Exploring the Motivations for Cooperation Among Rural Tourism Entrepreneurs

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The importance of local area as a motivation for cooperation among rural tourism entrepreneurs

Dr. Ziene Mottiar
(The research for this project was financed by Failte Ireland)
Literature

- Destination development is affected by factors such as transport, infrastructure and natural resources but entrepreneurs are often ‘the overlooked player in tourism development studies (Koh and Hatten, 2002)

- Destination competitiveness – Crouch (2003, p.28) ‘the extent to which tourism development advances economic prosperity and the quality of life of residents depends significantly upon the actions and success of .. Entrepreneurial firms’
Tourism Destinations are like webs of dependency
Motivations of entrepreneurs – profit focussed. But lifestyle entrepreneurs, social entrepreneurs

Other factors can also play a role

- Intergenerational issues (Atlejevic and Doorne, 2003)
- Social situation and environment (Bosworth and Farrell, 2011), (Mottiar and Ryan, 2006), (Tucker, 2010), (Skokoc and Morrison 2011)

What motivates rural tourism entrepreneurs to cooperate with others in the destination. Is it profit?
Research Methodology

- Research undertaken in 2012 in Connemara and Westport and Clew Bay in the West of Ireland
- Questionnaire sent using the Failte Ireland database – 65 responses
- 25 Interviews with key informants and entrepreneurs
- Case studies of projects and schemes
- Research questions:
  - What motivates tourism entrepreneurs to engage in cooperation locally?
  - How do they decide who to cooperate with?
  - How does this cooperation emerge?
To what extent and in what ways do these entrepreneurs cooperate

- 72% engaged in cooperation

- Informal Relations
- Bundling of products
Why do these entrepreneurs engage in cooperation?

1. To increase profits
2. To acquire funding
3. To develop expertise
4. To get advice
5. To increase visitors
6. To raise profile
7. To gain access to resources
8. To influence others
9. To help the development of our local area
10. To become better able to tackle a problem

Bar chart showing the reasons for cooperation, with 'To increase profits' being the most common reason.
Destination Westport

- Established in 2006 by 10 hotels to market Westport to international and in particular British tourists
- Raised €100,000. Have now expanded membership
- ‘Have we got a return on our investment, I don’t think so yet. But the thing with Westport is.. The people in the hotels, and the majority of people out there.. Are owner operators. So.. It’s an investment in the future. And we see it as a long term vision that tourism and the product will probably outlive us into our children’
- This is a long term strategy
How do rural tourism entrepreneurs decide who to cooperate with?

- I feel I should
- It helps the development of the local area
- We are more successful working together than separately
- We are friends/neighbours
- We work well together
- I trust them
- I like them
- I know them

‘I’d be happy to promote any of the businesses.. Because at the end of the day, the more you have to offer in a place the better it is overall’

‘It’s just to try and get people talking the Mayo story. Whether they come to here or Westport that’s absolutely fine.. We’ll all get our share of the pie eventually’.
‘We’ve a very good co-operative spirit among the player, the actors’

‘We’ve been lucky that we’ve been able to get so many like minded people sitting around a table that have a similar vision. Now we won’t agree all the time but in broad terms we have a similar vision of how we want the town to be marketed. The type of customer you want, and how we want to progress things for the future’.
How does co-operation emerge?

- We knew each other personally
- We knew each other professionally
- Our organisations are connected
- Developed out of professional networking
- Funding requirement
- As encouraged by local authorities
The Greenway

- 42k walking and cycle way has acted as a catalyst for local development and entrepreneurial activity
- Mulranny Park Hotel has moved to being a destination resort and this requires cooperation with activities providers in the area
- The Gourmet Greenway
Simplistic view of entrepreneurs and relationship with locality

Entrepreneur

- Creates jobs
- Generates income for the area
- Generates business for other businesses

Local customers
Social norms
Laws and Regulations

Social norms
Laws and Regulations
Local customers
Conclusions

• The success of rural tourism destinations is dependent on entrepreneurs

• Rural tourism entrepreneurs are not just motivated by profits

• As they are embedded in local areas they are also motivated by the success of the area

• Rural tourism entrepreneurs are not just leveraging resources and ‘giving back’ to the area, the relationship between entrepreneurs and their local area is more complex

• Discussions on rural entrepreneurial motivations must also include consideration of the importance of the local area as a key motivator and influencer of strategy