time on the project or were suspicious of the motives of the project, despite assurances given. Although this outlined project is only one example, it can provide a number of key points to be addressed for the future.

Using the North East as an example, the exclusion of businesses that have a connection (of whatever level) to the public sector must be re-examined. It has already been established that the North East has a high level of deprivation and in places, a rural and agricultural based economy. Traditionally it is not seen as a tourist destination unlike, for example, other regions of England that display similar characteristics.
In order for business survival, public sector involvement in business activity is often seen to be necessary, as there is little opportunity to attract significant private sector investment\(^5\). Whilst provision of structural fund support to wholly public sector organisations may, arguably be seen as inappropriate, total exclusion of any organisation with minority public sector involvement needs to be examined.

The geographical exclusions imposed on the project\(^6\) also excluded a large number of potential beneficiaries. The system in place, which denied funding from one source due to inclusion in another funding area on the basis of altitude, appears nonsensical. Exclusion of businesses that may benefit should be implemented upon a more substantive, rigorous basis.

The employment of project outputs utilised in the example, which are highlighted previously in project evaluations, requires careful examination. The establishment of causality in those jobs identified as safeguarded must be made – but commentators (e.g. Storey 1994) have noted that this is particularly difficult. The use of an output measure such as the number of employees ‘assisted’ also needs to be examined. At the very least a distinction must be made between those employees directly assisted (i.e. through delivery of training) to those indirectly assisted (i.e. through trainer-training and the subsequent training being cascaded). This impacts upon the effectiveness of the project and the benefits gained by the company. Similarly, the use of the matched funding method of calculating the businesses’ contribution is open to abuse and misuse. Whilst the business concerned is obliged to provide this information as a requirement for inclusion in the project, there are few safeguards as to the accuracy of this information.

Consideration also needs to be given to a rigorous programme of evaluative activity. Earlier this paper mentioned that monitoring and evaluative activity is considered to be flawed. This arises from experiences with two different projects – one funded by Objective Four and one funded by Objective Two\(^7\). The only evaluative activity observed (in the Objective Four Project) has been an audit to verify the accuracy of timesheets and associated paperwork. There was no concern given to the effectiveness of the programme or the potential impact the programme may have had (although establishing causality is notoriously problematic – as previously noted). The Objective Two programme did not require any evaluative activity outside of the output measures. These situations offered opportunities for transfer of experience, knowledge and learning on the implementation of programmes and information for the future. However, none of them were utilised.

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\(^5\) This is increasingly the case after the problems experienced by the sector following the foot and mouth disease.

\(^6\) The reason for this limitation was that some areas (for example much of Hadrians Wall) were included in the Objective Five-b area and consequently excluded from Objective Two support in the 1994-1999 funding round.

\(^7\) The author has, in other research, also examined the public funded business support projects offered to SMEs under the Business Growth Training programmes in the late eighties and early nineties. These programmes suffered from similar problems – specifically the lack of sectoral specific focus and the absence of any substantive evaluative activity.
Finally, consideration must be given to sector specific characteristics. A project aimed at tourism SMEs that establishes a need for an average forty hours of time input per business considers little of the characteristics of the sector. Also, whilst the need for and scarcity of training in small tourism related firms has been documented elsewhere (cf. Thomas 1996 and Morrisson 2000) there has been little rigorous research into the reasons for this. Survey work published by Thomas, Church, Eaglen, Jameson, Lincoln and Parsons (2000) for the United Kingdom and Becton and Graetz (2001) for Australia highlight the poor regard that external training providers are held – but do not explore the reasoning behind this.

**Recommendations**

The structural funds have now entered a new funding round, which will be in operation till 2006. Major changes have been made to the form of the funds and the number of funding opportunities – some of which have been briefly mentioned in this paper. Bachtler and Taylor (1999) provide an excellent discussion of some of these changes and the areas of continuity. They also consider that the new programmes provide an opportunity to establish programme priorities and the opportunity to develop an operational focus for the new member states. The paper also considers differing viewpoints regarding the merging of the Objective Two and Five-b areas (one of the issues raised in this paper), the main issue being the need for a change in management style.

The key focus must now be on how to gain the most benefit from the funding available in the present round and in future rounds – the proposed enlargement of the European Union is likely to have significant impact on this funding. The rest of this paper will discuss some of the issues raised and propose some possible solutions.

This paper has briefly considered some of the issues in the engagement of small tourism businesses with training and training providers. Whilst there is evidence that suggests training improves business performance, equips small firms with the ability to manage change and, for some, provides resources for business growth (all, it would seem, implicit aims of Objective Two), there appears to be little consideration of this in the structural fund programming. Several studies have considered the nature of training preferred by small tourism businesses (cf. Becton and Graetz 2001; Thomas et al.2000), which often is of the style of in house, on-the-job training with a flexible delivery pattern and low cost. Some of the Objective Two funded projects examined by the author appear to offer this style of training – but quite often require an inordinate amount of time on behalf of the business – a commodity often in short supply in small tourism firms.

The paper has also briefly discussed projects excluding businesses with public sector involvement – however small or insignificant this may be. Whilst the need to avoid dual funding or funding the public sector is important – experience shows that, in the North East for example, much of the tourism activity has some connection to the public sector. There should be flexibility to allow this when this involvement is limited to one out of five employees being funded or employed by the public sector, and when the business may benefit from inclusion in the project. An approach that requires a higher
level of contribution from the participant business, should there be a need for public sector involvement, could be a solution to this issue.

A sectoral specific focus to any support intervention is key. Studies have shown that the tourism SME sector displays heterogeneity absent from other sectors. Small tourism operators often have a wide variety of motivations for running a business – Thomas, Church, Eaglen, Jameson, Lincoln and Parsons (1997) suggest only 15% of operators who responded to their survey have a profit maximisation motive, whilst the ‘life-style’ motive is more prominent – dependent upon business location and typology. Thomas (2000) notes that failure to recognise the heterogeneity present in the sector can both frustrate policy interventions and reduce the impact of any initiatives. Furthermore Thomas (2000) advocates that recognition of the social, as well as economic imperatives of the business behaviour are necessary. Much of this appears to be absent from funding instruments and programmes to date.

So, the question must be how can an appreciation of the heterogeneity of tourism SMEs be “operationalised”? There are few easy answers to this. Experience of project operation suggests that some of the academic studies undertaken (e.g. Thomas et al. 1997, 2000; Thomas and Long 2001; Becton and Graetz 2001) must be consulted when formulating an approach to structural fund support for the tourism sector. Whilst the documents produced by Downes and Rooney (1999) and Middleton (1998) make some progress in this, it is clear that there is still some way to go. The particular geographical anomalies (e.g. the differing population densities in the North East case study and the different Objective eligibility areas) must also be taken into account.

Experience suggests that little consideration is given to the seasonal nature of funding, with the funding periods being operated on a calendar basis. In an industry sector that is highly seasonally focussed – although there are attempts to change this – this lack of seasonal focus impedes the effective use of the funding available.

Conclusion
In conclusion, there are clearly a number of issues to be addressed for future structural fund programming in the tourism sector. In summary the issues raised in this paper are:

a) The, often poor, engagement of small tourism firms with training providers.
b) The exclusion of businesses with an element of public sector involvement.
c) Poor or non-existent evaluative activity of past and present programmes. This results in a lack of transferral of experiential learning.
d) The lack of a sector specific focus on the programmes offered, combined with a lack of acceptance of the heterogeneity of the tourism SME sector.

Whilst it is easy to propose courses of action, the implementation of them is much more complex. This paper has not attempted to make any recommendations to improve the engagement of training providers by small tourism businesses. This is an under researched area and requires further investigation.
The paper has briefly explored the issue of participant eligibility and some of the problems experienced in the North East. To improve the effectiveness of the programmes and increase the impact of the limited funding that is available, it has been argued that this must be re-visited. The paper also raises the issue of the lack of evaluative activity. Experience has shown that this lack of evaluation – and the subsequent loss of the benefits of such activity – is not unusual but it is felt crucial that this must be addressed for the programmes to have maximum effectiveness and impact.

Finally, the lack of a sectoral specific focus within the funding instruments and the programmes offered is currently being addressed. Policy makers are finally accepting, to some extent, the heterogeneity of the tourism SME sector. This paper argues that this process needs to continue. To what extent the academic community can contribute to the policy debate is open to question – but hopefully this paper can assist in this process.

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THE ROLE OF RURAL TOURISM ENTERPRISE IN REGIONAL DEVELOPMENT

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ABSTRACT

It has been generally accepted that rural tourism enterprise plays a major role in fortifying the growth of the tourism industry on a global scale. This research investigates the importance of enterprise within the rural tourism sector and aims to identify the key player, the ‘successful’ entrepreneur. Government policy may allow for regional development of small tourism business operators, this study, however, explores the dependence on teams of individuals or the single individual entrepreneur who nourish regional development at a local level. Focusing on over 2000 entrepreneurs in varied rural tourism ventures in 48 LEADER areas spread in the northern and southern regions of Ireland, this research examines entrepreneurial characteristics in relation to the entrepreneurs’ business environment including both internal and external forces. This paper documents the demographic profile of the entrepreneur in Ireland and identifies the factors and challenges contributing to a successful rural tourism business.

KEYWORDS

Rural enterprise, growth and development, entrepreneurial potential, profile, success factors

INTRODUCTION

Defining Rural Tourism: Middleton (1982) examined the strength of the attraction that rural landscapes and settlements have for day and long-term visitors. This attraction is supposed to be particularly strong in Northern Europe, where the climate is less favourable for beach-based activities. It could be said centuries of development and changing patterns throughout the countryside have produced a unique rural quality of immense appeal (Pearce, 1989). Hoggart (1990) believed that quite often, rural tourism is defined for study purposes and although few have refuted such definitions imposed by researchers they have been numerous. Common phrasing of the alternative tourism group may have evolved from alternatives (Gonsalves and Holden, 1985) to include nature travel (Durst and Ingram, 1988), soft (Kariel, 1989), ethnic tourism (McKean, 1989), post-industrial (SEEDS, 1989), and appropriate tourism (Smith and Eadington,
1992). More recent versions include rural (Lane, 1989, 1990), eco-tourism (Boo, 1990), adventure travel (Kutay, 1990; Zurick, 1992), low impact (Lillywhite and Lillywhite, 1991), green (Bramwell, 1991) and neo-tourism - activities and adventure tourism (Hunt, 1992). Nevertheless deliberations tend to reiterate the voice of the largest, specifically tourism-oriented inter-governmental organisation the World Tourism Organisation, WTO (WTO, 1990) who have consistently used the representative synonym ‘responsible’ to refer to alternative forms of mainstream tourism. Beyond the definition authors arguably have been attempting to identify with (Pearce, 1995) the sustainability concept of alternative tourism (Crouch, 1993; RDC, 1993; Bramwell, 1993; Lane, 1993 Seaton et al., 1994) or the later buzz word ‘eco-tourism’ (Blamey, 1997; Limsdon and Swift, 1998; Acott and La Trobe, 1998). The phenomenal growth within this sector has attributed to a greater call for responsibility by people and places within the host community and secondly by individual tourists (Moscadro et al., 1996).

Defining rural tourism development is much more complex than that of a rural area, which is essentially an area outside the jurisdiction of a municipal corporation, according to Gilbert (1989). This study uses the term rural tourism in Ireland to encompass the varied alternative forms of tourism enterprise outside the greater Dublin & Belfast areas and the county boroughs, as specified in the LEADER (Liaisons Entr’ Actions de Developpement de l’Economie Rurale) Initiatives.

Importance of Rural Tourism Development: As a concept, rural tourism development achieves an improvement in the welfare of both the community and environment. The phenomenon only exists because people, resources, technology and available finance interact. Strategically, it is the best-designed plan for ameliorating social benefits for the host community, the visitor and the environment (Gilbert, 1989). Perhaps this is evident through the Irish Tourist Board, Bord Failte’s objectives for 1999 which aimed to improve regional spread (Bord Failte, 2000a). Rural tourism development as a discipline is multi-disciplinary in nature drawing heavily on the management sciences of tourism and marketing management as well as the disciplines of geography, economics and agriculture.

Gossling and Mattsson (2001) testify to tourism trends for outbound long-distance destinations, offering farm tourism development as a vehicle to reversing detrimental human-environmental relations. Fleischer and Felsenstein (2000) examine how the promotion of small-scale tourism is perceived as a suitable form of economic development for rural areas because it involves public support and relates to the development tools of cost effectiveness and cost benefit analysis. Embacher (2000) highlights the need for marketing and co-operation in agri-tourism, whilst Cocco et al. (2000) contemplate the evolution and changes within the agricultural scenario in countries with advanced economies which affect sustainable development and local and territorial marketing.

Clarke et al. (2001) consider how the former communist countries of Eastern and Central Europe model their rural tourism product against quality, professional service and value for money in order to produce an internationally competitive tourism product. In doing so they remind us to never loose sight of the need to innovate the
tourism product package, which is much easier and efficient than adapting the physical space. CaaIders et al. (2000) draw out this latter point by trying to find an alternative to standardisation and conservation of rural tourism development by putting forward the notion of time-space-related innovation.

Profile of Rural Tourism Entrepreneurs:
This study makes suggestions for future progress of rural tourism development in Ireland. The fundamental difference lies with the necessity to monitor how dynamic changes within the rural tourist sector have impacted on the changing number and profile of entrepreneurs in rural tourism ventures across Ireland. Researchers, investors, bankers and potential entrepreneurs have always been interested in identifying what it takes to be a successful entrepreneur. In bygone years when the secondary industries, especially manufacturing, held the majority of (self-) employment in the Irish context it is thought 'rural people' lagged behind in their entrepreneurial behaviour. O'Farrell (1986) demonstrates that a high proportion (27%) of business founders in Ireland were self-employed before founding a tourism business but how only a small fraction of farmers and agricultural workers became manufacturing entrepreneurs, considering they made up such a large proportion of the population.

Is it the same situation for those individuals or teams of entrepreneurs involved in rural tourism enterprises? According to Busby and Rendle (2000) the question is a difficult one to answer. This is because there is a lack of data for small rural tourism enterprises with many businesses not willing to participate in official tourism research. Smyth et al., (1997) stress the importance of involving these businesses. Their research showed shortages in the Northern Ireland accommodation sector in 1997 after the reawakening of the Northern Ireland tourism industry in 1994 and its subsequent growth. In the same year Page and Getz (1997) emphasise that there is the need to understand the role of enterprise and they criticise the existing body of literature for being inaccurate at national level, especially at a time of growth and development in this dynamic sector.

Cromie and Johns (1984) explored the personal characteristics of Irish entrepreneurs. Other examples can be found in Irish literature (Lord Young of Graffan, 1993) or indeed further afield, Chell et al. (1991). There does exist a deeper psychodynamic explanation for entrepreneurial assets. For instance, Bridge et al. (1998) proclaim Freud considered that individuals have instinctive drives and that a part of the personality seeks instant gratification for these desires. Since Freud, other authors have consistently contributed to this aspect of the debate (Cantillon, 1755; Cole, 1969; Kirzner, 1973; Brockhaus, 1980). Cannon (1991) suggests there is an accepted assumption that "novel solutions" and risk may be necessary if challenges are to be faced and solutions found. Rotter (1966) and Stepanek (1979) have also documented two frequently cited traits, internal focus on control and innovation. Their mention of autonomy refers to independence from other people. They consider free thinkers have the desire for independence and the need to break away from the shackles imposed by collective social institutions. Both an internal locus of control and innovative orientation should appear more frequently in highly individualistic and low uncertainty cultures (Mueller
and Thomas, 2001). Douglas and Shepherd (2000) demonstrate how all employees have an incentive to be self-employed and the greater their managerial and entrepreneurial ability, the greater will be their incentive, other things being equal, it will also depend on the availability of capital.

Littunen et al. (1998), however, make the point that situation and environment are either not taken into account in these studies or they are considered to be implicitly stable, which is often not the case. Lerner and Haber (2000) list a variety of sources, hinting that research has shown that industrial experience supports successful venture. Prior experience as an entrepreneur is a good predictor of re-venturing and can contribute to a successful business path (Vesper, 1980). Hunger and Wheelan (1996) have argued that successful entrepreneurs are characteristically able to employ a host of different skills. Hood and Young (1993) found that financial management, accounting, marketing and sales were meaningful skill areas of successful entrepreneurs. Lunberg et al. (1995) saw the role of the tourism project manager as ensuring proper communication and co-ordination of activities. Whatever the exact characteristics, Naffziger (1995) claims an emerging consensus that successful entrepreneurs are different from unsuccessful ones.

The significance of any small rural tourism enterprise is evident in their variety and number. The range, spanning from community to individual projects, and from natural to man-made attractions, may encompass the familiar guesthouses, open farms, adventure centres and such like but the uniqueness of each either adds to the existing local rural tourism product or adds a new dimension. The sheer number of these small firms renders them important employment providers and thus a vital part of the local economy, aside from the contribution they make to the tourism industry at large. The number and profile of entrepreneurs in rural Ireland has changed significantly in recent years. Small businesses in rural areas have made a disproportionate contribution to job generation, whilst the larger firms have been a net shedder which in turn has made self-employment a desirable career choice. Perhaps such desirability is the reason for the increased emergence of female entrepreneurs? Another significant trend is the increasing importance of the service sector where there exists more opportunities for rural tourism, which in turn has underlying implications for planners and developers.

**Research Aims & Methodology**

This study was designed to address three focus areas:

1. Examine the growth and variety of individual and group-managed rural tourism enterprises and their regional spread across northern and southern regions of Ireland
2. Enterprises
3. Quantify the success and challenging factors facing the rural tourism entrepreneurs in relation to the internal/external forces of their business environment.
It was decided a preliminary postal questionnaire was required in order to trawl through the existing rural tourism enterprises and to devise a representative smaller sample interview population. A balanced quantitative and qualitative data set could then be generated. Upon closer examination of the range of enterprising ventures, it became apparent there were certain challenges to achieving a viable sample. For example, neither The Irish Small and Medium Enterprises Association nor the Enterprise Boards previously did not keep records on file on a long-term basis. They did not assist projects under a specific ‘rural tourism’ category and moreover there are no equivalent Enterprise Boards in the north of Ireland. The Irish Tourist Board and Northern Ireland Tourist Board had catalogued rural tourism providers annually but did not specify a conclusive rural tourism definition. Collaboration with LEADER Companies proved the most feasible, representative-sampling device. In total there are 48 LEADER areas, 33 in the south and 15 in the north of Ireland [Appendix 1].

LEADER II facilitated projects were selected, which were funded in the period 1994-1999. Individual contact was made with each LEADER Company in order to gain cooperation and collaboration with higher authorisation (Council of Europe and the European Commission, Brussels) only obtained for securing use of SEED logo. LEADER Companies were generally responsive, recognising the valuable potential of such a study for their area and the need for continuous monitoring at all levels. However, this stage proved time-consuming. Perhaps higher authority involvement within LEADER in Ireland could have resolved these time constraints, yet it is thought initial individual contact with each tourism development officer had greater pay-offs.

This is due to fact, further advisory support was gained where postal surveys, survey piloting, notification and follow-up were used.

After several drafts, the mail survey was printed in a blue booklet style and consisted of five parts, 25 questions and took 15 minutes to complete written, tick and rank responses. A joint cover letter was drawn up in English with Irish additions for Gaeltacht areas. Both contained contact details and although one particular phone line dealt solely with questionnaire queries at Dublin Institute of Technology, some respondents preferred to liaise with their own LEADER Company. Individual questionnaires were coded and group enterprises were given a similar code for each member in the group. 2000+ Surveys were mailed in the second week in July. Those taking part were initially given a 3-week response time as was specified on the notification letter sent prior by LEADER Companies to entrepreneurs in their local area. Depending on the resources of the individual LEADER Company follow-up consisted of:

- LEADER Company telephoning individual respondents - the most efficient method;
- LEADER Company forwarding telephone/fax contacts for self-follow-up;
- a joint reminder letter was drawn-up & mailed by the LEADER Company;
- the survey & cover letter was re-printed, and mailed again by the LEADER Company.
Tourism Destination Planning

Study Results & Discussion

Geographic Spread Respondents: Existing response rates have reached over 400, generating a 20% response rate upon a first mailing. A second-wave of mail surveys has taken place with a further extension to closing dates. Thus, for the purpose of this study, the initial 400 responses only have been analysed. Demographically, the sample population can be devised into four categories: individual entrepreneurs in northern LEADER areas, individual entrepreneurs in southern LEADER areas, group entrepreneurs in northern LEADER areas and lastly group entrepreneurs in southern LEADER areas [Table 1]. On average the total number of projects in any one southern LEADER area averaged 45, whereas the number for northern LEADER areas was much smaller averaging 12. On the whole, individual projects were more numerous than group projects and although group projects were mailed extra copies for representative group size, normally only one copy was returned per group. The chairperson or manager held the task of completing the form by representing the views of the group.

<table>
<thead>
<tr>
<th>Table 1. Four broad divisions of LEADER Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division</td>
</tr>
<tr>
<td>--------------------</td>
</tr>
<tr>
<td>Southern individual</td>
</tr>
<tr>
<td>Southern Group</td>
</tr>
<tr>
<td>Northern individual</td>
</tr>
<tr>
<td>Northern Group</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Cover and notification letters did specify that copies were to be completed, however, it is felt that it is practically impossible to improve any one group response as most group projects are made up of volunteer persons who may only meet for committee monthly meetings.

Initially the survey was timed to coincide with other National surveys, for example the major National Census was cancelled in the south of Ireland and had already taken place in the north. Respondents themselves justified the level of returns; some emphasised this was a 'busy period' for them despite the knock-on affects of the Foot and Mouth Crisis, whilst others contradicted this view by taking extended holiday breaks due to the effect farming outbreaks had on tourism in the country areas.

Profile of enterprises:

By sub-sampling all regional individual and group projects by business type [Figure 2], demonstrates that accommodation providers were the most abundant at 39%. Whereas ventures with outdoor (22.5%) and indoor activities (21.3%) were less frequent, with outdoor activities being only marginally better provided for, as a service, than indoor activities. Individual and group providers are not treated separately yet most group projects hosted indoor and outdoor activities attributing to enlarging this grouping combination which still only received a mere 7%. It is thus not surprising that the frequency of projects offering combinations of accommodation and outdoor activity or accommodation and indoor activity, are relatively smaller, each at 4.5%. A
negligible amount (1.3%) of the rural tourism base caters for accommodation, indoor and outdoor activities at any one tourism site. This is not surprising considering half of all tourism ventures had only one activity on offer to tourists, for example solely Bed and Breakfast with no evening meal. More than a quarter offered two activities such as an art gallery with exhibition and coffee shop.

Figure 2. Nature of Business Surveyed by Percentage (%)
Less than 25% enticed tourists to spend time within their establishment and/or effectively more time and money in the local area by providing more than two activities. An illustration of this might be a Railway Development Project with guided steam engine tours, dining cart on board, guided stop-off tours en-route, station craft shop & restaurant, station audio visual exhibition [Figure 3].

<table>
<thead>
<tr>
<th>Division</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Activity</td>
<td>197</td>
<td>49.5</td>
</tr>
<tr>
<td>Two Activities</td>
<td>105</td>
<td>26.3</td>
</tr>
<tr>
<td>More than Two Activities</td>
<td>97</td>
<td>24.3</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 3. Differences in Business Activities of 400 Sample Population

Ageing businesses were most commonly discovered among respondents. The majority were either over 15 years old (18.8%) or 6-10 years old (18.3%) with a minority (9.3%) in the 11-15 year-old category. Businesses ranging in the 1-5 year classes had an approximate equal 13% each [Figure 4]. The largest proportion of businesses was self-founded. While family take-overs represented just 3.3% and non-family takeover over 15.3%. It could be argued the higher percentage for non-family takeovers could be distorted by group enterprises which were normally set-up by past members of the association, some over 15 years previously, but family take-overs were rare and in fact all for individual enterprises. Indeed upon cross-reference to other questions within the survey those candidates whose main reason for start-up was to carry on the family tradition in reality pursued their own business instead of working within the family business. The majority of these individuals were female and had moved to the area for marital reasons, after which they started their business. This may explain the seeming incongruity of the importance they place on knowledge of family tradition and their business background. For others, of both genders, who had not remained in the family business moving to the area reflected the importance of location to successful venturing.
Employment numbers shown in this study do not represent guaranteed paid-employment statistics, but reflect small sample groups that were employed on a seasonal full-time or seasonal part-time basis. They had the title role of manager, chairperson, or secretary of both genders and others in the group were both female and male volunteers. The only exception was seen in Angling Associations, where most members were male. Individually managed enterprises were often family-run where family members did not receive salaried-payment outright and so may have been excluded by the respondent, although ‘worker’ phrasing was employed as opposed to ‘employee’ phrasing, justifying the larger fraction of workers in the seasonal part-time class.

Employment data that was examined [Table 2] for four hundred enterprises revealed above all seasonal employment providers of both females and males. Rural tourism enterprises may be highly seasonal and employ low numbers of family, local residents and even non-local residents on average [Table 3] but it must be noted numbers represent a sample population thus employment potential is much greater than the estimated figures in Table 2 & Table 3. Group projects vary from 6-70 volunteers, the upper-range is resultant of the Angling Associations who included all members because members may have been involved in different committees within the association, for example, one club had a development committee, executive committee as well as a general committee. The initial piloting did not include substantial feedback from Angling Clubs and Angling Associations thus the above question proved problematic for some.
Table 2. Employment Data

<table>
<thead>
<tr>
<th>Variable</th>
<th>Permanent Full-time Male</th>
<th>Permanent Part-time Male</th>
<th>Permanent Full-time Female</th>
<th>Permanent Part-time Female</th>
<th>Seasonal Full-time Male</th>
<th>Seasonal Part-time Male</th>
<th>Seasonal Full-time Female</th>
<th>Seasonal Part-time Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>n</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Mean</td>
<td>.8900</td>
<td>.6000</td>
<td>.7600</td>
<td>.5050</td>
<td>.5125</td>
<td>1.1525</td>
<td>1.0375</td>
<td>1.0375</td>
</tr>
<tr>
<td>Std. Error of Mean</td>
<td>.1177</td>
<td>.1175</td>
<td>.8.111E-02</td>
<td>.9.781E-02</td>
<td>8.452E-02</td>
<td>7.907E-02</td>
<td>7.907E-02</td>
<td>7.907E-02</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>2.3541</td>
<td>2.3492</td>
<td>1.6222</td>
<td>1.9563</td>
<td>1.6903</td>
<td>1.5815</td>
<td>4.4799</td>
<td>2.7550</td>
</tr>
<tr>
<td>Range</td>
<td>36.00</td>
<td>36.00</td>
<td>17.00</td>
<td>18.00</td>
<td>16.00</td>
<td>16.00</td>
<td>70.00</td>
<td>30.00</td>
</tr>
</tbody>
</table>

Table 3. Employment Relationship Data

<table>
<thead>
<tr>
<th>Variable</th>
<th>Family Employees</th>
<th>Local Resident Employees</th>
<th>Non-local Resident Employees</th>
<th>Other(^a) Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>n</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Mean</td>
<td>1.6400</td>
<td>3.7950</td>
<td>.5250</td>
<td>.3350</td>
</tr>
<tr>
<td>Std. Error of Mean</td>
<td>5.576E-02</td>
<td>.4149</td>
<td>.1320</td>
<td>.1424</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.1151</td>
<td>8.2985</td>
<td>2.6404</td>
<td>2.8483</td>
</tr>
<tr>
<td>Range</td>
<td>5.00</td>
<td>80.00</td>
<td>40.00</td>
<td>50.00</td>
</tr>
</tbody>
</table>

\(a.\) Foreign Exchange Students

With regards to individual enterprises those that employed only one male or only one female were self-managed and there was no partnership involved and employment is only provided for the business founder and slotted into the family category. Husband-wife partnerships accounted for many of the cases where one male and one female worked in the business. There are exactly 15 businesses which employed over 15 employees, 14 of which were southern based individually managed enterprises [Figure 5]. To conclude, individual enterprises employed as many as 90, people considering four-fifths of sample size [Table 1] were individually run enterprises, numbers under this sheaf are highly significant.
Figure 5. Providers of over 15 Employees

<table>
<thead>
<tr>
<th>No. Employees</th>
<th>Business Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>High Numbers involved for once-off Harp &amp; Traditional Music Festival associated with Business</td>
</tr>
<tr>
<td>30</td>
<td>Hotel Accommodation with Salmon Fishery Addition</td>
</tr>
<tr>
<td>42</td>
<td>Accommodation and Restaurant from 7:00-22:30</td>
</tr>
<tr>
<td>19</td>
<td>Restaurant and Public House</td>
</tr>
<tr>
<td>42</td>
<td>Adventure tourism – Accommodation, Food and Adventure Activity</td>
</tr>
<tr>
<td>22</td>
<td>Ecological Park</td>
</tr>
<tr>
<td>20</td>
<td>Public House and Guest House</td>
</tr>
<tr>
<td>19</td>
<td>Food Processing, Retail and Visitor Attraction</td>
</tr>
<tr>
<td>90</td>
<td>5-Star Luxury Accommodation plus 5-Star Food and Beverage Experience</td>
</tr>
<tr>
<td>17</td>
<td>Event Management – Quad Treks, War Games, Adventures, Treasure Hunts, Full Corporate Activities</td>
</tr>
<tr>
<td>25</td>
<td>Retail Fruit Farm with Visitor Attraction</td>
</tr>
<tr>
<td>21</td>
<td>Limestone Show Cave, Craft Shop and Coffee Shop</td>
</tr>
<tr>
<td>19</td>
<td>Country House Restaurant and Hotel – Star grading</td>
</tr>
<tr>
<td>29</td>
<td>Outdoor Adventure Centre plus Accommodation</td>
</tr>
<tr>
<td>22*</td>
<td>Bed and Breakfast plus Unit Born Cottages</td>
</tr>
</tbody>
</table>

*a. Northern LEADER Area case*

Entrepreneurial Profile:
Of the 400 entrepreneurs studied, most were male entrepreneurs (55.3%) and 61 out of these 221 males (27.6%) were of the 42-49 year age category whilst the most popular age class (26.2% for the females) was 50-57 years. Table 4 shows male and female equivalents in other age categories.

Table 4. Entrepreneurial Classification by Age and Gender

<table>
<thead>
<tr>
<th>Age Category (Years)</th>
<th>Male</th>
<th>Female</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>26-33</td>
<td>27</td>
<td>22</td>
<td>49</td>
</tr>
<tr>
<td>34-41</td>
<td>52</td>
<td>36</td>
<td>88</td>
</tr>
<tr>
<td>42-49</td>
<td>61</td>
<td>45</td>
<td>106</td>
</tr>
<tr>
<td>50-57</td>
<td>49</td>
<td>47</td>
<td>96</td>
</tr>
<tr>
<td>58-65</td>
<td>20</td>
<td>21</td>
<td>41</td>
</tr>
<tr>
<td>66-73</td>
<td>9</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>&gt;73</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Totals</td>
<td>221</td>
<td>179</td>
<td>400</td>
</tr>
</tbody>
</table>
When questioned on their business background, a considerable share of candidates revealed they had a complete secondary education and some may have undertaken courses to either gain or update computing or culinary skills. Others felt that although they had no previous experience of running a similar venture there was no need to attend courses. They preferred to learn on the job. Some blamed time constraints or lack of suitable course availability for not taking up specific training. Third level education did not indicate a higher level of business experience, but instead the lack of enthusiasm for the job in which they qualified. This occurred—in many community-related type jobs, namely nursing (general nursing, midwifery, occupational therapy, physiotherapist, social worker) or teaching. The majority of teachers, falling under this category were either secondary school who operated a seasonal tourism enterprise or those who had retired from teaching and had all-year round businesses.

Previous occupations on the whole were perceived to assist entrepreneurs in their existing endeavours. Respondents stated they gained invaluable practical skills and knowledge of the importance of knowing how to ‘deal with people’ and raising capital for mobilising their entrepreneurial dreams and making their business come to fruition. Paradoxically, while being employed gave them the experience of servicing the public and a taste for money, being self-employed they have not left this cycle; in order to make enough money to succeed they are still reliant on the people, their consumers! Incidentally, some older and retired entrepreneurs quoted their desire to meet people as one of the primary reasons to undertaking a business venture.

Success Factors:
While Figure 4 examined how long the business was in operation the scope of the study also examined those businesses, which were no longer in existence. However lack of response from this sector of the population and consequent follow-up showed their reasons for giving up their involvement in the enterprise were ‘non-business related’ and thus their profiles conclusive as examples of “failures”. Although, wording of the survey was adapted to suit both operational and extinct businesses there would seem to be the general consensus that some respondents felt
- they were not obliged to fill-in the questionnaire;
- let down by the grant-awarding or advisory authorities they approached;
- their results would be irrelevant;
- a minority felt the need to cut themselves away from the business they once operated.

It is hoped rallying responses from this sector of the sample population will tease out differences in entrepreneurial profile useful for comparison purposes.

Success was quantified, by those operating a business venture, through questions that attempted to define if they were ‘a good entrepreneur’ with ‘a successful business’. Statistics show an astonishing percentage (88.5%) considered their business to be successful, while the remainder (11.5%) felt they were not yet successful. All respondents within the latter category were enterprises which had been set-up within the last year and a smaller ratio who had been operating for two years; both felt it was too early to predict ‘success’. Regardless of whether they perceived their business to be
successful or not participants were requested to rank perceived factors to success. Table 5 holds the most common data entry and ratings for number one ranking. It must be noted those who did feel the need to write in the Other category purely used this space to develop their number one ranking point. To illustrate, respondents ranking high quality service first may have written in the Other category “we continually & thoroughly check rooms to ensure they are of a high standard”. Nonetheless factors under the Other grouping were verified against in-built factors. For example, if candidates noted, “we offer a high quality service for the area” ranking of this Other factor to success was scrutinised against the listed factor, “There is a lack of competition in the area”. The entrepreneurs themselves felt they made their business work against adverse internal and external forces, through their hard work in running their business and encouraging repeat business by strengthening customer/supplier relations. Yet, they did stress the importance of esteem of the local area - tourists needed to have positive views of its beauty thus the area depended heavily on promotional material where individual businesses needed to be well advertised in conjunction with other activities.

Some Bed & Breakfast owners felt they increased their trade by travellers re-visiting their county upon returning from other tours within or outside their county. Although some suggested tours to their customers this was not regarded as a separate activity to accommodation, unless they were involved in organising tours within their local area and each respondent defined local area in terms of miles. These results also suggest there is adequate provision of activities within any one locale. Only 1% [Table 5] of respondents stated there was a lack of competition in their area due to the unique nature of their in the local area. This observation can be compared to how the entrepreneur rated their business against their competitor in terms of sales, profit, return on investment and employee terms. As it is generally thought visitor numbers are not increasing steadily [Table 5] planning and marketing issues need to be resolved.
### Table 5. Ranked factors to success of business

<table>
<thead>
<tr>
<th>Factor</th>
<th>Average Common Ranking</th>
<th>Highest Number One Ranking</th>
<th>Number One Ranking Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The beauty/landscape of the local area</td>
<td>3</td>
<td>3</td>
<td>13.3</td>
</tr>
<tr>
<td>The local area is well promoted</td>
<td>2</td>
<td>6</td>
<td>6.5</td>
</tr>
<tr>
<td>My business is well promoted</td>
<td>5</td>
<td>5</td>
<td>6.8</td>
</tr>
<tr>
<td>My business offers a high quality service</td>
<td>1</td>
<td>1</td>
<td>39.3</td>
</tr>
<tr>
<td>I have good relations with my customers and suppliers</td>
<td>6</td>
<td>4</td>
<td>9.3</td>
</tr>
<tr>
<td>I myself make my business successful</td>
<td>4</td>
<td>2</td>
<td>20.3</td>
</tr>
<tr>
<td>Example: through hard work, changes I have made to the business</td>
<td>39.3</td>
<td>2</td>
<td>24.5</td>
</tr>
<tr>
<td>There is a lack of competition in the area</td>
<td>7</td>
<td>9</td>
<td>1.0</td>
</tr>
<tr>
<td>Visitors spend more time &amp; money on holidays</td>
<td>8</td>
<td>8</td>
<td>1.8</td>
</tr>
<tr>
<td>Other, please specify:</td>
<td>7</td>
<td>7</td>
<td>2.3</td>
</tr>
</tbody>
</table>

**Challenges to success:** Whilst even entrepreneurs who think they are successful listed their factors to success, they did identify challenges to the success of their businesses [Table 6].

### Table 6. Ranked challenges to success of business

<table>
<thead>
<tr>
<th>Factor</th>
<th>Average Common Ranking</th>
<th>Highest No 1 Ranking</th>
<th>No 1 Ranking Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a shortage of labour (skilled, semi-skilled) in this local area</td>
<td>8</td>
<td>6</td>
<td>8.0</td>
</tr>
<tr>
<td>Professional services (business advice, training courses) are not available</td>
<td>7</td>
<td>9</td>
<td>2.0</td>
</tr>
<tr>
<td>Insufficient funding is a problem including cash flow and capital problems</td>
<td>4</td>
<td>1</td>
<td>24.5</td>
</tr>
<tr>
<td>Quality of the local environment is poor (roads, postal mail services, telecommunications are poor)</td>
<td>1</td>
<td>3</td>
<td>14.3</td>
</tr>
<tr>
<td>This area is not well promoted</td>
<td>2</td>
<td>2</td>
<td>20.5</td>
</tr>
<tr>
<td>My business is not adequately promoted</td>
<td>3</td>
<td>8</td>
<td>5.5</td>
</tr>
<tr>
<td>Competition has increased</td>
<td>6</td>
<td>4</td>
<td>11.5</td>
</tr>
<tr>
<td>There is a lack of demand including visitor numbers &amp; spend has decreased</td>
<td>5</td>
<td>5</td>
<td>9.3</td>
</tr>
<tr>
<td>Other, please specify:</td>
<td>7</td>
<td>7</td>
<td>3.5</td>
</tr>
</tbody>
</table>
It is felt this line of questioning evenly distributed devotion to success factors & challenging factors, allowing entrepreneurs who were no longer in the business or those who were still very much in the start-up stages of the business the ability to contribute to both perspectives of the debate. Furthermore, closer examination of both sets of listed features (success versus challenge) allows expression of entrepreneurial worries and provision of valuable information for potential entrepreneurs of rural tourism venture start-ups and just as importantly draws attention to the future requirements of the relevant authorities associated with planning and development.

In this incidence, the Other category space, respondents recorded three main threads:

i. Foot and mouth Crisis

ii. Stability of Peace – mentioned only by northern LEADER projects

iii. Pollution – mentioned mostly by Angling contingent*

* Quality of local environment is poor; a listed challenge to success [Table 6] gave typical examples of infrastructure – roads, postal mail services and telecommunications - and did not include water which is very important to those involved in water sports, again referring to inadequate numbers of entrepreneurs concerned with water sport ventures in all piloting stages as previously documented.

Four tenths of the sample population (157 individuals) believed their main factor to success was due to the high quality service their business offered and marked marketing as an area for improvement. Table 7 below identifies the perceived top ranking challenges that the respondents face.
Table 7. Highest Ranking Success Factor versus Number One Ranking Challenge

<table>
<thead>
<tr>
<th>Factor</th>
<th>No One Ranking Success Factor Against No One Ranking Challenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient funding is a problem including cash flow and capital problems</td>
<td>42</td>
</tr>
<tr>
<td>This area is not well promoted</td>
<td>26</td>
</tr>
<tr>
<td>Quality of the local environment is poor (roads, postal mail services, telecommunications are poor)</td>
<td>22</td>
</tr>
<tr>
<td>Competition has increased</td>
<td>20</td>
</tr>
<tr>
<td>There is a shortage of labour (skilled, semi-skilled) in this local area</td>
<td>13</td>
</tr>
<tr>
<td>There is a lack of demand including visitor numbers &amp; spend has decreased</td>
<td>13</td>
</tr>
<tr>
<td>My business is not adequately promoted</td>
<td>11</td>
</tr>
<tr>
<td>Professional services (business advice, training courses) are not available</td>
<td>5</td>
</tr>
<tr>
<td>Other, please specify:</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
</tr>
</tbody>
</table>

Research Conclusions

The conceptual definition of rural tourism embraces notions of local identity, personal contact and closeness to nature with access to heritage and residents of the area. The roots of the Irish rural tourism are found in a pre-dominantly agricultural-based economy where dramatic changes in agricultural practices and policies had indirectly embodied tourism by shaping the landscapes and lifestyles of rural people. With a growing tourism industry, the division of activities or alternative forms of tourism were inevitable i.e. rural tourism became an ample slice of the wider Irish tourism product. Rural tourism entrepreneurs may provide the services, but the responsibility outlined by the World Tourism Organisation (WTO, 1990) to ensure this sector of the tourism industry reaches its full potential without detrimental effects largely falls towards planners and developers for regional development. This is particularly true in areas where land use is in the main agricultural, natural/semi – natural woodland and uncultivated tracts of land. Is it possible for planners and developers to relate to Tucker 1970 referring to a common setting of ecological systems or Murphy’s stance (1985): symbiotic relationship between prosperity and a healthy environment?

At the dawn of a new century, now more than ever is the reliance upon appeal and non-consumption where the foundations of rural tourism lie in ordinary and everyday happenings of a rural community. The Irish Tourism Industry in 1966 saw Ireland as a tourist destination, which has all the attributes of a ‘brand’. Tourism Brand Ireland
Tourism Destination Planning

Initiative continues to track studies from 1990-2000 to confirm that people, pace and place are still core attractions of an Irish holiday experience for overseas consumers. Why not ask the rural tourism provider, the entrepreneur working at ground level? Is it a case of ‘not in your own back garden’? It is these entrepreneurs who view rural tourism as a means of capitalising on the sustainable economic growth and development of tourism, not the overseas visitor. Undoubtedly, the future of rural tourism depends on caring for the tourist and the product. Involving greater community participation in tourism planning due to the impacts felt locally has been suggested and tested especially among non-business and non-tourism dependent residents. However, unless the rural tourism venture is a community project there would seem to be very little self-administered monitoring at local level. As the results from this survey show, there seems to be little ongoing discussion on group projects anyway, unless problems arise where only a few individuals resolve issues and steer progress.

Monitoring is essential but it should not replace marketing and/or land-based planning approaches for tourism. O’Mahony (Bord Failte 2001a) states that financial assistance is assessed at the outset for aid given by the Irish Tourist Board to rural tourism entrepreneurs. There is no subsequent evaluation of the rural tourism enterprise to determine whether the finance has enabled the rural tourism enterprise to be successful and no account is held for those that failed. The Irish Tourist Board is however currently completing a comprehensive research programme in key markets to determine consumer requirements in rural tourism. This they claim will assist the industry in two ways: firstly it will aid consumer understanding and secondly it will identify gaps in the product supply nationally.

The National Development Plan (2000-2006), the White Paper on Rural Development dictates a focus towards rural development, regional approach, and sustainable economic development in order to achieve a rural Ireland, where there are vibrant sustainable rural communities. Individuals and families must have a real choice as to whether to stay urban areas or move to rural Ireland. This statement in itself pledges to support the rural tourism entrepreneur in his/her quest for remaining on owned land managing a small business, which satisfies their needs as well as that of the consumer. In order to support the entrepreneur this requires filling the gap in entrepreneurial information as recommended by other authors, notably Busby and Rendle (2000).

This survey demonstrates a number of key points. Firstly, it shows how academic research can be better facilitated through an industrial partnership. It also, however, points to the willingness of the rural entrepreneur to progress beyond the modern adversities of the tourism industry (e.g. the Foot and Mouth Crisis), and to reckon with their successes and face challenging prospects in order to make their business grow and succeed in its future years.
Tourism Destination Planning

References


Tourism Destination Planning


## Appendix 1

### SOUTH OF IRELAND LEADER AREAS

<table>
<thead>
<tr>
<th>Area Description</th>
<th>Development Bodies</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackwater Region LEADER Co. Blackwater Region, Mallow &amp; hinterland Co. Cork</td>
<td>Cavan-Monaghan Rural Development Co-op Society, Ltd</td>
<td>Comhar Iorrais LEADER II Teo Erris Region <a href="mailto:errisrd@iol.ie">errisrd@iol.ie</a></td>
</tr>
<tr>
<td>Comhdhail Oileain na hEireann Offshore Islands</td>
<td>Donegal Local Development Company All Donegal except Gaeltacht areas and Inishowen Peninsula</td>
<td>East Cork Area Development Ltd. East from Glanmire</td>
</tr>
<tr>
<td>Galway Rural Development Co. Co. Galway</td>
<td>Inishowen Rural Development Ltd. Inishowen Peninsula</td>
<td>IRD Duhallow Ltd. Kanturk &amp; Millstreet Areas</td>
</tr>
<tr>
<td>KELT – Kildare European LEADER II Teo Co. Kildare</td>
<td>Laois Rural Development Co. Co. Laois</td>
<td>Longford Community Resources Ltd. Assoc Co. Longford</td>
</tr>
<tr>
<td>Louth Rural Development Co. Co. Louth</td>
<td>Meath Community Partnership Company Co. Meath</td>
<td>Meitheal Forbartha na Gaeltacht Gaeltacht, Caislean – Cos Kerry and Achill Island</td>
</tr>
<tr>
<td>Rural Resource Development Ltd. Co. Clare</td>
<td>Sligo County LEADER Partnership Ltd. South Kerry</td>
<td>South West Mayo Dev. Co. SW Mayo</td>
</tr>
<tr>
<td>Tipperary LEADER Group Part of County Tipperary &amp; part of</td>
<td>Tu atha Chiarri Ltd. Outside Gaeltacht (parts of Kerry) and</td>
<td>Waterford LEADER Partnership Ltd. Co Waterford</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Tourism Destination Planning</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>North East Limerick</th>
<th>south Kerry</th>
<th>Westmeath Community Development Ltd. Co Westmeath</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Cork LEADER Group</td>
<td>West Limerick Resources Ltd. West Limerick</td>
<td></td>
</tr>
<tr>
<td>West Cork Kinsale, Lee Valley &amp; Owenabue Valley</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Rural Development Co. Parts of Cos. Mayo and Sligo</td>
<td>WORD- Wexford Organisation for Rural Development Co Wexford</td>
<td>Wicklow Rural Partnership Ltd. Co Wicklow</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NORTH OF IRELAND LEADER AREAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armagh District LEADER Group</td>
</tr>
<tr>
<td>Cookstown LEADER</td>
</tr>
<tr>
<td>Lower Bann LEADER Ltd.</td>
</tr>
<tr>
<td>RAPID</td>
</tr>
</tbody>
</table>