

**Inter-organisational Cooperation and Network
Influences in Destination Marketing: the case of
www.purenz.com**

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Glossary of Abbreviations and Terms

CEO	Chief Executive Officer
DMO	Destination Management Organisation
DOC	Department of Conservation
IMP	International Marketing and Purchasing Group
IOR	Inter-organisational relations
ITOC	Inbound Tour Operators Council
Key stakeholders	Organisations able to contribute financially or in other ways because of their role or size to NZ destination marketing.
MAF	Ministry of Agriculture and Forestry
NTO	National Tourism Organisation
NZ	New Zealand
NZD	New Zealand dollar
NZTE	New Zealand Trade & Enterprise
NZTP	New Zealand Tourism and Publicity
NZTD	New Zealand Tourism Department
NZTB	New Zealand Tourism Board
purenz	www.purenz.com
Qualmark	New Zealand tourism's official mark of quality
RM	Relationship marketing
RTO	Regional Tourism Organisation
TNZ	Tourism New Zealand
TIANZ	Tourism Industry Association of New Zealand
TRENZ	Tourism Rendezvous New Zealand (annual tradeshow)
WTO	World Tourism Organisation

Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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Abstract

Individual businesses from a variety of sectors network and work together to create a successful tourist experience. The interdependencies of organisations producing this experience make cooperation a necessity in destination marketing. Despite the centrality of cooperation and networking in tourism marketing relatively little empirical research has been conducted in this area..

This thesis uses the case of the development of the official NZ website www.purenz.com (purenz) to examine the role, form and process of inter-organisational cooperation in destination marketing. Drawing on in-depth interviews with thirty- five industry members involved in establishing and managing www.purenz.com between 1999 and 2006 this thesis makes a number of contributions to both the marketing and tourism literature.

The thesis confirms that there are considerable difficulties in broadening the marketing role of the national tourism organisation (NTO) beyond destination promotion. The study also finds that destination marketing and destination management are still perceived as separate processes in the NZ tourism industry. In addition, the results of this study provide support for the view that the social networks in which firms are embedded have a considerable influence on inter-organisational alliance formation.

This thesis contributes to the development of theoretical approaches to the study of cooperation in destination marketing by identifying five levels of cooperation in destination marketing: *passive acceptance*, *support*, *alignment*, *contribution* and *pooling*. The levels are based on the different types of input that may be required from stakeholders by the NTO. The level of cooperation desired in a particular context is a strategic choice to be made by the destination marketing management. This choice is affected by the existing characteristics of the tourism network; the NTO leaders' perception of the need for and value of cooperation in destination marketing and also by the extent of shared understanding of the scope of destination marketing management among tourism stakeholders.

The research points to the need to develop further the network characteristics affecting cooperation in destination marketing. Further work is also needed to develop a more complete profile of the five levels of cooperation identified by this study and the investment required to achieve each level of cooperation.

Chapter One – Introduction

Many countries are focusing on tourism as a tool through which to achieve economic growth. In conventional marketing scenarios, all elements of the marketing mix (product, price, promotion and distribution) are usually within the control of a single organisation. This, however, is not the case when marketing a country or even a regional destination. The destination product is a combination of the individual services and products of many independent actors (eg hotels, tour operators, airlines).

National tourism organisations (NTOs) are usually charged with having the prime responsibility of marketing the home country as a destination for international tourists. NTO efforts are supported, or perhaps undermined, by the marketing efforts of many other members of the industry such as regional tourism organisations (RTOs), airlines, and large tour operators.

A place can be marketed for different purposes and with different target markets in mind. (Ritchie & Crouch, 2003). A place can be defined in different geographic terms such as a city, a state, a country or a region. The purpose of marketing the place can be to attract residents, investors, businesses or tourists. In addition the target market can be domestic or international. Destination marketing in this thesis refers to the marketing of a nation for the purpose of attracting overseas visitors.

Little academic work has focussed on the strategic marketing management processes that characterize the industry (Bagnall, 1996; Blumberg, 2005; Hu, 1996; Riege & Perry, 2000). Within the tourism network and tourism literature, there is recognition of the interdependent nature of the industry and therefore the need for cooperation among its member organisations (Bennett, 1999; Bjork & Virtanen, 2003). Yet there is a relative paucity of research into the managerial challenges of utilising inter-organisational cooperation to achieve destination marketing objectives. Such information can contribute to a deeper understanding of inter-organisational collaboration from a strategic marketing management perspective and give tourism marketing managers insights on how to better achieve the desired cooperation.

There are considerable differences in how the term 'cooperation' is viewed and used in the literature. Terms frequently mentioned in dictionaries to define cooperation include 'working together', compliance, collaboration and mutual aid. All of these phrases are related and yet are separate and also distinct from each other (Hall, 2000). For the purpose of this research, the term 'cooperation' is used in its broadest form to include any or all of these ways of 'working together'. The entities whose dynamics of 'working together' are being explored are autonomous organisations in the tourism domain.

Research on cooperation in tourism has made important contributions in a number of areas. Results from the Inter-organisational relations (IOR) arena have been adapted to the tourism context (Araujo & Bramwell, 2002; Selin and Beason, 1991). Efforts have been made to suggest models of partnerships in tourism development (Jamal & Getz, 2000; Selin & Chavez, 1995; Timothy, 1998) and considerable work has been done to identify the factors which facilitate and act as barriers to cooperation in the tourism context (Augustyn & Knowles, 2000; Ladkin & Bertramini, 2002; Mutch, 1996; Plummer, Kulczycki, & Stacey, 2006; Roberts and Simpson, 2000; Selin & Myers, 1998)

These previous tourism studies have usually studied cooperation in the sustainability and tourism development context (Buhalis, 2000; Gretzel, Fesenmaier, Formica & O'Leary, 2006; Jamal and Getz, 1995). These studies have not often approached the study of cooperation from a strategic destination marketing perspective which integrates the development of the tourism product with other aspects of marketing such as distribution, promotion and pricing.

Studies of strategic alliances in the marketing and management literature have focussed on inter-organisational cooperation. The strategic alliance research has largely been conducted in the manufacturing and hi-tech industry contexts and the emphasis has been on alliances in the form of joint ventures. This literature (Beamish, 1998; Hamel, Doz & Prahalad, 1989; Killing, 1983; Paap, 1990) suggests that the key issues which affect the success of the alliances are motives for formation; the partner selection process; trust and communication and control / conflict resolution mechanisms.

There is limited empirical research of strategic alliances in the services sector (Judge & Dooley, 2006; O'Farrell & Wood, 1999). In the tourism industry context, anecdotal evidence suggests that alliances are likely to be multilateral rather than dyadic and the form of the alliances is likely to be more informal than equity joint ventures. There is a relatively limited stream of papers on multi-party alliances (Das & Teng, 2002; Garcia-Canal et al., 2003; Hwang & Burgers, 1997; Jones, Hesterly, Fladmoe-Lindquist & Borgatti., 1998). This research suggests that multi-party alliance management issues are distinct from dyadic alliances and require separate theoretical development.

The tourism industry exists as a network of interconnected sub-sectors. The emerging literature on networks presents another perspective on inter-organisational cooperation. The network approach emphasises that organisations are embedded in a social context of relationships (Gulati, 1998) and some key constructs from this area seem intuitively relevant to the tourism industry. Very little empirical research has used this perspective in studying the tourism industry (Grangsjö, 2003), however, a few relatively recent studies have begun to look at issues of cooperation and relationships within the tourism industry from a network perspective (Dredge, 2006; Grangsjö, 2003; Pavlovich, 2003; Soisaion-Soinen & Lindrot, 2004). As Dredge (2006, p. 562) states

Application of the network concept in tourism has increased in recent years but has largely been focused on the competitive advantages of network organisation for small and medium size tourism enterprises. Critical discussion and development of the theoretical and operational dimensions of networks as a management approach beyond economic development has been limited.

Previous studies in the field of IOR; cooperation in tourism development; strategic alliances and networks provide different lenses to try and achieve comprehensive understanding and explanation (Gulati, 1998; Osborn & Hagedoorn, 1997; Rowley, 1997) of the phenomena of cooperation.

1.1 Research aims, boundaries and methodology

The aim of this research is to understand the nature, form and process of inter-organisational cooperation in destination marketing. The key research questions guiding this study are:

- What role did cooperation have in the development of www.purenz.com?
- What form did this cooperation take?
- Based on the purenz case, what factors facilitate or hinder the process of cooperation in NZ destination marketing?

This research seeks to make a contribution to the development of a theoretical framework for understanding cooperation in tourism - from a strategic destination marketing perspective. Conceptual frameworks from the strategic alliance and network literatures are used as a base to understand and analyse the data on cooperation in destination marketing.

This thesis also seeks to examine the relevance of previous strategic alliance research (largely focussed on studies of the manufacturing and technology intensive sectors) to tourism, a service industry. The interdependent nature of the tourism industry; the relatively intangible nature of the product being sold, and the relational and structural embeddedness within the tourism network, can be expected to have a significant impact on the way alliances take form and are managed in this sector.

This research will also make a contribution to case study research methodology. The case study analysis combines deductive and inductive approaches to theory development. The use of this 'systematic combining' (Dubois & Gadde, 2002) approach in the analysis will have particular value for other researchers using the case study method for theory development.

The practical contribution of the study lies in its provision of a deeper understanding of the role, process and impact of cooperation on New Zealand's destination marketing. This study provides a platform for more informed decision making by destination marketing management on determining the need for cooperation; the form or structure of cooperation; the desired outcomes from cooperation, and the mechanisms for achieving the same.

The research adopts an in-depth case study methodology. The case selected is the development of the NTO official destination website: www.purenz.com as it presents

the ideal ingredients (as discussed in Chapter 3) for this study's focus on strategic destination marketing.

1.2 Thesis structure

The following literature review chapter focuses on prior research on cooperation in tourism . The unique complexities of destination marketing are discussed and the relative paucity of academic research into strategic marketing issues in tourism is highlighted. The chapter then presents a review of two conceptual frameworks from the business literature designed to study organisational relationships, network and strategic alliance theory. The chapter ends with a summary of the key characteristics of the terms used to discuss and study interorganisational relationships from the three streams of literature reviewed on social partnerships, networks and strategic alliances.

Chapter Three presents the study's research design and methodology. The chapter begins with a discussion of how the literature reviewed influenced the research design. The rationale for the choice of a qualitative research design and the choice of a single in depth case study is presented. The criteria which were used in selecting the specific case of the development of the website www.purenz.com are discussed and the multiple sources used for data collection are outlined. The interview process used is discussed in detail. This is followed by a section on how the data was analysed using an approach based on 'systematic combining' (Dubois & Gadde, 2002) suitable for single case research aiming at theory development. The process of coding and thematic analysis used is described in detail. The chapter concludes with a discussion of the steps taken to ensure the validity and reliability of the findings.

Chapter Four reviews the role that cooperation played in the development of www.purenz.com. The first section relies largely on secondary sources to provide a backdrop to the development of the website. The backdrop presents a summary of the historical evolution in the role and structure of the New Zealand NTO. This provides the context in which the '100% pure' campaign was first launched. The link between the '100% pure' campaign and Stages 1 and 2 of the design and development of the purenz website are outlined. The role that cooperation played in the development of the website is then discussed and analysed. The chapter concludes with an analysis of the

perceived value of cooperation in NZ destination marketing - why it is considered important and the meaning of cooperation in this context.

Chapter Five provides on an analysis of the factors which affected the process of cooperation in the development of the purenz website. The factors which emerged from this research are related to findings from previous studies in inter-organisational cooperation and their distinguishing features or applications in the destination marketing context are discussed. A discussion of the form of the cooperation used in the purenz development is then presented in Chapter 6. The influence of the network nature of the tourism industry on the form and process of cooperation is assessed using the constructs of interdependence, relational embeddedness and centrality. This is followed by an analysis of the reasons why the form of cooperation in this case was informal and unstructured. The chapter ends with an evaluation of how in turn the purenz development had an impact on the NZ tourism network.

The concluding chapter synthesises the main findings and outlines their significance. The chapter begins by responding to the original questions posed on the role of cooperation in destination marketing; the structure of this cooperation and the process of inter-organisational cooperation in this context. The chapter then moves on to suggest how the findings of this study can be used as a step towards developing a clearer framework for the study of cooperation in destination marketing. The future research needed to develop the research findings further is then outlined followed by a discussion of the managerial implications and relevance of this study. The chapter ends with a brief summary of the theoretical, practical and methodological contributions of this research.

Chapter Two: Destination Marketing and Cooperation

Tourism is a major source of foreign exchange earnings for many countries. It is also seen as an industry with tremendous employment generation potential and with the ability to create a substantial multiplier effect within the economy (Sautter & Leisen, 1999; Williams & Shaw, 1995). In addition to its role as an earner of foreign exchange, tourism is often an important means for economic diversification and is welcomed for the contribution it is anticipated to make to the reduction of regional inequalities within countries (Centre on Transnational Corporations, 1982). In addition to the economic contributions, some authors suggest other reasons that governments may pursue tourism such as to bolster national pride or as a means to preserve ecological resources and cultures (Pichford, 1995; Ritchie & Crouch, 2003).

Travel and tourism is one of the largest industries in the world. By the year 2016, tourism is projected to contribute USD 12,118.6 billion to the world's economic activity or 10.9% of the total, and provide jobs for 1 out of every 11.1 workers world-wide (World Travel and Tourism Council, 2006). Within New Zealand (NZ), tourism expenditure for the year ended March 2005 was NZD 17.5 billion. International tourism contributed NZD 8.1 billion (18.7%) to the total 2005 NZ exports earnings. Nearly 6% of NZ total employed (105,000 full-time equivalent employees) work directly in producing goods and services for tourists (Statistics New Zealand, 2006). The continued growth of tourism to NZ is important to its economic growth. Destination marketing and increasing inbound tourism has become a major objective for most countries in the world and for many a key to survival in the global economy.

2.1 The complexities of destination marketing

The tourism industry is not homogeneous. There is diversity in the various forms of tourism, for example, domestic and international, vacation and business, individual and collective, holidays with or without a variety of activities. There are a large number of component industries that participate in the umbrella tourism industry such as airlines, hotels, bus companies, cruise companies, restaurants, shops, museums and parks. Members of these component industries may specialize in tourism or tourists might be

only one of their target market segments (Ascher, 1985). Middleton (1988) groups the many players in the industry into the following major component sectors - accommodation, transport, attractions, travel organizers, destination organisations. He points out that the nature of these sectors and /or individual members can vary from fully profit-oriented to being run on a partially commercial basis (e.g. most museums) to non-commercial organisations like most state-owned NTOs. Fyall and Leask (2006, p.53) describe the tourism industry's complexity in these terms:

...all destinations to varying degrees are comprised of multiple stakeholders, multiple components and multiple suppliers, and convey multiple meanings to multiple markets and market segments.

From the tourist's point of view the tourism product covers the complete experience from the time s/he leaves home to the time s/he returns to it. The individual suppliers' products combined together constitute the total tourism product (Gnoth, 2002). Palmer & Bejou (1995) point out that the interdependencies of organisations producing and promoting the destination creates the base for the need for collaboration in the tourism industry. Members of the tourism industry have always worked together. Thus a tour package is the result of collaboration between a number of suppliers from different sectors of the tourism industry (e.g. transport, accommodation, sight seeing).

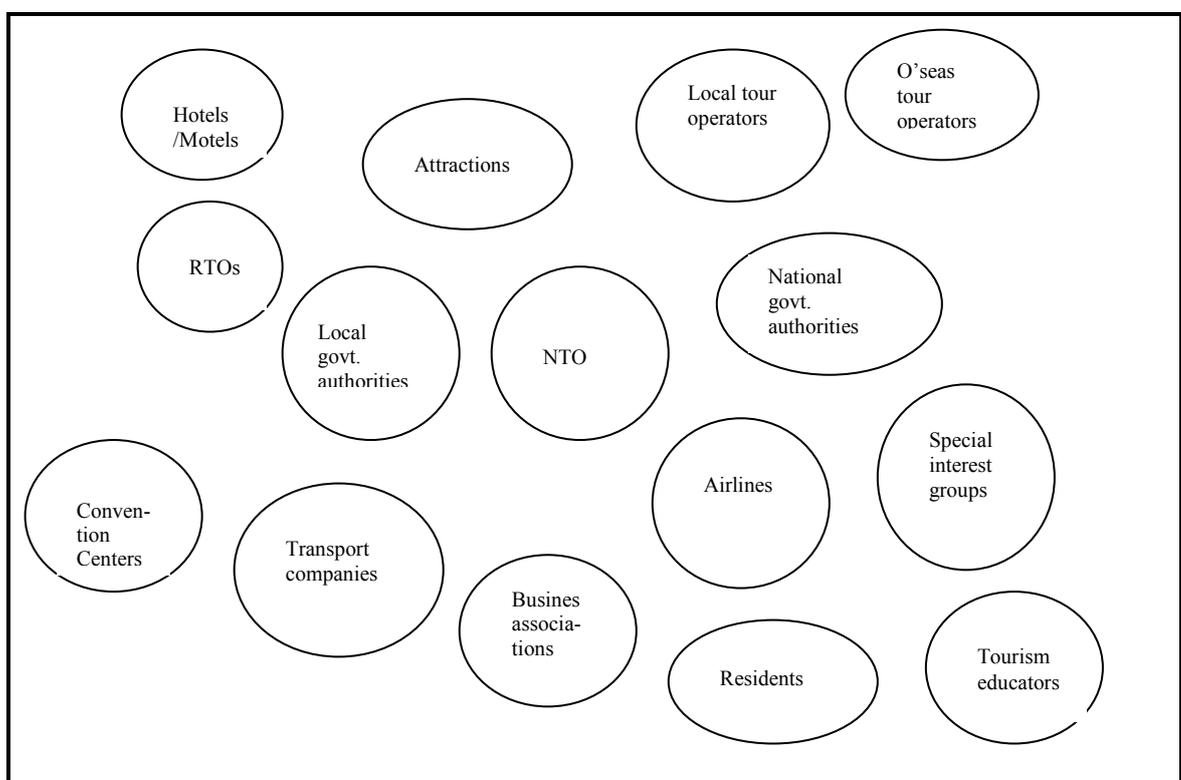
In addition to the interdependencies within the tourism industry, the industry as a whole is directly affected by the macro-environment in which it operates and in turn has an impact on a number of other constituents of that macro-environment (Higgins-Desbiolles, 2006). As Jamal and Getz (1995, p.193) point out:

A destination community's assets and resources, such as its infrastructure and recreational facilities, can be shared by its inhabitants, visitors, public, and private sector interests. Tourism development then takes on the characteristics of a public and social good whose benefit may be shared by the numerous stakeholders in the local destination.

In the context of interorganisational collaboration a stakeholder is defined as any party with an interest in a common problem or issue that is "directly influenced by the actions others take to solve a problem" (Gray, 1989, p.5). In the context of tourism, most actions involve decisions and actions by more than one party. Key stakeholders in tourism can include government organisations, tourism industry associations, local

chambers of commerce, tourism authorities, resident organisations, social agencies, and special-interest groups and many other possibilities. Figure 1.1 depicts these stakeholders as ‘molecules’ floating around in the tourism ‘space’. The analogy can be carried further as they often combine in different numbers and forms in order to produce the necessary tourism related outcomes at different times. At other times they ‘collide’ with less positive outcomes. A few examples of the type of cooperative arrangements which are fairly common in tourism include tour packages, individual sector (e.g. hotels, airlines, travel agents) associations, and industry conferences.

Figure 2.1: Tourism stakeholders



In most tourism industries, the national tourism organisation has a pivotal role to play in the overseas marketing of the country. The majority of national tourism organisations (NTOs) are not producers or operators (Middleton, 1988). The NTOs generally do not sell products directly to visitors; are not directly responsible for the quality of the services delivered; and represent only a proportion of the tourism marketing activity on behalf of their country. Historically, the principal marketing role of NTOs has been in creating and communicating destination images and messages to potential visitors using the promotion tools of advertising and public relations (Fyall & Garrod, 2005; Ritchie

& Crouch, 2003). Product-specific marketing was instead the responsibility of individual operators.

Views on the position of NTOs in the tourism industry vary with some authors focusing on the NTO development or operational role (Ascher, 1985), others on its market facilitator task (Middleton, 1988) and still others on its overseas promotion function (World Tourism Organisation, 2003). In general, the trend is that the NTO's role has broadened and is now seen more as one of leadership and facilitation in a highly heterogeneous industry operating in an increasingly competitive arena (Fyall & Leask, 2006; Ritchie & Crouch, 2003; Buhalis, 2000).

2.2 The increasing importance of cooperation in tourism

Destinations compete intensely to attract foreign tourists. The World Tourism and Travel Council (2006) estimates that government travel and tourism operating expenditures in 2006 will be USD300.2 billion or 3.8% of total government expenditure. Expenditure in New Zealand is estimated by the same body to be NZD 1.0 billion or 3.3% of total government expenditure. Middleton (1988) estimated that expenditure on marketing accounts for anywhere between 50 to 75 % of NTO budgets. He added that a larger proportion would be required to be spent by developing nations without a well established tourist industry unable to participate in the cost of reaching and persuading international travellers to visit their destination. In NZ, marketing expenditure accounted for 75% of the Tourism New Zealand (TNZ) budget of NZD 70 million for the 2004-05 financial year (Tourism New Zealand, 2005).

Morgan, Pritchard and Piggott (2002, p. 140) present some comparative national destination marketing budgets and note that:

Diminishing NTO budgets and rising media costs both contribute to a highly competitive market-place for small, moderately funded countries.

The high costs of overseas destination marketing have meant that even in a leading developed country like the U.S., many of its state tourism bureaus are looking for new

ways to attract more visitors from abroad (Gudridge, 1989; Hildebrandt, 1988; Reid, 1991) and supplement their budgets.

The emphasis on partnership in tourism increased during the 1980s driven in part by the move to commercialize functions which were once totally the government's responsibility (Ateljevic & Doorne, 2002; Caffyn, 2000; Hall, 2000; Mandell, 1999). Partnerships (especially between the public and private sector) became a government strategy for leveraging resources (Selin & Chavez, 1995). Around the same time that national government tourism budgets were tightening in the 1980s, the concept of sustainability began to have quite an impact on tourism planning and development. Efforts to create sustainability brought increasing recognition that this would require the participation of a far wider community than the direct members of the tourism industry alone (Joppe, 1996; Simmons, 1994). It became important to identify stakeholders and to involve them in the tourism planning and development processes.

In New Zealand also, the momentum for more industry cooperation in destination marketing was building during the 1980s. A NZ study (Price Waterhouse, 1984) found that marketing skills were not high in the industry outside of Air New Zealand and confirmed the value of pooling of promotional resources between Tourism & Publicity, Air New Zealand and specific operators to obtain maximum benefit from the funds. There was obvious potential for fruitful alliances between the NTOs and other industry members. In the early 90s, NZ scenery and outdoor activities were screening on three Singaporean television channels to lure tourists to NZ. The campaign was a joint venture between the NZ Tourism Board, Air New Zealand and Chan Brothers Travel, one of Singapore's major travel wholesalers (National Business Review, 1992).

During the 1980s emphasis on partnerships in tourism industries was accompanied by a corresponding increase in research interest among academics in this area. Murphy (1988) emphasized the potential and feasibility of partnerships based on his early experience in linking tourism planning with communities in Canada. Waddock (1989) suggests six types of environmental forces result in public-private partnerships or what she terms social partnerships:

- a legal mandate;

- existing networks which highlight common issues or benefits
- initiatives of third-party organisations or brokers;
- a common vision in a community about a particular issue;
- a crisis which identifies a specific problem
- the visionary leadership of an individual.

Ritchie, (1993) suggests that one compelling reason for greater involvement of communities in tourism is the wider trend of educated and free people to recapture control of the political processes which affect their lives. Prentice (1993, p. 218) states, "...community involvement in tourism development has become an ideology of tourism planning." Taylor (1995, p. 487) reflecting on the previous ten years stated that, "It would be easy to conclude that though the mechanics of community participation require clearer definition, the recognition of the need to involve the community is widely accepted."

Mandell (1999) suggests a horizontal partnership (in which government control is replaced by collaborations between the public, private, non-profit, community members) needs different management styles and policy instruments. The participatory approach to tourism development had become a normative concept (Tosun, 2000). Issues of collaboration and partnership have come to the forefront of tourism research (Augustyn & Knowles, 2000; Hall, 2000; Yuksel and Yuksel, 2004). Fyall & Leask (2006) suggest that collaboration is the key issue which encapsulates the challenges facing destination marketers in the future.

2.3 The many facets of cooperation

Several authors (Plummer, Kulczycki & Stacey, 2006; Hall, 2000) point out that notions of collaboration, coordination and partnership are separate and yet related. Coordination is focused on the problem of relating units or decisions so they fit together and are not working at cross purposes. Thus, coordination is perceived as a more formal institutionalized relationship while cooperation is "characterized by informal trade-offs and by attempts to establish reciprocity in the absence of rules" (Mulford & Rogers, 1982 cited in Hall, 2000, p. 147). Jamal & Getz (1995, p. 187) define

cooperation as ‘working together towards some end’. This is a fairly general phrase which could mean the working together of individuals or organisations towards some end which may or may not be shared. This definition also does not have anything to say about ‘how’ the parties work together.

Most of the original work in the area of interorganisational cooperation comes from the management sciences and sociology fields. Interorganisational research (IOR) usually uses one of three units of analysis: the organisation, the interorganisational dyad or the interorganisational network (Selin & Beason, 1991). Wood and Gray (1991, p. 48) make the point that applying existing organisational theory to collaborative phenomena requires a shifting of focus from the individual firm to a domain. They suggest a description of collaboration based on an analysis of the commonalities in collaboration definitions used in several papers:

Collaboration occurs when a group of autonomous stakeholders of a problem engage in an interactive process, using shared rules, norms, and structures, to act or decide on issues related to that domain.

Key elements of this description are relevant to the tourism context. The definition makes it clear that the stakeholders are autonomous with independent decision-making powers and that what brings them together are issues pertaining to a particular domain which in this case is decisions or actions relating to tourism. The shared rules, norms and structures would usually be agreed to explicitly as part of the interactive process. However, the authors allow that these can sometimes be implicit.

Another often used term in discussions about cooperation is ‘partnership’. Webster (1992) suggests pioneering industries in the use of partnerships, such as tourism, were those that had to deal with issues related to international markets, complex technology, rapid changes in product and situations where there was greater interdependence between organisations.

Partnerships are defined as “arrangements devoted to some common end among otherwise independent organisations” (Selin & Chavez, 1995, p. 844). This term specifies that the entities working together are independent organisations and that they are working towards an end which is common to all parties. As Selin & Chavez (1995)

note, a partnership involves the pooling of resources (e.g. human, financial, information) to achieve their common end. The definition does not specify the structure or scope of the partnership. These partnerships could be between two organisations or multiple organisations. The ‘arrangements’ through which they work could be highly structured or loose verbal agreements. The common end towards which the partners work could be very narrow or very wide in scope. In terms of time, the partnerships could last for a short period or a long time.

Virtually all tourism industry sector members work together in some form or other. A review of some common partnerships in tourism suggests how they can vary in their complexity along different dimensions (Table 2.1). The forms of these collaborations and the areas in which the organisations’ cooperate have always varied considerably (Palmer & Bejou, 1995). The collaborations can differ widely in terms of the number of

Table 2.1: Examples of the diversity of collaborations in tourism

Example	Members	Form	Scope	Pooled resources	Duration
Tour package	Multiple	Some type of formal agreement	Narrow	Products /services	short
Industry association	Multiple	Separate legal entity	Wide	Financial Information	long
Event	Multiple	Informal or possibly separate temporary structure	Narrow	Human Financial Products/services Information	short
Trade fair	Multiple	Some form of formal agreement	Narrow	Human Financial Information	short

organisations involved; the type of structure or form; the scope or coverage of the collaboration; the collaboration’s life span and the extent and type of resources which are pooled. For example, a tour package usually brings together the products and services of multiple organisations (accommodation, transport, attractions, and retailers). The terms and conditions under which each provider becomes a part of the package are usually formally agreed to in writing with the tour operator / wholesaler who puts the package together and sells it overseas. The agreement to work together is narrowly

focused on the specific tour package and usually has to be renegotiated every year if not sooner as the terms and conditions can change.

The benefits of inter-organisational cooperation include economies of scale; combining resources and / or spreading of risk but it also means having less control over more resources (Blumberg 2001). Within the management sciences, there are two main views on why organisations have relations (Jamal & Getz, 1995). Exchange theory suggests that organisations voluntarily interact to achieve mutual organisational goals. On the other hand, resource dependency theory proposes that organisations are forced to interact as they seek to acquire and compete for scarce resources.

As Selin and Beason (1991) state, elements of both the exchange and resource dependency theories are likely to be present in the interorganisational relations of tourism organisations. Again in the tourism context, Bramwell & Sharman (1999) suggest that the potential benefits of collaboration include avoiding the cost of future opposition and conflicts with stakeholders. Two further reasons are given for collaborating, firstly, it improves consideration of the wider impacts of tourism and thus the resulting outcomes are more sustainable and, secondly, by improving coordination of policies and related actions, the end outcomes are achieved more efficiently. An extra bonus is that collaboration "...“adds value” by building on the store of knowledge, insights and capabilities of stakeholders in the destination.” (Bramwell & Sharman, 1999, p. 393). However, collaboration has its dangers (Bramwell & Lane, 2000) which include the complexity and time consuming nature of decision making with diverse participants; the potential for private use of confidential information; possibly a reduced effort in joint tasks by some parties and /or an opportunistic exit from the relationship by one party.

A number of studies (Jamal & Getz, 1995; Mutch, 1996; Roberts & Simpson, 2000; Selin & Beason, 1991; Waddock & Bannister, 1991) have focused on identifying the factors which seem to be critical to successful social partnerships. There is no consensus on all of the factors identified by these studies but there is considerable agreement on the following five:

- Recognition of interdependence by all members of the collaboration
- Benefits of collaboration are clear for individual participants

- Inclusion of key stakeholders
- Appointment of a legitimate convener to facilitate cooperation
- Formulation of joint vision, aims and objectives

Additional factors identified include balance of power between stakeholders; trust and sincerity; confidence that decisions will be implemented; geographical proximity and self regulation through a collaborative (referent) organisation.

The studies (Jamal & Getz, 1995; Mutch, 1996; Roberts & Simpson, 2000; Selin & Beason, 1991; Waddock & Bannister, 1991) also suggest that the following are the barriers to collaborations' achieving positive outcomes include:

- Turf sovereignty i.e. protectiveness of individual organisation's decision-making areas
- Competition among participants
- Fragmentation of responsibilities
- Lack of awareness of other organisations' goals
- Differences in ideologies of participants

Selin and Beason (1991) conducted an empirical study of the interorganisational relations between the US Forest Service, chambers of commerce and tourism associations connected to an Arkansas National Forest. The results showed a lack of cooperation across all the organisations though their results also indicated that domain consensus, independence and geographical proximity emerged as predictors of cooperative relations. Domain consensus refers to mutual agreement on the activities they were engaged in. Independence refers to the degree to which organisations perceived that they were independent of others and this was found to be negatively related to the extent of cooperation. Geographical proximity was found to be positively related the degree of cooperative relations possibly because it allows for more frequent interaction.

Bramwell and Sharman (1999) developed a framework for evaluating the collaboration achieved in a tourism relationship. Their framework suggests that there were three broad issues to consider:

- The scope of the collaboration. This includes criteria related to stakeholder representativeness and attitudes; inclusion of a facilitator and agreement among participants on the scope of the collaboration.
- The intensity of collaboration. This includes the frequency and stages at which interaction takes place with stakeholders; the type of participation techniques used; the nature of the dialogue; the nature of the facilitation and the participants' willingness to compromise.
- The degree of consensus achieved within the collaboration. This is evaluated in terms of enthusiasm for the resulting outcomes as well as consensus, 'ownership' and willingness to implement the end decisions.

Yuksel and Yuksel (2005) researched a case study of cooperation between the Valencia Chambers of Commerce, Spain and the Turkish Chamber Development Programme of Euro Chambers. They found that cooperative relations are conditioned by several structural, situational and behavioural factors which include: distance & delays; limited resources, meeting venue and location, lack of information sharing, experience and institutional capacity, administrative culture, language, staff continuity, level of representation, short range time span and existing local IOR.

Researchers at the end of the 1990s (Timothy, 1998; Tosun and Jenkins, 1998; Yuksel, Bramwell & Yuksel, 1999) began suggesting that community involvement is primarily a developed world concept which does not transfer easily into the developing world. Tosun (2000) reviewed the work on the community participation approach to tourism development from the point of view of its application to developing countries. He suggests that operational, structural and cultural factors in the wider national environment can limit the likely success of this collaborative approach in developing countries and possibly some areas of developed countries as well.

A number of tourism researchers have used case study methodology to study collaboration (Dredge, 2006; Jamal & Getz, 2000; Lawrence, 2007; Mutch, 1996; Roberts & Simpson, 2000). Generally, the case studies selected have had a sustainability and destination development focus. As Ritchie & Crouch (2003, p.189) observe, "...in the traditional tourism world the destination planning and development function is often not viewed as an integral part of the marketing function." Within

tourism these development objectives have rarely been integrated with other destination marketing objectives or issues.

Few studies on cooperation in destination marketing have taken a strategic marketing management perspective. Most have focussed on functional aspects of marketing (Bigne, Alvarado & Sanchez, 2007). A literature search centred around the terms 'destination marketing' and 'cooperation' revealed studies focussing on different aspects of marketing e.g. on promoting the destination (Dore, 2003; Palmer, 2002; Pan, 2004); destination branding (Crockett & Wood, 1999); impact of technology on cooperation in destination marketing (Gretzel et al., 2000; Gupta et al., 2004; Palmer, 2000; Ritchie & Ritchie, 2002; Williams & Palmer, 1999); event marketing (Merrilees, Getz & O'Brien, 2005); destination marketing and competitor cooperation (Grangsjö & Gummesson, 2006). Other authors (Dale, 2002; Palmer & Bejou, 1995) focussed on the advantages of involving several organisations in the production and marketing of tourism products. The theme of cooperation was highlighted as important in all these functional aspects of marketing.

The conceptual frameworks from which these studies approach cooperation in destination marketing vary considerably. For example, Hall, Cambourne, Macionis & Johnson (1997) review network development in NZ and Australian wine tourism. Jackson and Murphy (2002) use cluster analysis to diagnose ways in which local businesses can cooperate and become less reliant on the central government. Merrilees et al. (2005) propose that stakeholder theory is an appropriate and strong way to build inter-organisational linkages.

Considerable work has been done to adapt and apply conceptual frameworks from the inter-organisational relationships arena to the study of cooperation in tourism planning and development. However, a common weakness has again been that tourism planning and development has been seen as quite separate from destination marketing. Gretzel, et al. (2006, p.120) report that DMO representatives, participating in their focus groups and expert panels, complained that they were frequently excluded from "sitting at the development table" with county/city planners. Jamal and Getz (1995, p.198) in the context of local tourism development suggest that:

In addition to the necessary representation of the local tourism organisation, it may be necessary to include key actors from the regional planning and marketing levels in order to ensure coordinated planning and to minimize the gap between the marketing and planning of tourism destinations.

Buhalis (2000) contends marketing should be used as a strategic tool with planning and management and not just a sales or promotional tool. There is growing realization that the development planning and marketing of a destination cannot be treated as separate processes by policy makers or destination marketing managers. (Baker, 1999; Blumberg, 2005; Riege & Perry, 2000; Ritchie & Ritchie, 2002).

2.4 Strategic destination marketing

While competition to attract foreign tourists is increasing (Ritchie & Crouch, 2003), the costs of marketing and competing in the main tourism generating countries are high. The resources available for such marketing activities appear to vary in inverse proportion to the desperation of the nations desiring to attract tourists. Therefore, the effective utilization of available resources for the marketing of tourism destinations is of prime importance. However, as Palmer (1998, p.185) points out:

While there may be little doubt within aspiring tourism destinations about the need for effective marketing, there is typically much less certainty about how the destination should be marketed. Furthermore, there are arguments about whether a destination should be marketed in the fullest sense of the term, or merely promoted.

To a large extent, destination marketing efforts by NTOs have focused on the promotion of the destination with little attention being paid to integrating the promotion with other components of the marketing mix such as product, price and distribution (Ryan, 1991). The concept of marketing has been applied to destinations in very limited ways (Ritchie & Crouch, 2003). Most NTOs have set their objectives in terms of growth in visitor numbers, length of stay and expenditures and then seen their roles as one of promoting the destination to achieve these growth objectives (Hall, 1999). The underlying strategic national objectives (such as economic growth; foreign exchange earnings, employment etc) for growing tourism have often been forgotten. Buhalis notes (2000, p. 99):

...tourism marketing should not only be regarded as a tool for attracting more visitors to a region, as has been the case for most destinations. Instead, tourism marketing should operate as a mechanism to facilitate regional development objectives...

Ascher (1985) suggests that the role of tourism development agencies is the development of facilities for operational studies, market surveys, master plans, feasibility studies, impact studies, technical and scientific support for experiments with other types of tourism products and methods of product marketing and lastly tourism education and training programs. Middleton (1988) views the role of the NTO as a market facilitator - promoting priorities for specific markets/segments; coordinating overall tourism products; liaising with the tourist industry; providing new/growth products with support; creating cooperative marketing campaigns and researching external environments to provide market analysis and trend data. Ritchie and Crouch (2003, p. 79) suggest that role of the NTO is becoming much broader with "The concept of the DMO, where the 'M' emphasizes total management rather than simply marketing..."

While the tourism industry is still struggling with the concept that marketing management is more than promotion (Baker, 1999; Buhalis, 2000; Haywood 1990; Piggott, 2001; Riege & Perry, 2000; Ritchie & Ritchie, 2002); marketing thought has moved on (Fyall & Garrod, 2005; Webster, 1992). Relatively recent developments in marketing have considerable relevance to the tourism industry. There is more focus (among others) on the areas of social responsibility and recognition that a business has other stakeholders who are important in addition to their customers (Kotler & Armstrong, 1997; Sautter & Leisen, 1999). A current 'hot' area of research is relationship marketing where it is now recognised:

...that it is not only the relationships between sellers and buyers that are important but also a network of other relationships and interactions both within the organisation and external to the organisation. (Brodie, Glynn & Durme, 2002, p. 17)

Relationship marketing allows for a more collaborative and strategic approach to setting objectives and achieving 'win-win' solutions over the long term for all stakeholders (Fournier, 1998). Many authors have argued that the marketing concept is based on a 'long-term commitment' to the satisfaction of travellers' needs and motives (Haywood 1990) and for a more strategic approach to marketing instead of only relying on operational measures such as marketing communication (Buhalis, 2000; Piggott, 2001).

The nature and value of marketing theory has been little understood and applied in the travel and tourism industry (Ritchie & Crouch, 2003). Several authors have pointed out that insufficient work has been done to investigate the strategic issues in travel and tourism marketing (Bagnall, 1996; Blumberg, 2005; Hu, 1996; Riege & Perry, 2000). As Buhalis (2000, p. 98) notes:

.... the inadequacy of destination marketing literature probably illustrates the interest of researchers in the impacts of tourism on destinations. Hence, the management and marketing of destinations is often left to industry people and consultants and it is not frequently discussed in the literature or in academic debates.

Strategic marketing literature provides general models, concepts and techniques for decision making but there is limited academic analysis of their application to destination marketing (Riege & Perry, 2000). The nature of the tourism industry and the destination tourism product makes the application of these general principles somewhat difficult (Gnoth, 2002). This is largely because in traditional marketing terms, the product/service, price, promotion and distribution strategies of a good or service are all within the control of a single organisation. However, this is not true when marketing a country destination. National tourism organisations are usually perceived as having the prime responsibility of 'marketing' (usually meaning promoting) the home country as a destination for international tourists. Middleton (1998) suggests:

Where destinations are largely unknown in the markets they seek to promote; where existing tourism flows are small and where the tourist industry within the country is mainly weak and fragmented; the NTO will have no choice but to take the leading role in putting its destination on the international map and playing a major role in promoting its destinations' products. Even in these circumstances, the available budgets will normally not be adequate to effectively engage in image campaigns in several markets and the market support of international operators such as airlines, hotel chains and tour operators will be essential for success.

Tour operators and agents play a key role in the packaging, pricing and sale of the destination. The primary role of the most other members of the tourism industry is to provide the services (e.g. accommodation, transport, entertainment etc) to the visitor after their choice of destination has been made (Collier, 1994; Crofts, Buhalis & March,

2000). Ritchie and Crouch (2003, p. 96) summarize the difficulties of the destination marketing role very well when they contrast it with the situation of most companies:

A company is well defined by law. Its actions, policies, control of resources and organisational structure are manifest. A destination, on the other hand, is a geographical rather than a legal or business entity. Although a destination management organisation (DMO) may have been constituted to spearhead or facilitate tourism development and management, its ability to do so for the destination as a whole does not compare to the power of a company to govern its own internal environment. Whereas a company governs, directs and controls, a DMO merely influences, facilitates and coordinates.

“The marketing of a tourism destination is a complex task arising out of the intricacy of the ‘product’ on offer.” (Palmer, 1998, p. 186). The international tourist purchases a comprehensive destination experience often without realizing that each element of the experience (or product) has been produced and managed by separate organisations. Tremblay (1998) argues that mainstream economics approach to defining industries on the basis of what they produce is inappropriate for tourism. Tourism Satellite Account reports undertaken by many countries now (including New Zealand) are an acknowledgement of the fact that:

Tourism, unlike ‘conventional’ industries such as agriculture or manufacturing which are classified in accordance with the goods and services they produce, is defined by the characteristics of the customer demanding tourism products. Tourism products can cut across standard industry definitions, and.... (Statistics New Zealand, 2006)

As most industry sectors (e.g. transport, accommodation, and attractions) benefit from overseas visitors, they have considerable interest in how effectively the destination is 'marketed'. As word of mouth publicity and tourist satisfaction affect future marketing efforts, the efficiency and service levels of the various industry members are of great interest to the NTOs.

Although NTOs have traditionally had marketing responsibility for the destination product, they have no control over the marketing activities and mixes of individual players (Hall, 2000; Jamal & Getz, 2000). NTOs can usually only influence or facilitate the actual development of products through incentives and policies. (Buhalis, 2000; Ritchie & Crouch, 2003). NTOs may try to plan a comprehensive marketing strategy, but its implementation requires the agreement and cooperation of all the individual players who have an input into the total experience of the tourist. Thus, a key challenge

for effective destination marketing is how to achieve cooperation among a diverse set of individual sectors and organisations (Buhalis, 2000; Palmer and McCole, 2000; Sautter & Leisen, 1999).

2.5 Marketing frameworks for the study of inter-organisational relationships

The American Marketing Association (1985, p.1) definition of marketing for many years was:

...the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchange, and satisfy individual and organisational objectives.

In line with this definition, the key focus of marketing management is on shaping the '4Ps' (product, price, place and promotion) to carry out the exchange to satisfy the customer and also meet their firm's objectives which are usually related to profit. This transactional view of marketing has come to be seen as more relevant to certain types of firms and markets e.g. large companies selling consumer goods (Coviello, Brodie & Munro, 1997). Fyall and Garrod (2005) discuss the limitations of this definition in terms of its application to the tourism industry and suggest that it needs to be adapted to take into account the relational aspect of the industry.

Gronroos (1990b) proposes that the purpose of marketing is to "establish, maintain and enhance relationships with customers and other partners, at a profit...." Gummesson (2003, p. 168) suggests the universal definition of marketing is "interaction in networks of commercial relationship." Gronroos (1994) concedes that although various types of goods and services can be placed on a continuum, the exactly corresponding marketing approach cannot be specified as too much depends on context. As Gronroos (1990a, p. 5) notes:

The generally accepted means of implementing the marketing concept is the model of the marketing mix. Despite its almost universal application, this model is highly limited and specific. It was developed in the US from research on consumer packaged-goods and durables. Recent European research in the areas of industrial and services marketing has revealed both the inadequacy of the old model and the basis for a new definition of marketing. This is geared to what the customer wants from marketing, rather than what is convenient for the company to provide. At the core of marketing is the establishment and development of long-term customer relations. *This market-oriented emphasis requires a fresh management*

approach, seeing marketing less as a specialist function and more as a part of overall management responsibilities (italics mine).

Ballantyne, Christopher & Payne (2003, p. 159) suggest that “...marketing as a discipline is forever changed”. Vargo and Lusch (2004) contend that a new service-centred dominant logic is emerging in marketing which needs consequent changes in the lexicon of marketing and in how it is taught. The new AMA definition of marketing tries to incorporate this development in thought when it states that:

Marketing is an organisational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders (American Marketing Association, n.d.).

The new dominant logic with its focus on the strategic integration role of marketing appears to have more direct guidance and relevance to the tourism industry. Instead of the 4Ps, the emphasis is now on the processes for creating, communicating and delivering value to customers. The definition also takes into account that marketing is focussed not only on satisfying the customer and benefiting the organisation but also has to benefit its stakeholders.

Mattson (1997, p. 447) notes that the increasing emphasis in marketing on relationships is “concurrent with the increased interest in co-operation between economic actors in economics, sociology and organisation theory.” Within the marketing literature, there are a number of terms used to discuss cooperation between firms (Gulati, 1998; O'Farrell and Wood, 1999) including relationship marketing, strategic groups and networks, and strategic alliances. In a broad sense, the phrase relationship marketing has become a ‘catch-all’ (Coviello et al., 1997) which includes any type of relationships, internal or external to an organisation including all of the above.

The emphasis in relationship marketing is not on a single transaction but on establishing ongoing linkages (Gronroos, 1990b). It involves establishing social relationships amongst actors involved in business transactions; the interaction involves exchange of information which in turn requires a certain level of openness and trust in each other. This in turn evolves over a period of time with experience with repeated transactions. There is a considerable shift required in emphasis from single transactions of

products/services to building more long term linkages between organisations and people. As Webster (1992, p.10)) puts it:

In focusing on relationships – though we are still talking about buying and selling, the fundamental activities of interest to marketingThe focus shifts from products and firms as units of analysis to people, organisation and the social processes that bind actors together in ongoing relationships.

Under the relationship marketing umbrella, the Interaction approach of the IMP (Industrial Marketing and Purchasing) Group emerged from European studies in the area of business marketing (Egan, 2003). IMP studies show that business markets are characterized by interaction and long term relationships in which partners show considerable adaptation in response to the needs of the relationship (McLoughlin and Horan, 2002). The main focus of the IMP studies has been on individuals in dyadic buyer-seller relationships (Coviello et al., 1997)

2.5.1 Strategic alliances

A considerable body of literature has developed in the strategic alliance area which focuses on cooperation between organisations. The term strategic alliances has evolved into a generic concept that covers any type or form of cooperation between two organisations, including joint ventures, minority holdings licensing, franchising and even management contracts. Thus Gulati (1998, p.293) states:

I define strategic alliances as voluntary arrangements between firms involving exchange, sharing, or co development of products, technologies or services. They can occur as a result of a wide range of motives and goals, take a variety of forms, and occur across vertical and horizontal boundaries.

Yovovich (1991) entitled them "hand in glove relationships" and mentions some of the variety of the forms of these business to business collaborations as strategic partnerships, value-added marketing, relationship marketing.

Strategic alliances exist between two or more different entities or organisations. Morris (1987) describes these as collaborative agreements representing any linkage between companies to jointly pursue a common goal and as an intermediate relationship between arms-length and merger relationships. Buckley & Dunning (1994, 12) define strategic

alliances as "inter firm collaboration over a given economic space and time for the attainment of mutually defined goals." Using this definition, every tour package is a strategic alliance in destination marketing.

Vardarajan and Cunningham (1995, p.282) refer to strategic alliances more specifically as, "...the pooling of specific resources and skills by the cooperating organisations in order to achieve common goals, as well as goals specific to the individual partners." In terms of Vardarajan and Cunningham's definition, every tour package is the pooling of specific resources and skills by the cooperating organisations. The goal of each partner is likely to be connected to their own sales and / or profits. However, there may or may not also be a common goal (for example, increasing tourism to the country). The definition suggests that all three criteria have to be met for a collaboration to be termed a strategic alliance.

Dev and Klein (1993) classify alliances into three groupings 1) short-term, opportunistic relationships that have a limited focus, 2) medium-term, tactical relationships, and 3) long-term, strategic relationships that show continuity and mutual commitment. Only the last of these groupings could be called a strategic alliance. In management literature the word strategic is associated with something that has a long time-horizon and affects a wide range of organisational operational activities (Stoner & Freeman, 1992).

The form of a strategic alliance can range from joint ventures, licensing agreements, legal contracts, verbal agreements, to virtually any form of cooperation (Osborn & Hagedoorn, 1997; Todeva & Knoke, 2005). Strategic alliances can be formal or informal in terms of agreements between two or more companies as long as they have a common objective. "They are more than the traditional customer-vendor relationship, but less than an outright acquisition," (Czinkota and Ronkainen, 2002, p. 501). The structure or form of strategic alliances can range from non-equity informal sharing of information about new markets involving no equity to joint ownership of global operations. Traditionally, the usual alliance is seen as one in which two or three companies make an equity investment in a joint venture.

Globalisation, increasing competition, and the fast pace of technological innovation appear to be the key driving forces behind the growth of strategic alliances (Ellis, 1996;

Hwang & Burgers, 1997). It is not surprising; therefore, that most alliances studied have been in the area of international business and have usually involved a joint venture (Lorange & Roos, 1992). Beamish (1998, p. 12) points out that the study of strategic alliances (mainly in the joint venture form) has been "one of the major areas of business research in the 1980s and 1990s...." A review of the strategic alliance literature reveals that most studies have focussed on manufacturing and technology intensive industries, such as, biotechnology, information technology, automobile, telecommunication (Beamish, 1998; Hamel et al., 1989; Killing, 1983; Lorange & Roos, 1992; Paap, 1990; Todeva and Knoke, 2005). Research into the growth area of services has been relatively neglected.

In joint venture situations, it is recommended that a number of issues be explored before proceeding with an alliance (Beamish, 1998; United Nations, 1975) such as:

- a clear definition of the venture and its time-frame
- government assistance
- ownership, control and management
- transfer of technology
- financial structure and guidelines
- marketing arrangements
- taxation and fiscal implications
- environmental responsibility
- employment and training
- record keeping and auditing and
- production
- the process for settlement of disputes

Many of the issues listed above appear irrelevant to other forms of strategic alliances especially those in which no new structural entity is created. As many authors (Gulati, 1998; Magrath, 1991; Main, 1990) highlight, the dramatic growth of strategic alliances in the past two decades has been characterized by an increasing variety in the forms that these strategic alliances take. Todeva and Knoke (2005) present a classification of 13 basic forms of inter-organisational relations (IOR) which vary in terms of integration and the extent of formalization in the governance of the relationship (Table 2.2). Listed

in the first position is ‘hierarchical relations’ referring to the instances where an organisation takes full control or ownership of another firm. The thirteenth form of IOR in this classification refers to arm’s length transactions between organisations coordinated only through the price mechanism. Between these two are 11 forms of alliances beginning with those involving equity; followed by non-equity alliances involving contracts or agreements and ending with alliances involving varying levels of informal cooperation.

Table 2.2 – 13 Basic IOR forms (Source: Todeva & Knoke, 2005)

<p>(1) <i>Hierarchical relations</i>: through acquisition or merger, one firm takes full control of another’s assets and coordinates actions by the ownership rights mechanism.</p> <p>(2) <i>Joint ventures</i>: two or more firms create a jointly owned legal organisation that serves a limited purpose for its parents, such R&D or marketing.</p> <p>(3) <i>Equity investments</i>: a majority or minority equity holding by one firm through a direct stock purchase of shares in another firm.</p> <p>(4) <i>Cooperatives</i>: a coalition of small enterprises that combine, coordinate and manage their collective resources.</p> <p>(5) <i>R&D consortia</i>: inter-firm agreements for research and development collaboration, typically formed in fast-changing technological fields.</p> <p>(6) <i>Strategic cooperative agreements</i>: contractual business networks based on joint multi-party strategic control, with the partners collaborating over key strategic decision and sharing responsibilities for performance outcomes.</p> <p>(7) <i>Cartels</i>: large corporation collude to constrain competition by cooperatively controlling production and/or prices within a specific industry.</p> <p>(8) <i>Franchising</i>: a franchiser grants a franchisee the use of a brand-name identity with a geographic area, but retains control over pricing, marketing and standardized service norms.</p> <p>(9) <i>Licensing</i>: once company grants another the right to use patented technologies or production processes in return for royalties and fees.</p> <p>(10) <i>Subcontractor networks</i>: inter-linked firms where a subcontractor negotiates its suppliers’ long-term prices, production runs, and delivery schedules.</p> <p>(11) <i>Industry standards groups</i>: committees that seek the member organisations’ agreements on the adoption of technical standards for manufacturing and trade.</p> <p>(12) <i>Action sets</i>: short lived organisational coalitions whose members coordinate their lobbying efforts to influence public policy making.</p> <p>(13) <i>Market relations</i>: arm’s length transactions between organisations coordinated only through the price mechanism.</p>

Other authors have attempted a variety of classification schemes on the basis of one or more of the following alliance characteristics (Buzady, 2005):

- motivations for alliance formation
- equity/non-equity
- short-term projects based/ long-term continuous
- horizontal / vertical
- scope of alliance : narrow or broad
- type of partners: competing / non-competing
- type of partners: cross-industry / within industry
- type of partners: domestic / international
- number of partners: dyadic or multiple

Collaborative marketing alliances need not always involve merging separate products and services from different companies. As Magrath (1991) argues, marketing collaboration between firms concentrates on value added innovation using horizontal leverage. Two firms with common customer interests can synchronize actions without the operating complexities or risks of outright acquisition or a separate joint venture company. Collaborative marketing can also be applied to sub components of the marketing mix within a single firm or a single product or service offered by the firm. Magrath suggests that the eight major facets of marketing on which firms can collaborate are advertising; logistics; packaging; pricing; product design; promotion; selling and services.

Several authors (Hamel et al., 1989; Killing, 1983; Lau, 1994) suggest, the case for alliances is strong because of the cost of developing new products and new markets and the increasing competitive pressures. Lei (1992) stresses that firms are increasingly building strategic global alliances to fill out their product lines and to enter new markets. In the case of cross-border alliances, Michelet and Remacle (1992) assert that the benefits of a successful marketing alliance in Europe are faster market entry, lower development, sales, marketing and support costs and also an enhanced reputation. A recent survey (Marshall, 2004) by the Transaction Services group of PricewaterhouseCoopers found a clear trend and interest in use of strategic alliances as a cost effective way to directly access new growth areas whether in terms of geography,

technology or products. Alliances are increasingly seen as a quick and cost effective way to achieve growth.

Terpstra (1985) talks of 'piggybacking' as an early form of strategic alliance which is an especially appropriate road to internationalization for small and medium-sized firms. He defines 'piggybacking' as a non equity arrangement in which one producer markets the products of another producer. The relationship is close but short of a formal joint venture or merger. In this case, a rider firm uses the market channels of the carrier firm instead of developing its own channels. Piggybacking, concludes Terpstra, is an effective way for firms from developing countries to break into foreign markets in developed countries.

Strategic alliances also seem to be a viable alternative for small businesses to compete against the power of large competitors in their industry (Kickul, Beligo & Green, 2004). McKesson in the pharmaceutical industry is cited by many authors as an example (Johnston & Lawrence, 1988; Olsen, 1990). The McKesson network includes manufacturer, distributor, retailer, consumer and third party insurance supplier. Johnston and Lawrence (1988) cite this as an example of a value-adding partnership - a set of independent companies that work closely together to manage the flow of goods and services along the entire value-adding chain. Each player in the chain has a stake in the other's success. The partnership orientation means they work toward a common goal of making the whole value adding partnership competitive. The world's leading airlines are classic examples of vertically integrated organisations or value adding partnerships. They are involved in practically all related activities such as catering, insurance, computer services, technical services, shipping, hotels and travel agencies.

The growth in strategic alliances is taking place in spite of the inherent barriers to cooperation identified in social dilemma literature - the desire to maintain one's freedom; the desire to avoid being a 'sucker'; self-interest and mistrust of others (Crance & Draper, 1996; Wiener & Doescher, 1991). The rationale for forming an alliance are varied and can be very specific to a broad general understanding to cooperate in all organisational areas. Morris (1987) lists possible reasons behind the formation of collaborations as capital requirements beyond the scope of a single firm; excess capacity; new production methods; large scale economies; emergence of global

products, desire to share risks and desire to enter new markets. Kogut (1988) after a review of the literature on this theme summarised three main motivations for the formation of alliances:

- transaction costs resulting from small numbers bargaining,
- strategic behaviour to enhance competitive position or market power and
- quest for organisational knowledge or learning.

Oliver (2001) suggests that the original motivation for forming the relationship may change over time and the relationship may continue for different reasons.

In earlier studies, the focus was mainly on costs as the key motivator for alliances. By the end of the 1980s, researchers analysing the motives for firms entering into cooperative agreements found that “cost-sharing and cost minimising appeared to play a relatively small role in comparison with strategic objectives relating to new technology and markets” (Freeman, 1991, p.507). More recent studies (Cimon, 2004; Grant & Baden-Fuller, 2004; Hyder & Ghauri, 2000) also focus on the importance of organisational learning in collaboration. Inkpen & Tsang (2005) propose certain conditions that facilitate knowledge transfer but suggest that these may differ depending on the type of collaboration.

In the context of the hotel industry, Dev and Klein (1993) see strategic alliances as helping this industry achieve greater market coverage, increased visibility and greater opportunities for cross-destination marketing. Proctor (1990) sees marketing alliances in the airlines sector as an attractive alternative to traditional forms of expansion for airlines i.e. acquisition or internally funded growth. Alliances are allowing airlines to achieve economies of scale and provide access to new markets quickly and easily. The pooling of resources also reduces the risks for the individual airlines. The scope of the alliances between airlines varies widely to cover one or all of the following areas - marketing, technological, financial, and operational (Jedd, 1994). The form of airline alliances also varies considerably and can include equity investment as well as cooperative agreements (Lazzarini, 2007). The motivations for forming airline alliances resemble those of the manufacturing industries: 1) cost efficiencies; 2) minimization of risks; 3) access to new markets; 4) meeting the threat of larger competitors and also 5) effective use of skilled personnel (Fotos, 1989).

Airlines are active players in destination marketing alliances. For the NTO, the objective may be to attract as many tourists as possible. However for the airlines, the objective may not be how many passengers they have carried but how much revenue per passenger they have earned (Lazzarini, 2007). Although, the first or business class passenger may be more desired by the airline, they have of necessity, because of the perishability of their product had to cater to their high volume economy class numbers as well. Thus the airlines have become increasingly involved in offering package tours covering most of the important destinations that they fly to. BA may sell tours of New York, Qantas to Hawaii and Japan Airlines to London. The motivation is basically to offer more services to attract passengers or in some cases to establish links with the destination in order to obtain traffic rights. Thus the large airlines usually work closely with the NTOs of destinations that they fly to. Berryman (1992, p.54) states:

Roughly half the Japanese flying into Auckland on Air New Zealand came here because Air New Zealand's marketing team created a reason for them to come - a golf tournament, sporting event, flower show, sister city get-together, whatever... The image of country and national carrier seem entwined.

Within the strategic alliances area, a major research focus has been on type of governance structures used to manage alliances. These have been studied mostly in terms of the degree of hierarchy and the control and coordination features that they exhibit (Gulati 1998). The structure has also been studied as an evolutionary development which may go through varying stages (Doz, 1996; Gulati, 1998; Hamel, 1991).

Gulati's (1995) research suggested that choice of the alliance structure is based largely on the activities that the alliance encompasses; financial appropriation concerns and the current social network in which the firms are operating. In a subsequent paper (Gulati and Singh, 1997), he also mentions another consideration is the costs anticipated in the coordination of the alliance. Gulati (1998) then introduced a social network perspective to the study of strategic alliances. He emphasizes that much of the previous research on strategic alliances has focused on dyadic exchanges. He suggests that the social networks in which firms are embedded are likely to have a considerable influence on key issues for the study of alliances and that this is an important area for further research.

There has also been considerable focus in the literature on the high failure rate of alliances and on identification of the factors which lead to successful alliances (Gulati, 1998; Kale, Dyer & Singh, 2002; Parise & Casher, 2003). The factors contributing to success of alliances include: flexibility in management; building trust with partners; regular information exchange; managing partner expectations; continuity of key people and constructive management of conflict. There is considerable overlap between these factors and those identified through research into social partnerships in tourism.

For Takac & Singh (1992), strategic alliances are a means of rationalizing business operations and improving the overall competitive position of a company. The key element for achieving successful partnership is a structural mechanism to choose partners and continued management. The long term success would be dependent on the pattern of responsibilities, decision-making powers and conflict resolution mechanisms. Yablonsky (1990, p.18) after analysing the highly successful US West / Carnegie alliance, emphasizes the second point when he says:

Success or failure depends on day-to-day operating tactics - what you do after the contract is signed, after the press release is sent out and after the euphoria of the honeymoon period.

Sharma's (1998) study of governance in successful international alliances supports the contention that ongoing management of operations and interactions is critical to success. Killing (1983) when discussing joint ventures identifies four techniques for ensuring control: 1) formal agreements that would include legal documents specifying the scope of the venture in terms of the composition of the board; the board's powers; 2) pay-off mechanisms which could include management / technical fees, dividends, possible royalty fees/transfer prices between partners; 3) staffing in terms of the roles of the parent organisations staff in the venture and 4) influence technique such as specifying the kinds of information and details of a project or requiring progress reports or "strategy review" meetings.

Vardarajan (1986), in the context of cooperative sales promotions, identifies the problems with such alliances as, 1) planning and implementation are protracted, 2) demands on the executive time are extensive, 3) problems of one partner (e.g.

unfavourable publicity) can affect the other partner and 4) sales force management problems. He suggests that there should be a clause in the agreement for suspension / termination of the agreement under specified circumstances.

"Sheer human incompatibility probably causes more failures among partners than any other reason," suggests Main (1990). He quotes a study of nine alliances which found that 34 to 61 per cent of the executives of the organisations involved were dissatisfied with the collaboration. The basic reasons for this appeared to be that 1) alliances require senior executives to set aside time to "jolly up" the other side; 2) individual partner skills may get diluted and 3) there is a split in the profit and control as a result of the union. This creates problems even though it is recognized that the alliance also means a split in the costs and risks.

Killing (1983) also stresses the human factor in joint venture failures. He suggests studies show that 30 to 40 % of all joint ventures fail. Killing classifies joint ventures into three types 1) the dominant parent ventures in which one parent is really in control and the other plays a passive role; 2) shared management ventures in which both parents play a role though the extent of sharing may not necessarily be fifty-fifty and 3) independent management ventures where the GM of the joint venture is able to take the majority of decisions independently of the parents. Killing conducted research in which the managers and personnel were asked to assess the role of each parent and the GM in nine decision-making areas. The results of his study showed that dominant parent firms' success rates were better than shared management ventures.

Foxall's study (1984) of cooperative marketing in European agriculture found a strong positive link between market performance of the cooperative sectors of EC member states and the type of organisational structure that represents and directs the cooperatives and their members. The largest market share was achieved by strong central organisations capable of directing and on occasion coercing their members.

Hamel et al. (1989) argue that harmony is not the most important criteria or measure of success in a strategic alliance. The important point for a collaboration to succeed is that each partner must contribute something distinctive - basic research, product development skills, manufacturing skills capacity or access to distribution. The idea of

ensuring complementary strengths in the selection of partners with whom to form alliances initially emerged from research into formation of relations among social services. This research suggested that organisations enter into partnerships when they perceive critical strategic interdependence with other organisations. Results of subsequent research into business organisations seem to support the importance of interdependence on alliance formation and partner selection (Gulati, 1998). The experience with alliances has shown that they can be difficult and risky. Many alliances fail while others have ended up in a takeover by one of the partners. Main (1990) suggests, in order to gain the benefits of an alliance without succumbing to its dangers - choose a partner with complementary products or markets; take the time to know and trust him and don't rush into a deal and be patient and don't expect immediate results.

Kanter (1994) suggests that the partner selection process is likely to be more successful if companies look for three criteria: self analysis, chemistry and compatibility. Self analysis involves an organisation understanding itself and its industry. Chemistry acknowledges that relationships are often influenced by personal rapport of people involved as well as financial and strategic considerations. Compatibility is gauged on the basis of understanding each other's history, philosophy, values and view of the future.

Killing's prescription (1983) for successful alliances include 1) all other things being equal to choose a partner you know well from previous dealings (to have an idea of his reasonableness, honesty and trustworthiness; 2) partnership between firms which do not differ significantly in size and 3) to allow one parent to dominate the managerial role.

Paap's (1990) suggestion for successful strategic alliances is that the creation of a new entity is not essential. At the most he recommends a legal contract. More important, he says is to understand each other's objectives; to structure the alliance so that both parties give and get equally; that the two parties should have a compatible chemistry and culture and that there should be a peer relationship between the top executives. He adds that both partners should be prepared for the relationship to sour.

Mandell (1993) quotes a checklist prepared by an executive panel for companies considering overseas alliances which includes preparing a profile of its prospective

partner, welcoming champions of a successful alliance, avoiding negotiations with experts who are not going to be part of the new alliance, stating the firm's principles in the alliance agreement, seek a win-win deal, assigning people who are good at working with others to the alliance, and frequent communications and face to face contacts.

In the context of the petroleum industry, Bruce (1993) cites successful alliances as having the following common characteristics: alignment of purpose; joint senior-management commitment; mutual trust and clear roles and responsibilities for everyone involved. Johnston & Lawrence (1988) also describe the success of the relationship in value added partnerships (VAP) in human terms. Value added partnerships have command of facts about the market, share and coordinate their activities and have empathy for the other organizers they deal with. To prevent VAP partners from playing destructive games with each other, they cite results from Axelrod's "prisoner's dilemma" game i.e. don't be the first to play games; reciprocate with both cooperation and lack of it; don't be too greedy and don't be too clever and try to outsmart your partner. If such good advice doesn't work, they add that the VAP must have mechanisms whereby they can punish partner for acts of opportunism.

Trust and commitment between partners emerge as major themes from both the social partnerships and the alliance literature (Marshall, Nguyen & Bryant, 2005; Morgan and Hunt, 1994; Robson, Skarmeas & Spyropoulou, 2006; Zaheer, McEvily & Perrone, 1998). "Trust between firms refers to the confidence that a partner will not exploit the vulnerabilities of the other," (Gulati, 1998). Knowledge based trust arises from knowing the other party and their values whereas deterrence-based trust is based on each organisation's concern with its reputation.

Buckley and Casson (1988) focus more on deterrence-based trust. They suggest the parties have to exercise 'forbearance' or refrain from cheating; the principal incentive for not cheating requires taking a long-term view of the benefits of acquiring a reputation for 'forbearance' which then helps with more easily getting future partners. The authors suggest that cooperation is most efficient when a "given amount of mutual forbearance generates the largest possible amount of mutual trust" (Buckley and Casson, 1988, p.24). Buckley and Casson (1988, p.26) also suggest that, "The commitment of the partners is likely to be higher, for example, the more socially

meritorious or strategically important the output is deemed to be.” Also the commitment will be higher if the distribution of rewards is deemed equitable to all parties.

The level of trust between partners also has a bearing on the level of formality in the alliance structure. “A detailed contract is one mechanism for making behaviour predictable, and another is trust,” (Gulati, 1998). As Kanter notes (1994, p105):

People will take the time to understand and work through partnership differences to the extent that they feel valued and respected for what they bring to the relationship. Respect that builds trust begins with an assumption of equality: all parties bring something valuable to the relationship and deserve to be heard.

A number of human (behavioural) factors and organisational characteristics have been identified as having an impact on the success of alliances (Robson et al., 2006). A recent study (Kauser & Shaw, 2004) of international strategic alliances between companies in Germany, France and Italy showed that behavioural characteristics played a stronger role in explaining alliance performance than organisational characteristics. High levels of commitment, trust, coordination, interdependence and communication were found to be good predictors of success whereas factors such as structure and control mechanisms did not have the same influence on the success of these international alliances. Marshall et al. (2005) explore the links between trust and knowledge sharing in strategic alliances. Cegarra-Navarro (2005) used data from 139 companies of the Spanish optical sector to study organisational learning and their findings indicate that organisation learning is unlikely unless it is actively fostered among partners.

Gulati (1998, p.307) writing in the context of dyadic alliances points out the difficulties in evaluating the performance of an alliance:

Given the multifaceted objectives of many alliances, performance can be difficult to measure...Sometimes performance is asymmetric: one firm achieves its objectives while the other fails to do so.

Most evaluations of alliance performance have been on the basis of survival / failure which is a somewhat ‘flawed’ approach or through self-assessment by alliance participants (Gulati, 1998). In the context of multi-party alliances, measuring performance becomes even more problematic. There has been increasing use of

multiple measures to evaluate alliance performance which put less emphasis on objective measures and more on perceptual managers' assessments of performance (Kale et al., 2002; Pansiri, 2005).

The overwhelming focus of strategic alliance research has been on dyadic alliances (Beamish; 1998; Garcia-Canal et al., 2003; Hwang & Burgers, 1997). Lewis (1990) gives examples of several high-profile alliances (Fuji Xerox, McKesson, Motorola) and states:

Nowadays, you have to use alliances to reach out and shape the forces in your environment, reinforce key partners, work within strategic networks, and use links with others to inhibit major opponents.

Lewis sees independent firms achieving strength through strategic networks or multiple links of alliances to achieve a common purpose. The network links can be vertical, value-adding, technology-sharing, for development purposes and through shared ownership.

The term, 'alliance constellations', is frequently used to describe multi-party alliances (Inkpen & Tsang, 2005; Jones et al., 1998). Das and Teng (2002) argue that multi-party alliances pose their own unique management challenges and that constellations are a distinct type of alliance which requires separate theoretical development. Das and Teng (2002) suggest that whereas a *strategic alliance* is a single arrangement with two or more partners, a *constellation* is multi-party and has multiple-alliances. Parise and Casher (2003) use the term 'collaborative network' and approach its understanding from the point of view of a single organisation with multiple relationships and thus a portfolio of alliances which have to be managed to achieve maximum synergies.

The limited work on multi-party alliances has been characterised by varying theoretical approaches and methodologies. Hwang and Burgers (1997) used multi-firm alliance game scenarios to discuss alternative alliance interactions. A social dilemma approach is proposed by Zeng & Chen (2003) on how to achieve cooperation in multi-party alliances. Das & Teng (2002) suggest that a social exchange perspective is helpful in the analysis and management of constellations. Jones et al. (1998) argue that constellations in professional services involve a strategic choice for its members of

whether to pursue an individualist strategy or a collectivist strategy. The individualist strategy places priority on firm benefits whereas the collectivist strategy focuses on mutual benefit. This strategic choice of members affects the rate of change and stability within constellations.

There is a relative dearth of academic studies on alliances in the services sector and even more so in the tourism industry (O'Farrell and Wood, 1999). The nature of the tourism industry is very different from the manufacturing and technology intensive sectors and thus poses some interesting challenges in extending the strategic alliance conceptual framework to this study:

- The involvement of many providers in delivering the total destination experience to the tourist suggests that alliances in tourism are likely to engage multiple organisations rather than just two parties.
- A large number of collaborations in this industry will not entail equity participation and even that cooperation could occur without any written contract or agreement with no clear boundaries to the scope of the alliance. As a result, there might be no clear or separate management structure for the alliance.
- There may be no choice in the partner selection process; for example, the choice of national carriers in a country is limited.
- Members of tourism's component industries might specialise in tourism or tourism might only be one of their market segments (For example, a casino's visitors are local residents as well as tourists).
- The nature of the participating organisations is likely to vary from fully profit-oriented to being run on a partially commercial basis (true of many attractions) through to non-commercial organisations like most state-owned destination organisations (WTO 1990).

2.5.2 Network theory

Astley and Fombrun (1983) use collectives in plant and animal communities to suggest four types of organisational groupings. Within the tourism domain, all four of Astley and Fombrun's (1983) groupings can be found. The 'agglomerate' collective describes a network of organisations of the same species (or industry sectors) competing for the

same resources with little direct contact with each other. This is fairly characteristic of the entertainment and attractions sector of tourism. The 'confederate' collective also comprises of same species organisations but these organisations directly associate to work towards joint ends which is a common pattern in the airline and hotel sectors. The 'conjugate' collective has different species that come together because of complementary functions. The number of buyer seller networks in the tourism industry may be termed 'conjugate' collectives

Astley and Fombrun's (1983) fourth grouping is termed 'organic' wherein the collective membership is from different species but they do not interact directly. They are interdependent because of their membership in an 'overarching system of relationships'. The overall tourism domain is likely to have (in most countries) the characteristics of an 'organic' collective, i.e. it has a number of distinct species (industry sectors) who are interdependent because of the overarching nature of tourism and yet may not necessarily interact directly. Thus, it is understandable that Laws and Buhalis (2001, p.373) suggest, "In the case of tourism, the appropriate level of analysis is the channel or network of tourism organisations from which the consumer obtains tourist services..."

Freeman (1991) summarises key findings from empirical research done in the 1960s and concludes that external information networks and collaboration with users during the development of new products and processes is of vital importance. A recent paper highlights the extension of this idea of the vital importance of networks when it explores the valuation of international firms being targeted for acquisition when the "...intangible value is its network of strategic alliances" (Kiessling & Richey, 2005)

The focus of network theory is not on a single person or organisation nor is it on dyadic relationships but on the overall pattern of relationships which form the context in which all organisations function. Network theory is not the same as 'networking' which is about people making connections though networking is probably very much part of what goes on in a network (Mandell, 1999). Gulati (1998, p. 311) highlights the close relationship between alliances and network theory when he states that, "The creation of an alliance is an important strategic action, yet the accumulation of such alliances also constitutes a social network." Thus networks are a collection of organisational

relationships. Castells (2000, p 501) defines a network as "a set of interconnected nodes."

A variety of collaborative forms are represented by Mandell on a continuum with loose linkages at one end and the 'more lasting' structural arrangements like networks at the other. Mandell (1999, p.6) saw the last as network structure:

...where there is a broad mission and joint and strategically interdependent action. The structural arrangement takes on broad tasks that reach beyond the simultaneous actions of independently operating organisations...

The business network rationale is that a single organisation is unable or unwilling to cope with the complexity and risks of its environment (Palmer and McCole, 2000). The single organisation may also or alternatively be unable or unwilling to meet the skill and resource demands essential for competing in the global market. Members of a network are not completely dependent on each other, as they remain independent along certain dimensions of the relationship. Each partner contributes some part of its core competence that others need, but do not have internally. Holm et al. (1999) talk of resource interdependencies i.e. the dependence of two exchange partners on the resources they receive from each other. Holm, Eriksson & Johanson, (1999, p.470) discuss workflow interdependencies as applying to:

...closely coordinated systems, in which each unit performs specialized activities that are instrumental to the achievements of the wider system.

While workflow interdependencies are used more frequently in analysing interorganisational relationships, both types of interdependencies seem evident within the tourism system.

Freeman (1991) discusses a distinction between formal networks (of innovators) which were seen as a 'closed set of selected and explicit linkages' and informal networks which were harder to measure and define but whose role was critical and similar to that of "tacit knowledge" within organisations. Inkpen and Tsang (2005) present a typology of network types based on two dimensions – the vertical-horizontal dimension represents the extent to which member organisations are from different positions in the

network's value chain whereas the structured-unstructured dimension represents the extent to which the network governance is structured. In a structured network the roles and relationships are clearly defined to achieve certain goals while the opposite holds true for the unstructured network. The New Zealand tourism industry has more of the characteristics of an informal or unstructured network which has within it a number of other sub-networks or groupings (Bhat & Milne, 2007, 2008).

Network theory presents some useful concepts for explaining the collective nature of the tourism industry (O'Farrell & Wood, 1999; Pavlovich, 2003) such as *embeddedness*, *density and centrality*. Uzzi (1997, p 35) suggests that "...the embeddedness argument has emerged as a potential theory for joining economic and sociological approaches to organisation theory." The network of linkages in which organisations are embedded helps to explain how social structure can affect economic action (Granovetter, 1985). As per Mattson (1997) it is this basic attribute of a network, embeddedness, which is missing from the more dyadic relationship approach.

Marsden (1981, p.1210 in Gulati, 1998) describes well the effect of embeddedness as:

...the fact that exchanges and discussions within a group typically have a history, and that this history results in the routinization and stabilization of linkages among members. As elements of ongoing social structures, actors do not respond solely to individualistically determined interests...a structure of relations affects the actions taken by the individual actors composing it. It does so by constraining the set of actions available to the individual actors and by changing the dispositions of those actors towards the actions they may take.

Uzzi (1997) discusses evidence from his own research and other empirical studies, which suggests that embedded exchanges are quite distinct from arm's length exchanges. Embedded exchanges include more emphasis on trust and personal ties rather than explicit contracts; coordination mechanisms which promote knowledge transfer and learning; and a focus on long-term relationships rather than immediate gain. These features seem to result in quicker action, adaptation of products and processes, and less perceived risk in investment and further collaboration.

On the other side, Uzzi (1997) and Uzzi & Dunlap (2005) propose three conditions under which embeddedness becomes a liability, i.e. if a core network player exits suddenly, if institutional forces rationalize markets, or if there is over-embeddedness in the network which may result in few links to outside members who are often the source of new ideas.

Granovetter (1973, 1985) differentiates between two types of ties or links in a network. 'Strong ties' denote linkages within the network and 'weak ties' refer to linkages with organisations which are part of other networks. It is proposed that the latter are critical to bringing in new ideas to the network. Uzzi's (1997) field and ethnographic analysis of 23 apparel firms in New York found that embeddedness facilitates economies of time, integrative agreements, allocation efficiency, and complex adaptation but only up to a certain threshold. Beyond this threshold, embeddedness can derail economic performance by making firms vulnerable to exogenous shocks or insulating them from information that exists beyond their network. This led to Uzzi proposing the construct of 'structural optimisation' which refers to the diversity within the network relationships portfolio of both strong and weak ties. His argument is that both are needed to develop the competitive advantage of a network

Density "...measures the relative number of ties in the network that link actors together..." (Rowley, 1997, p. 896). The level of embeddedness in a network increases with the density of linkages (Uzzi, 1997). These links are the key to developing shared values and conformity within the network. The denser the linkages between the nodes in the network, the more likelihood there will be agreement on what are legitimate or acceptable behaviour. Greater density is also likely to result in more efficient communication and this in turn helps in collectively monitoring organisations' behaviour. Thus, network density constrains an individual organisation's actions within certain collective boundaries of shared norms. The density is also seen as reducing the cost of forming new relationships and thus providing a greater potential for forming partnerships.

Density is a characteristic of the network as a whole. *Centrality* refers to the position within the network that an individual organisation has. The more central the position the greater the prominence or power (Brass & Burkhardt, 1993; Rowley, 1997) it will

have in the network’s coordination functions. In turn, centrality gives that organisation access to more information enabling quicker action. However, while examining centrality, it has to be kept in mind that the network of relationships is fluid, changing over time. Rowley (1997) suggests centrality can be measured by an actor’s degree of direct access to other network members; independent access to other members and the extent of control it has over other actors’ access to network members.

Rowley presents a descriptive framework (Figure 2.2) relating organisational behaviour to the extent of its centrality and the density of the network. High centrality and high density are likely to generate ‘compromising’ actions because of conformity pressures and visibility of the organisation. In contrast a central organisation in a less dense network may take on a ‘commander’ role. Subordinate behaviour (acceptance and compliance with established norms and expectations) is likely from a peripheral firm in a well linked network. ‘Solitarian’ behaviour is likely from an organisation in a low density network characterised by information flow and monitoring inefficiencies. These inefficiencies imply fewer constraints on an individual organisation’s actions.

Table 2.3: The relationship of organisational behaviour to network centrality and density

Density of the Stakeholder Network	Centrality of the Focal Organisation	
	High	Low
High	<i>Compromiser</i>	<i>Subordinate</i>
Low	<i>Commander</i>	<i>Solitarian</i>

(Adapted from Rowley, 1997, p. 901)

Other authors (Braun 2002; Saxena, 2005) see the network as a milieu for collective learning thorough the interactions of the actors within the network. Hakansson, Havila and Pedersen (1999, p.443) after a study of 30 relationships in a Swedish construction project conclude that, “the more each single relationship is part of network, the more the company in average seems to learn from it.” Saxena (2005), however, highlights the danger of unequal power relations in a network as elite groups may be able to construct

and promote their own agendas. Thus networks can be structured such that there is unequal access to information and unfair dissemination of knowledge.

As networks change over time, the centrality of individual organisations within it may also evolve. “A network at a given point of time is a ‘snapshot’ that shows interactions as they currently exist” and the picture can change substantially as a result of certain specific events or occasions (Madhavan, Koka & Prescott, 1998). Halinen, Salmi and Havila (1999) discuss how most change in a network is incremental but there are also short periods of radical change which usually arise from critical incidents or events. These events may begin with changes in a dyadic relationship which in turn will have ramifications for other relationships in the network. Critical events can also arise from the business environment, for example, changes in technology, institutional conditions or industrial structures.

Most network research has involved trying to explain the roles of constructs such as centrality, density, and power and their effect on social action. A key limitation of the network approach is seen as its largely descriptive nature and lack of managerial focus (Dredge, 2006a; Saxena, 2005). To explain why this is so, McLoughlin & Horan (2002, p544) refer to Easton’s (in press) argument that:

...in order to offer managerial prescriptions, one must understand both causal mechanisms and the local contexts within which organisational action takes place. This makes blanket prescription difficult and refocuses the researcher with a concern for management issues towards enhancing management ability to understand mechanisms and their context.

2.6 The different types of cooperation

The literature reviewed reveals considerable overlap and some confusion in the use of terminology between authors studying inter-organisational cooperation from different perspectives. Although there is a general agreement that inter-organisational cooperation involves working together, the review also suggests that there are different forms of cooperation in terms of their purpose and also in terms of what the process of cooperation involves. Table 2.4 presents the working definitions of coordination,

collaboration, partnership, strategic alliances and networks as used in the rest of this thesis.

Table 2.4: Defining characteristics of types of inter-organisational cooperation

Types of cooperation between autonomous stakeholders	Involves	Purpose
Coordination	<ul style="list-style-type: none"> - relating units or decisions 	<ul style="list-style-type: none"> - so the units or decisions fit and are not working at cross purposes
Collaboration	<ul style="list-style-type: none"> - interactive process - shared structures, rules & norms 	<ul style="list-style-type: none"> - to act or decide on shared issues
Partnership	<ul style="list-style-type: none"> - involves pooling of resources and skills 	<ul style="list-style-type: none"> - achievement of mutually defined goals
Strategic Alliances	<ul style="list-style-type: none"> - pooling of specific resources and skills - long-term strategic relationships that show continuity and mutual commitment 	<ul style="list-style-type: none"> - to achieve common goals in addition to goals specific to the individual partners
Network	<ul style="list-style-type: none"> - a set of interconnected nodes - resource interdependencies - workflow interdependencies 	<ul style="list-style-type: none"> - broad mission - structural arrangement takes on broad tasks beyond simultaneous actions of independent organisations

An understanding of these different forms of cooperation and their processes forms the base for the research questions and design of this study as detailed in the next chapter. Previous studies on inter-organisational cooperation in tourism planning suggest the following themes are important and need to be included in the design of this research: the organisations' motivations for cooperation; the benefits of cooperation; the factors which facilitate or hinder cooperation; the process of building and managing cooperation and the evaluation of cooperative arrangements.

The themes which emerge from the strategic alliance body of literature are similar to the social partnership literature but also focus on other issues such as forms of alliances; partner selection; trust and communication between partners and control /conflict management processes.

The growing body of literature on networks focuses more on multi-party inter-organisational cooperation from a strategic perspective. This literature suggests dimensions such as embedded relationships; centrality positions of organisations and density of communication and interaction between firms need to be considered to understand the dynamics of inter-organisational cooperation.

No single theoretical perspective seems to be able to provide a comprehensive framework for studying inter-organisational cooperation in destination marketing. There is a need to combine the contribution of different perspectives to try and achieve comprehensive understanding and explanation (Gulati, 1998; Osborn & Hagedoorn, 1997; Rowley, 1997). Evidence of attempts to combine different perspectives has begun to emerge (Saxena, 2005; Wohlsetter, Smith & Malloy, 2005). There are an increasing number of papers emerging which emphasize the usefulness of network analysis in the tourism domain (Dredge, 2006a; Pearce, 2007; Shih, 2006; Soisaion-Soinen & Lindrot, 2004). Gulati (1998) suggests that combining the social network perspective with alliance studies can have both descriptive and normative outcomes.

Chapter Three: Research Design and Method

The purpose of this research is to understand the nature and dynamics of cooperation in destination marketing and to contribute to the development of a relevant theoretical framework for the study of cooperation in destination marketing. As Wang and Fesenmaier state (2007, p. 863):

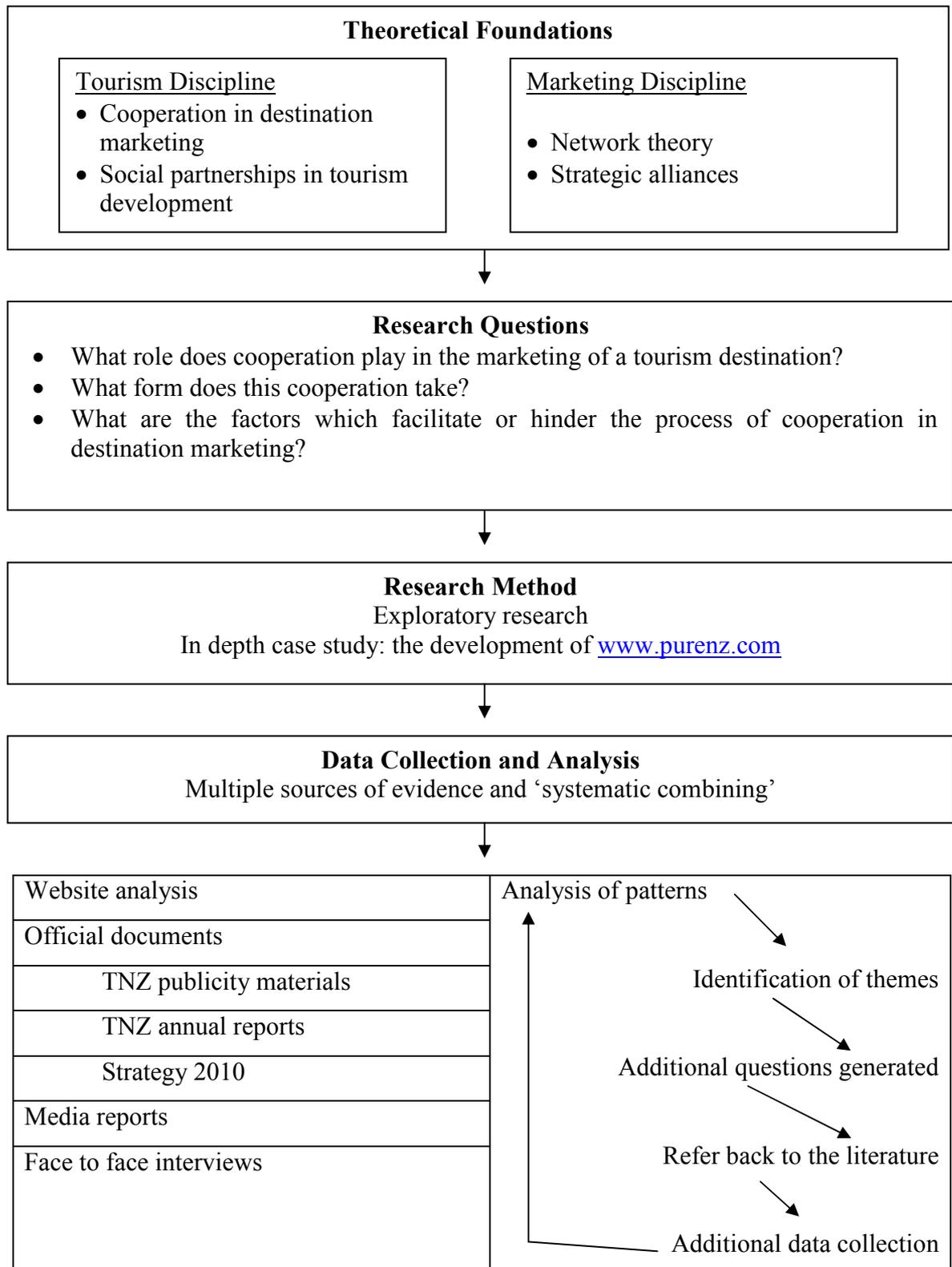
Despite the popularity of collaboration and partnerships in tourism, few theories have been developed to explain the processes underlying collaborative destination marketing.

This thesis seeks to analyse the role, form and process of cooperation in destination marketing. The theoretical foundations (Figure 3.1) were laid through a review of the relevant literature in the two parent disciplines of tourism and marketing. The review focussed on previous research in the areas of strategic alliances, network theory and social partnerships. This provided a background understanding of the issues and themes which have emerged from previous studies of inter-organisational cooperation. Familiarity with the previous research helped formulate the broad research questions guiding this study which are:

- What role does cooperation play in the marketing of a tourism destination?
- What form does this cooperation take?
- What are the factors which facilitate or hinder the process of cooperation in destination marketing?

The nature of the research problem, the current stage of theory development, and the author's own research paradigm led to the choice of the case study research methodology and in turn the data collection and analysis methods appropriate for this.

Figure 3.1 – The Research Design



3.1 Research method

Exploratory research is usually undertaken when there is not enough information available about a particular research subject (Denzin & Lincoln, 2005; Sarantakos, 1993) and this was the situation revealed by the literature review. In view of the lack of any cohesive theory based on empirical research in this area, it was decided that research required a qualitative approach to provide a clearer insight into the phenomenon of cooperation in destination marketing

The purpose of this research is not to test propositions or hypotheses for which a quantitative methodology is generally more suited. The researcher's objective is to get below the surface to understand the role and dynamics of cooperative relationships in the tourism industry and to contribute to building theory for studying and managing cooperation in the destination marketing context.

As Denzin & Lincoln (1994, p. 2) state, "Qualitative research is multi-method in focus, involving an interpretive, naturalistic approach to its subject matter." There is considerable literature on how the researcher's views on the nature of reality and knowledge can have an impact on the choice of methodology (Denzin & Lincoln, 1994; Dubois & Gadde, 2002; Mir & Watson, 2000). The author's view is inclined towards a more Interpretivist view of reality, that is, reality is 'real' but imperfectly apprehensible (Healy & Perry, 2000). The physical sciences can focus on researching the absolute laws of nature. However, any research involving human interactions has to take into account that people have different perceptions of any given situation. For every individual viewing / assessing the same situation, their own perception is reality.

3.1.1 Case Study Method

A number of authors (Banoma, 1985; Buhalis, 2001; Halinen & Tornroos, 2005) suggest that case studies are a useful method in a context where exploratory research is still needed to achieve an understanding of fundamental factors. Case studies are particularly suitable for the investigation of contemporary phenomenon within its real-life context (Parkhe, 1993; Yin, 1994). Stake argues (1995, p.245), "Case studies are of value in refining theory and suggesting complexities for further investigation, as well

as helping to establish the limits of generalizability.” This is very much in line with the objectives of this research and thus led to the selection of the case study method.

Selecting the type of case to include in the research is a critical part of the case study method (Stake, 1995). It was decided to focus on a single case study in order to achieve in depth understanding and theory development (Dyer & Wilkins, 1991). As Dubois and Gadde (2002, p.4) argue:

If the research problem focussed on comparison of a few specific variables, the natural choice would be to increase the number of observations compared....when the problem is directed towards analysis of interdependent variables in complex structures, the natural choice would be to go deeper in one case instead of increasing the number of cases.

Merriam (1998) suggests a qualitative case study is an in depth description and analysis of a ‘bounded phenomenon’. The research required a case which would reflect the complexity of the tourism network and yet be a manageable microcosm which could be studied as representative of the whole. Eisenhardt’s (1989) guidelines for getting started with theory-building case study research were followed. She suggests that an initial definition of the research focus is important and that a priori specification of constructs can be helpful in the initial research design. The broad research focus of this study was the nature and dynamics of cooperation in destination marketing. A review of the literature highlighted certain issues in cooperative arrangements (e.g. motives for formation; the partner selection process; structure of cooperation; trust and communication and control/conflict) which helped to shape the initial interview protocol. However, the research was begun, “...as close as possible to the ideal of no theory under consideration and no hypothesis to test” (Eisenhardt, 1989, p. 536)

3.1.2 Selection of the case

Merriam (1998, p. 27) argues that “...the single most defining characteristic of case study research lies in delimiting the object of study...”. Other authors (Stake, 1994; Yin, 1989) highlight that understanding the critical phenomena being studied may depend greatly on choosing the case well. The tourism industry has a number of organisations which have multiple, complex and overlapping webs of relations. If the term ‘strategic alliances’ is accepted as covering any cooperation between organisations, then the

tourism industries of most developed nations have many such alliances. The problem was how to select a cooperative relationship which was likely to best represent a strategic alliance in the destination marketing context.

One of the key criteria for selection of the case was that it should be a strategic destination marketing project of long term importance and one which has an impact on a large number of tourism stakeholders. A World Tourism Organisation (1999) study on marketing tourism destinations online highlighted the critical importance of NTO websites for destination marketing. A number of authors (Buhalis 2000; Inkpen, 1998; Milne, 1998) have suggested that the advent of the internet has already had a considerable impact on the tourism industry of most countries. This was especially so in terms of reducing dependency on traditional distribution channels, as well as providing a direct communication channel with potential visitors. While the Internet is having an impact on virtually every industry in the world, it can be argued that the impact on tourism is relatively strong due to the intangible nature of the tourism product and the information intensity of the industry (Buhalis, 2003). In addition, country destination marketing is primarily international and the Internet is proving ideal for this as the costs of reaching consumers worldwide are the same as reaching them locally.

Within the global tourism industry, airlines and hotels have been the quickest to grasp the potential of the Internet (World Tourism Organisation, 1999). Even small and medium sized operations in the various tourism sectors have set up websites as they have realized that this new medium enables even small players to compete. From the tourist's point of view, there is a cornucopia of choice of sites on the Internet now. There remains, however, the question of the reliability and dependability of the information and services provided through these web sites. The need for an official destination marketing 'portal' or information gateway is clear (World Tourism Organisation, 2001).

The 'official' national website has the potential to become a trusted 'portal' or 'information gateway' for the consumer by providing current and accurate information on the destination and facilitating access to reliable providers of tourism services in the country and possibly even selling these on their behalf. The initial sites of DMOs were electronic versions of their existing print material (World Tourism Organisation, 1999).

Towards the end of the 1990s, most DMOs started taking the Web more seriously and began building in increasing interactivity and use of multimedia. Today, most such sites not only provide destination information but also links to related websites including industry partners such as travel agents, airlines and hotels that, in turn, often provide online booking and purchase options for their services (Gretzel et al., 2006).

The case selected for this research is the development of the official tourism website of the New Zealand NTO – Tourism New Zealand. The creation of the website was clearly of long term importance to the industry and would affect virtually all the stakeholders in the domain. In addition to these key selection criteria, additional reasons for the selection of this case were:

- The national tourism website is relatively discrete and distinct ('a bounded phenomenon') from other marketing efforts.
- The creation of www.purenz.com was a relatively recent phenomenon when this research began and therefore the information was likely to be easier to retrieve.
- As NTOs around the world are developing websites, this case would allow for ease of replication for future research across countries and
- The description of the process of designing and managing a national tourism portal may in itself have some practical value for countries still in the process of developing their websites.

Stake (1995) makes an important distinction between intrinsic and instrumental case research. In the former, the case itself is the focus whereas in the latter the case is used to understand something else. Although the process of development of the website was anticipated as having intrinsic value for some, it is important to emphasise that the creation and development of this website was actually used as an instrument to provide insight into the process of cooperation and its impact on a strategic destination marketing project. While recognising that a case study is a very small step towards generalisation (Campbell, 1975) the objective is to use the insights gained from this case to help with building or refining existing theory for the study of cooperation in the destination marketing context.

3.2 Data collection procedures

The importance of multiple sources of evidence in case research is well recognized. The use of multiple sources is recommended to reduce the problems associated with individual biases or perceptions though personal interviews as well as to ensure triangulation of the data collected (Eisenhardt, 1989, 1991; Yin, 1994). Yin (1994, 2003) suggests six key sources of evidence and this case study used a combination of the three of these – interviews, documents and physical artefacts (in the sense of the actual website). The three not used were archival records, direct observations and participant observation. The last two are more relevant to an event being researched in real-time which was not the situation in this case. An informal enquiry was made about access to the archival records of TNZ and the response indicated that this might pose some problems. This request was not pursued any further, as the cooperation of the NTO in terms of participation in interviews was considered more important for this study.

Initial secondary research was undertaken through official documents and websites which led to an understanding of the structure of the New Zealand tourism industry; identification of the industry's key organisations and people and familiarity with the history of New Zealand efforts at destination marketing. The key documents studied included

- Tourism New Zealand's publicity literature targeted at the New Zealand tourism industry
- Tourism New Zealand's media releases and annual reports for the period 1999 – 2005 and
- the Ministry of Tourism's 'Towards 2010: Implementing the New Zealand Tourism Strategy' and
- New Zealand public press coverage of tourism between 1998 and 2006.

A World Tourism Organisation (1999) study presented an evaluation of 25 DMO websites. The websites were selected from 100 on the basis that they demonstrated good practice. The TNZ website was not one of those chosen. The WTO study had assessed the websites on the basis of their 1) home page, 2) general information within the site, 3) features of the site and 4) the extent to which the site was interactive. Each

of these four areas had a list of specific criteria. In 2002, the same criteria were used to assess the www.purenz.com site (Bhat, 2002). The website was revisited regularly thereafter with a record kept of the major changes made to the site after 2002 until the time of writing.

3.2.1 The interviews

The interview process began with three informal pilot interviews. Two of the interviewees were closely involved with the development of www.purenz.com. The third interviewee was not involved with the development of the website but had an in-depth knowledge of marketing issues in the NZ tourism industry. These interviews were useful in

- confirming that the case selected was appropriate in representing a microcosm of the dynamics of cooperation in the destination marketing context
- confirming that the research focus was of relevance and importance to the New Zealand industry
- signalling that the form and process of cooperation in this case did not conform to the earlier literature and
- guiding the design of the semi-structured interview protocol for further interviews.

A ‘snowball’ sampling technique was used to select a representative (of large/small companies and all tourism sectors) and yet manageable sample of industry members involved in the process of making the portal a reality and/or affected by the development of this website. Each participant was asked to refer the researcher to other participants who were involved in the process of designing the NZ portal. Some were also asked if they know of other organisations in their sector that were not involved and might be willing to participate in this research.

The researcher did not attempt to ensure statistical representativeness of any particular group. As Dubois and Gadde’s (2002, p.10) state,

The main concern in this kind of sampling is to arrive at an appropriate matching between reality and theoretical constructs. Sampling thus

becomes more of a continuous process than a separate stage in the study, resulting in a preset sample on which data collection is based.

The basis for selecting who was to be interviewed changed during the process of data collection and analysis. For example, at one point, it became clear that there were actually very few people outside of the NTO, who had direct involvement in the development of the official website and that there were more NTO people who needed to be interviewed to get a clearer picture of the development process. Also, after completion of nearly half the interviews, the concurrent analysis indicated that the input of more respondents working at the strategic level be useful to better understand the complexities that were emerging.

An initial semi-structured interview protocol was prepared taking into account that minor variations in the wording of the questions would be required for participants in the development process and for non participants (Appendix A). The basic line of questioning remained the same in both, beginning with the background of the individual and the firm and moving on to elicit their understanding and views on the process of development; cooperation; conflict management; evaluation of success and ending with a chance for the respondents to make any general comments or raise issues regarding the website or cooperation in the industry.

A key aspect of case studies which are attempting to build theory is the 'freedom' to make whatever adjustments are needed during the data collection process (Dubois & Gadde, 2002; Eisenhardt, 1989; Stake 1995). The initial interview protocol was amended several times with questions being deleted and added as the researcher's knowledge of the case increased. As participants from different backgrounds were interviewed, the different perspectives and data collected led to additional questions. For example, it was necessary to extend the questioning to include the overall '100% pure' strategy as this was an important feature of the context of the website development for the interviewees.

All the people requested to participate in the research were contacted in writing (Appendix B) and provided with a participant information sheet (Appendix C) which gave more details about the research process and confidentiality issues. Requests were

then followed up by phone or email. At the time of the interview, each participant signed a consent sheet (Appendix D). Thirty-one of the interviews were face to face. Four interviews were conducted by phone for logistical reasons.

The demographics of the final interviewees are presented in Table 3.1 in terms of gender, size of organisation, public or private sector and the different tourism sectors. By the end of 35 interviews it was quite clear that little additional insight into the research questions could be gained from more interviews.

Table 3.1 – Core characteristics of research participants

Gender	23 (66%) Male	12 (34%) Female
Education	14 (40%) Non-tertiary	12 (34%) with tertiary business qualifications 9 (26%) with other tertiary qualifications
Organisation size ¹	27 (77%) Large	8 (23%) Small
Public or private sector	26 (74%) Private	9 (26%) Public
Tourism sectors	7 NTO 6 Support services ² 6 Tour operators 4 Airline 3 Attractions 3 Government 3 Industry associations 2 Transport 1 Accommodation	

¹ Large was defined as an organisation with 30 or more full time employees with small being defined as an organisation with fewer than 30 full time employees

² Organisations that give “support, aid and guidance” to the direct providers (Collier, 1994, p.101)

The interviewees represented a variety of organisations from different sectors of the industry and included participants from both the public and private sector. Some of the

interviewees had multiple roles. TNZ Board members and a few interviewees who were directly involved in or affected by the development of www.purenz.com have since changed jobs. In these cases, the interviewees have been categorised into the tourism sectors with which they have or had a primary role. With the exception of four, the interviewees were all CEOs or part of the senior management in their organisations. If this was not the case, then the interviewees were part of a large organisation where they had a direct role which related to or was affected by destination marketing.

Out of a total of 50 people requested to participate in this research, 35 agreed to be interviewed. Considering that most of the interviewees were either busy CEOs or senior management the response rate (70%) was excellent and perhaps an indicator that the research was of interest/importance to the participants. The response from the NTO, tour operators, support services and industry associations was the strongest whereas it was more difficult to get participants from the airline and accommodation sectors.

Fontana and Frey (2005) suggest that interviews are not neutral tools of data collection but are active interactions between two (or more) people. These interactions are influenced by the interviewer-respondent relationship. In discussing interviewer-respondent interaction, examples of factors that are frequently cited include the researcher's gender and other elements such as race, social status and age. In my case, I found that my work experience in the Indian tourism industry made me a tourism industry 'insider' in the sense that I was familiar with the industry issues and comfortable with the jargon used by tourism professionals. This led to informal and easy communication with the participants who were mostly NZ tourism professionals. The importance of this is clear from the following comment of a long time member of the NZ tourism industry who in his interview stated:

...when you walk into Tourism New Zealand industry, and I can remember it today, it's the acronyms they use. The F.I.Ts and all the ...buzz words and things that we use, ... it is scary, it is frightening ... a new operator comes along and they want to become involved in the international tourism market. They sit down for the first day with 100 other people and perhaps 99% of those people have been in the industry for years, and they talk a language like in every business, they talk the language that just would scare the hell out of anybody.

At the same time I was an ‘outsider’ in the sense that I have never worked in or been part of the NZ tourism industry. From my name, appearance and accent, it is apparent that I am not by birth a New Zealander. Also, the participants were aware when I asked them for the interview that I was working in an academic capacity and pursuing this research as part of my doctoral studies. I felt that being a NZ tourism industry ‘outsider’ made most of the interviewees feel more comfortable about expressing their opinions freely. My neutrality and interest in the participants’ opinions on the NZ industry dynamics encouraged them to be open and forthcoming about even controversial industry issues and people. This was possibly because they felt that I did not already have my own opinions about these issues and people. It may have also been because this gave them a greater confidence in the confidentiality which had been promised to all interview participants (Aquilino, 1994). In a few cases, being an ‘outsider’ was also helpful in creating a rapport with the participants who were immigrants to New Zealand and relatively new to the NZ tourism industry. These participants were possibly more frank about their views on the impact of ‘embedded relationships’ in the NZ network than they might otherwise have been.

Another factor that possibly had a bearing on the interviewer-respondent relationship is the fact that I approached them as a mature student. I am around the same age as most of the respondents. The questions that I was asking were mostly of relevance at the strategic level. The interviewees were CEOs or senior management. I felt that my maturity elicited a more serious and considered response than a younger researcher might have got on the same topic from this level of interviewees.

Each interview lasted between one and two hours. All interviews were taped and a full transcription was completed of each interview (with the exception of three where there were problems with the recording). The number of transcribed pages per interview ranged between 12 and 78 with an average of 32.6 pages. The initial pilot interviews took place at the end of 2003. The semi-structured interviews were conducted between September 2004 and June 2006. A copy of these interview transcriptions was sent to each interviewee for their confirmation.

3.3 Data analysis

When the objective of the case study research is theory development, Dubois & Gadde (2002) suggest an analysis approach based on ‘systematic combining’ grounded in ‘abductive logic’. This is a refinement of the grounded theory approach to analysis (Glaser & Strauss, 1967) which requires that the data and theory be compared and contrasted throughout the information collection and analysis stages. Systematic combining is defined as a process where theoretical framework, empirical fieldwork, and case analysis evolve simultaneously (Dubois & Gadde, 2002). An abductive approach allows for a combination of the inductive and deductive approaches for research focussed on theory development rather than theory generation.

The researcher began with an understanding of the theoretical developments and empirical research in the areas of cooperation between organisations from the tourism and marketing disciplines. The review of literature on social partnerships, strategic alliances and networks directed attention to previously established dimensions of the process of cooperation, while still allowing the most relevant ideas and knowledge to emerge from within the destination marketing context being studied. For example, different understandings and expectations of cooperation emerged. The researcher went back to the literature to seek further guidance on how to examine this issue and the continuing data collection reflected a greater focus on understanding and exploring this issue. Again, the data collection and initial analysis raised questions which led to an expansion of the theoretical framework to include a greater focus on the network aspect of the case. According to Eisenhardt (1989, p.546):

Creative insights often arise from the juxtaposition of contradictory or paradoxical evidence...The process of reconciling these contradictions forces individuals to reframe perceptions into a new gestalt.

Coding and thematic analysis were used in as systematic a fashion as possible with qualitative data. Each interview transcript was analysed and a cut and paste process was used to place relevant narrative text into categories according the initial sections of the interview protocol which were focussed on understanding the:

- background of the individual
- background of the firm

- process by which the purenz site was developed
- cooperation involved in this process of development
- control and conflict management issues in this process
- evaluation of the end result and
- future issues

The clustering of data gave it some structure and also reduced it to more manageable analysable units. On completion of the first 20 interviews, each unit was then analysed to determine patterns and themes. Annotations (Blaxter, Hughes & Tight, 1996; Merriam, 1998) and ‘marginal reflective notes’ (Miles and Huberman, 1994) were inserted into the document on themes and patterns which seemed to be emerging. The insertions included thoughts and questions which arose from the analysis and required follow up. Appendix E gives an example of this process from the initial analysis of the ‘cooperation’ category. This process was repeated several times with the categories being revised repeatedly. In addition, memos were kept during the data collection and analysis phase of ideas on how the data might be interpreted or linked to literature, similar to the ‘insight journal’ (Lee et al., 1981) referred to by Miles and Huberman (1994).

A summary of the initial, intermediate and final categories used to code the data is presented in Table 3.2. The initial category used the 7 sections of the interview protocol as categories. In line with the experience of some other researchers (Stake, 1995), certain issues which were expected to be important (based on the literature review) turned out to be of little importance in this context. Glaser (1978) argues that data should not be forced to fit preconceived categories but rather the categories should develop from the data and this was the approach taken in this study. The iterative analysis resulted in certain themes emerging which led to the number of categories changing and increasing. Refocussing on the research questions which guided this study, led to the final six categories.

The sections of the interview protocol provided the initial ‘loose and emergent’ (Miles & Huberman, 1995) analytical framework. Eisenhardt (1989) highlighted that a key feature of case research for theory building purposes is the ‘freedom to make

Table 3.2 – Initial, intermediate and final categories used to organise data

Number	Initial categories	Transition stage example	Final categories
1.	Background of individual	Participants / non-participants in the process	Role of cooperation changed <ul style="list-style-type: none"> • Stage 1 • Stage 2
2.	Background of firm	Perceived strengths and weaknesses of the process	Form of cooperation <ul style="list-style-type: none"> • Strategic alliance? • Network aspects • Why informal/un-structured form?
3.	Process	Cooperation form, levels, facilitators, hindrances and changes over time	Impact of cooperation <ul style="list-style-type: none"> • On success • Individual organisations • Industry • Other stakeholders
4.	Cooperation	Impact of network nature of the industry on cooperation	Understanding of destination marketing
5.	Conflict Management	Conflict management	Understanding of cooperation
6.	Success of site	Evaluating success and contribution	Factors impacting on cooperation effectiveness
7.	Future	Desired changes in stakeholder involvement and cooperation	
8.		General comments / issues relating to cooperation in tourism	

adjustments during the data collection process’ and this freedom came in very useful after the first few interviews had been conducted. Adjustments were made to the initial interview protocol to take into account the fact that so few people / organisations had actually been involved in the development of the purenz website. Additional questions were added appropriate to the interviewees’ involvement with the overall ‘100% pure’

campaign and also to follow up on some interesting findings which were emerging about cooperation. Further interviews were scheduled with individuals whose importance became clear during the process of data collection.

The data was also analysed to check if there were any correlations in the responses of interviewees working with

- large organisations (with over 30 employees) vs. all others;
- various tourism sectors (e.g. tour operators, accommodation, entertainment)
- those involved vs. not involved in the development of some aspect of the '100% pure' marketing strategy
- NTO vs. other organisations

This type of analysis was made possible by using identification labels for each interviewee's remarks when cutting and pasting them into different categories. For example 'sIA42' immediately indicated a small industry association and the numeric identified the interview number. The first part of the identification labels used identified whether the interviewee worked for a small/ medium or large organisation ('s' – small / medium with less than 30 full time employees or 'l' – large 30 or over full time employees). The second part of the label identified the sector in which the person worked (AC – accommodation; TO – tour operator; SS – support services; AT – attractions/entertainment; AR – airlines; IA – industry association; NT- NTO). As there were a number of interviewees from the NTO, their label identifies them in terms of whether they were working at the strategic ('st') or operational ('o') management level of the NTO.

Category and sub-category data was then put into tables using these identification labels. This assisted in observing any patterns in the responses as evident from the example given as Table 3.3.

3.4 Reliability and validity

Procedures suggested by previous researchers (Miles and Huberman, 1984; Yin, 1994) were followed to ensure the validity and reliability of this qualitative case study

research. Contingent validity was addressed by ensuring in depth questions with a focus on the ‘how and why’ issues were used plus a complete description of the context of the case. Epistemological validity was addressed through triangulation through multiple sources, supporting evidence being quoted or provided, and a self-awareness of the researcher’s own values.

Table 3.3 – Example of tables used to analyse response patterns in data

Objectives	NTO source	other
–reduce marketing costs	stNT30, stNT39	lAT11,lAC17,lTO26
Information site to profile NZ as a tourism destination	oNT01, oNt31, oNT38	lSS20, lSS15, sTO16, sTO27
Platform for consistent brand imagery in all regions	stNT39	lAR14, lAT11
Provide a form of distribution for NZ operators & showcase product	oNT01,	sGt34
To get Internet users to book their holiday destination		lAT11
Get visitors to stay longer		lAT25
To bring more people		lTO23, lAT25

Methodological validity was achieved through establishing a chain of evidence during the data collection phase; by having an interview protocol for all interviews, and by having transcripts of the interviews confirmed by interviewees. The nature of qualitative data is such that it is more open to varying interpretations and the ability of a researcher to be totally objective can be placed in doubt. The researcher’s previous experience in the tourism industry was helpful in ensuring representation of research participants from all tourism sectors and in designing a relevant interview protocol. However, the fact that the researcher had not worked in the NZ tourism industry and was not part of the NZ tourism network ensured that there was no bias in the questions or in the selection of research participants. Every effort was made to further minimise

researcher bias through the systematic use of tables to summarise and analyse all the relevant data and through keeping a chain of evidence to support the conclusions reached.

Chapter Four: The Role of Cooperation in the Development of www.purenz.com – A Necessary Evil

The focus of this chapter is on a discussion and analysis of the research findings in relation to one of the research questions guiding this study, i.e. what role did inter-organisational cooperation play in the development of www.purenz.com

The Merriam-Webster Online Dictionary defines a role as “a function or part performed especially in a particular operation or process.” The literature review (Gnoth, 2002; Palmer & Bejou, 2001) and comments from industry leaders suggest that cooperation plays an important role in destination marketing.

4.1 Backdrop to discussion and analysis

Prior to discussing the findings which emerged out of this case study, this section provides some background to the development of the NZ tourism website www.purenz.com.

4.1.1 Changing role and structure of NZ NTO

The structure of the New Zealand tourism industry has evolved considerably since the first national tourism organisation (NTO) was established on February 1, 1901 (Table 4.1). The NTO was first set up as the Department of Tourist and Health Resorts. The focus of the new Department was on developing and managing infrastructure. It initiated the purchase and management of reserves, building and management of infrastructure at tourist spots like Rotorua and Waitomo.

In 1930 the Department of Tourist and Health Resorts was amalgamated with the Department of Industries and Commerce and the Publicity and Advertising Department. The organisation’s mandate was enlarged to include encouraging tourist travel in NZ and providing booking services, in addition to developing facilities and managing publicly-owned scenic assets. In the late 1930s publicity and sales service were intensified. Tourist commissioners were appointed to Europe and the US and offices opened in Brussels and Los Angeles developed contacts with travel agents throughout the world (Collier, 2003).

Table 4.1: Evolution of the NZ NTO structure and role

Year	Name	Focus
1901	Department of Tourist and Health Resorts	Developing and managing infrastructure
1930	Department of Industries, Commerce, Tourist and Publicity	Promote tourist travel to NZ Provide booking services Develop facilities Manage publicly owned scenic assets
1945	Department of Tourist and Health Resorts	Promote tourist travel to NZ Provide booking services Develop facilities Manage publicly owned scenic assets
1969		Development and Research
1990	New Zealand Tourism Department	Develop and market NZ
1991	New Zealand Tourism Board	Overseas Marketing Encourage cooperation with private sector
1999	Tourism New Zealand	Overseas Marketing Facilitate cooperation Provide quality research information

Sources: Bremner, 2004; Belich, 2001; McClure, 2004; NZTPD, 1976; Pearce, 1992; Stafford, 1986; Watkins, 1987

The post WWII years brought recognition of the potential of tourism as a major NZ industry. In 1945, the Department of Tourist and Health Resorts was separated from Publicity, Industry and Commerce regaining its original independence (NZTPD, 1976). In March 1950, the first New Zealand National Tourist Conference was convened ‘to discuss the economic significance of the tourist industry, improvements to and development of transport services to and within NZ, means of improving and increasing hotel accommodation, and travel promotion activities’ (Collier, 1997, p.57). In 1955, a separate Tourist Hotel Corporation was set up to manage the hotels which until then were under the control of the Department (by now called Tourist and Publicity or NZTP).

In 1967, the Cabinet post of tourism was raised to a full portfolio because of the industry’s increasing role as vital earner of overseas exchange (Pearce, 1992). In 1969, the discussions at a Tourist Development Conference led to emphasis on development

and research work in the Department. A Development and Research Division was created to provide a permanent base for government planning and to act as an advisory service on development especially of accommodation and special tourist facilities. (Collier, 1997)

With the advent of large long-haul aircraft in the 1970s, international tourist arrivals and tourist expenditure receipts grew quickly. The tourism generating markets diversified to include Japan and Western Europe, in addition to the traditional UK, US and Australia markets (Collier, 1997). In mid 1985, NZTP launched a new corporate identity and logo. The Government Tourist Bureaus became NZTP regional offices with responsibility for policy functions and NZTP Travel Offices looked after the travel information and sales functions (Pearce, 1992).

Major changes followed the 1989 industry conference with the theme “Tourism 2000 – New Zealand Grow for It”. Tourism and Publicity was renamed the NZ Tourism Department (NZTD). The Tourism Council was replaced by the Tourism Forum. The Forum was to become the key consultative mechanism between the public and private sector with around sixty members from the different sectors in the industry as well as from regional tourism organisations. In addition a smaller Tourism Strategic Marketing Group (TSMG) was created with eight major industry players to work as a team with NZTD to develop a strategy for tourism growth (McClure, 2004). Other key decisions included the launch of a Regional Tourism Action campaign and the establishment of a series of Visitor Information Network offices throughout country (Collier 1997; Pearce, 1992).

In 1990, a new government embarked on a major program to grow tourism. The NZ Tourism Board (NZTB) arose out of ashes of the one year old NZTD in 1991. As part of the government’s strategy, the functions of policy advice and marketing activities were split (Ateljevic and Doorne, 2002) with the Ministry of Tourism looking after policy advice under the umbrella of the Ministry of Commerce. NZTB managed the international marketing of New Zealand. The former NZTD budget was divided according to the new roles with \$2 million for the Ministry and \$35 million to NZTB (McClure, 2004). Many public sector tourism operations including Air New Zealand, the Tourist Hotel Corporation, Communicate NZ and NZTD travel offices were sold.

The NZTB focus was clearly now on offshore promotion as it cut staff within the country from 120 to 75 and increased staffing overseas from 47 to 75 (Collier, 1997; Hall & Kearsley, 2001).

NZTB's other major goal was to take a leadership role in the industry including encouraging the private sector to cooperate to maximise its efficiencies. NZTB continued to be funded by the government but had on its Board nine private sector members (Ateljevic & Doorne, 2002). In addition, NZTB worked with various national organisations including major players like Air New Zealand, trade associations like the New Zealand Tourism Industry Association (NZTIA), Travel Agents Association of New Zealand (TAANZ) the Inbound Tourism Organisations Council (ITOC), the Motel Association of New Zealand (MANZ) and regional tourism bodies.

For most of the 1990s, NZTB was focussed on increasing visitor arrivals with a marketing approach that differed from market to market (Hall & Kearsley, 2001) The Board's promotional expenditure was largely through a joint venture 'investment' scheme with involvement of travel operators and airlines in destination marketing programmes. This was intended to augment their limited budget. Industry members would present overseas promotion proposals to NZTB which, if approved, would be partially supported from the Board's funds. Theoretically, this was meant to encourage the involvement of more members of the NZ Tourism Industry in destination marketing. Once they could see the benefits of doing this, they would presumably continue in the future without NZTB funding support. In practice, only a small number of airlines and operators repeatedly put forward such proposals and got the funding. (Piggott, 2001)

In 1998, a new strategic plan was developed which expected NZTB to do three things (Hall & Kearsley, 2001):

- Market the destination
- Encourage and assist the industry to work together
- Provide quality research information.

This plan retained the focus on marketing NZ overseas and on facilitating industry cooperation but also added the responsibility for providing quality research information. NZTB was clearly no longer expected to be involved in domestic tourism or directly

involved in tourist product development. The changes in name have been accompanied by structural evolution and also significant differences in the functions of the organisation. In general, the NZ NTO has evolved from a government department with a development and operations focus towards a more corporate structure largely focussed on overseas marketing of New Zealand as a tourist destination.

4.1.2 Background to the '100% pure' campaign

In the late 1990s, the focus of NZTB's marketing strategy shifted to "developing a brand for New Zealand across all markets" (Tourism New Zealand: 15, n.d.a). Before coming up with the new brand, TNZ did extensive research. They surveyed local businesses, regional economists, destinations with similar programmes, previous visitors and also people who had never been to New Zealand (Morgan, Pritchard & Piggott, 2003). The new positioning was to reflect 'an adventurous new land and an adventurous new culture on the edge of the Pacific Ocean' (Piggott, 2001). As per Kevin Roberts of Saatchi and Saatchi (Roberts, 1998):

The first thing we have to do is to develop one theme around which these (marketing) funds can be spent. Currently the dollars are being spent by too many people on too many diffuse messages. New Zealand must have one coherent theme, one promise. We're working on a huge idea that will deliver this ... his proposition already exists. *It's the edge of the world.*

The move to a global branding strategy was highly controversial and "there was no smooth transition from one positioning strategy to another...the period 1997-2001 saw an unprecedented politicisation of the country's tourism industry" (Morgan et al., 2003). Traditionally, the Minister is expected to focus on policy and have no direct input or control of NZTB's operations. The more direct interventionist role assumed by the then Minister of Tourism (Murray McCully) brought 'a great deal of unsettlement' (Piggott, 2001). The 1998 plan ran into substantial difficulties as members of the Board resigned in light of what they saw as Ministerial interference. In 1999, "...the Tourism Board lost its Chairman and other members, its Chief Executive, its advertising agency and its Minister, a new order was needed" (McClure, 2004, p.284). NZTB was renamed Tourism New Zealand (TNZ) with a new Board Chairman (Peter Allport) and CEO (George Hickton).

As one senior research consultant to the industry, who was interviewed for this research, noted, “TNZ had tremendous political pressures at the time ... to avoid trouble TNZ had a contestable contract ... to put together a brief ...” Ultimately, M&C Saatchi & Saatchi’s (not the Saatchi & Saatchi headed by Kevin Roberts) purenz campaign and strategy proposal was selected. TNZ launched its ‘100% Pure NZ’ global campaign in key markets (Australia, Japan, USA, UK, Germany, Singapore and Taiwan) between July 1999 and February 2000 to coincide with seasonal promotional opportunities. (Morgan et al., 2002; Piggott, 2001) Advertising used mainly TV and magazines and the creative strategy focussed on New Zealand’s diverse landscapes, people, and tourism activities.

The Internet was one component of the overall purenz branding strategy. Prior to the development of the purenz site, there were a number of websites that consumers could visit including a TNZ site. However, a new website was to be developed. According to a senior executive involved in the technical development of the new website, there was a “strong requirement” by Ministry that the site be revamped to tie in with the purenz campaign being developed at the time. The site was to reflect the imagery of the overall campaign. In turn, all of the traditional media advertising would promote the site for further information.

4.1.3 The technical development and design of www.purenz.com

Stage 1

The technical development of the site was outsourced to a professional web design firm, Shift Ltd. working in close collaboration with Tourism New Zealand. This new official website was to build a profile for NZ with enough space for both the tourism product and distribution and would be consistent with the creative strategy used in the traditional media.

The new site’s content was developed to incorporate a number of themes designed to appeal to the different segments in the market as defined by TNZ. ‘Wilderness’, ‘thrill seekers’, ‘kiwi spirit’, ‘chill out’ and ‘heart land’ were the kind of themes used (Figure 4.1). The first version of purenz was driven by these themes; for example, bungee

jumping belonged in the thrill-seeking theme. Towards the end of 1999, after the initial development, there was a “road show” to ‘sell’ the site to industry members and get them to register on the website. Every product provider had to decide under which theme their services should be listed.

Figure 4.1 – www.purenz.com home page as on Nov 27, 1999 (Retrieved from <http://www.archive.org> on 07 Apr 04)



To be included on the site, industry members have to take the initiative to register on it. Registration on the site is free. The only requirement for being accepted on the site is that it is a NZ registered company operating in NZ. Links from the purenz site take potential consumers to the member’s site for more information and / or bookings. All members have to have at least an email (mandatory) contact through which enquiries / bookings can be made.

The site represents only those companies with primarily a tourism product or service offering and does not include restaurants and retailers. The purenz site provides an

‘even playing field’ for all those who register on it in the sense that all product providers, whether large or small, are treated equally within the website. From the user’s point of view, this makes it difficult to distinguish between the size and quality of the service providers. Companies that have Qualmark (New Zealand tourism's official mark of quality) ratings are listed before other registered members. This acts as a quality filter to some extent for consumers.

At present the purenz site acts as a facilitator of bookings by providing links to booking sites, which are completely separate. The database has the potential to be used for commercial purposes; however, the NZ Tourism Act prohibits working in competition with industry. It would require a change of law for TNZ to be able to offer bookings on the site.

The first theme based version of the purenz site required all product and service providers to fit within the given categories. There were, however a number of activities that did not necessarily fit neatly into only one of these themes. As one interviewee from the attractions sector recalled:

The operator had to pick and choose where they thought their product fit and where their product actually fit, versus where they would like it to fit, were probably different things ... I don’t know that you could’ve said to an operator, well actually – look you’re kidding yourself, you should be in that category, not that category. I think they did that with a few people, who just tried to blanket across the board, which is why at the time they said, you can only be in X number of categories.

TNZ officials interviewed indicated that this affected the database concept and the site became too complicated for industry members who registered. It also became too complex for those who managed the site.

Stage 2

The 2002-2003 TNZ annual report (Tourism New Zealand, 2003, p. 4) stated that, “ The major development of Tourism New Zealand in the past year has been to more clearly identify the global tourist that is ideal for New Zealand” This ideal target market was

defined by TNZ as ‘interactive travellers’ – regardless of where they came from. This global segmentation approach was used for four reasons (Tourism New Zealand, n.d.a):

1. TNZ’s limited budget could be used to make a bigger impact on a smaller target market.
2. New Zealand needed to focus on visitors best able to appreciate and respect its finite natural assets rather than simply increase the number of visitors.
3. New Zealand needed to focus on visitors most likely to be highly satisfied with their holiday here and thus spread positive word of mouth publicity.
4. In order to achieve the long term goals as defined in Strategy 2010. These long term goals include providing a world class, sustainable visitor experience; developing a compelling differentiated brand; matching brand promise with brand delivery and optimising yield, seasonality and regional spread.

The Interactive Traveller was defined by TNZ (Tourism New Zealand, n.d.b) as:

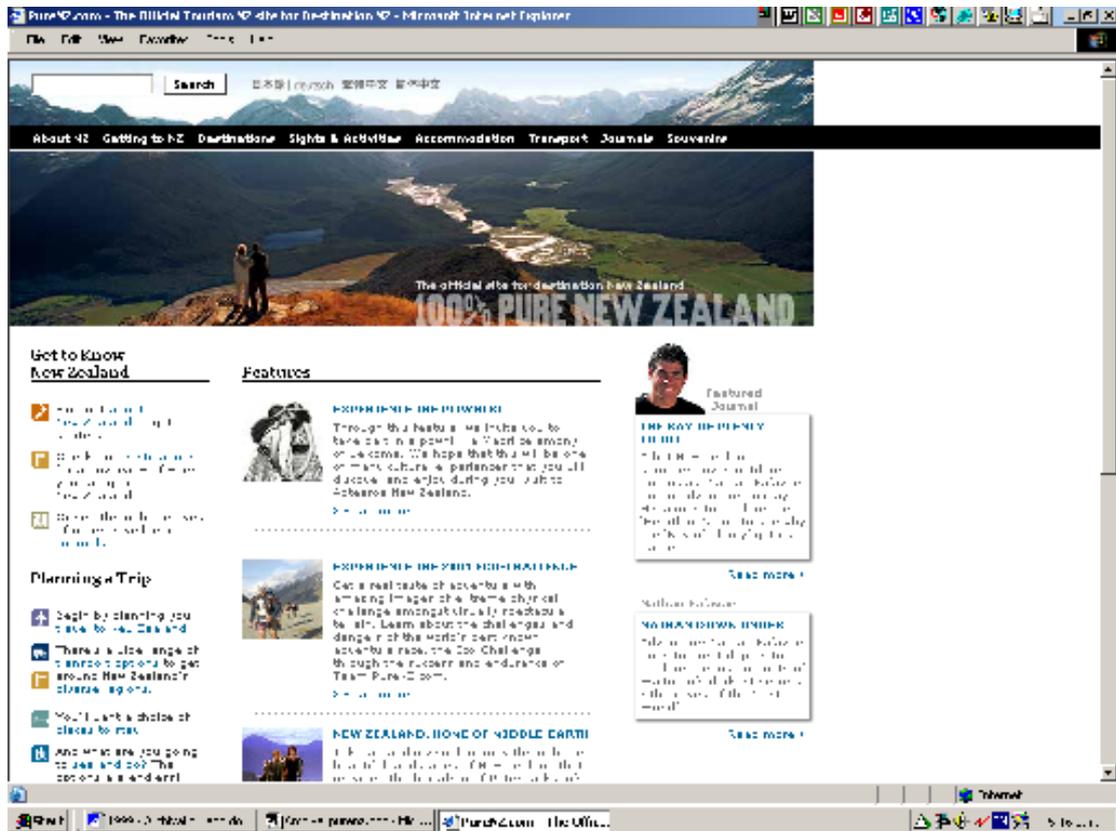
... international travellers who consume a wide range of tourism products and services. They are travellers who seek out new experiences that involve engagement and interaction, and they demonstrate respect for natural, social and cultural environments.

The typical Interactive Traveller can come from a range of countries and are likely to fall into the age groups of 25-34 or 50-64 (Tourism New Zealand, n.d.b). This segment is more likely

- to stay informed and follow business news, current affairs and travel publications;
- research travel destinations thoroughly using a variety of sources including the Internet;
- pursue culture at home and on holiday;
- be high users of technology;
- aim to be healthy;
- entertain at home;
- have liberal attitudes;
- take risks;
- have a high disposable income;
- enjoy fine cuisine and wine and have influence in their peer group

Research into the purenz website users revealed that the site reached visitors who gave the best yields and to some extent led to the new definition of the target market. This change in turn led to a major redevelopment of the purenz site (Figure 4.2).

Figure 4.2 – The home page after redevelopment as on June 1, 2002 (Retrieved from <http://www.archive.org> on 07 Apr 04)



The 1999 purenz site was developed simultaneously with the ‘100% pure’ advertising campaign and therefore only partially reflected the campaign. In addition the site features began to be redeveloped from the users’ point of view. As one NTO manager described:

I think what they did in 2001 was they did some foundation research to really understand what users were looking for from a website and that was quite extensive and it, you know, rather than started with, this is what we’ve got, it’s like, totally sort of, what would you really like in a website and some of the things that came out of that research were things like planning tools, really good maps, lots of images, ...you know, something that can help you plan an itinerary, ... and that was with real users so that foundation research really went to the user to find out what they were looking for and then the concept for ...purenz.com came out of that foundation research.

The redevelopment included changes in design for a more complete ‘100% pure’ look as well as re-writing of all the content with the new target market in mind. Another key change was in terms of how the site was managed with more of the control being transferred from the developers to the NTO. In the words of a NTO manager,

...we developed a content management system that allowed us to keep content fresh internally, without having to use our agency for the content changes. So it moved from a static HTML site, to a CMS [content management system] driven site.

In 2002, the NZ government also succeeded in buying the domain name ‘newzealand.com’ after lengthy negotiations with an individual in the US. The final cost translated into approximately NZD 1 million of which TNZ paid around half with the balance coming from Industry NZ and Trade NZ. The rationale for TNZ paying a larger share according to one interviewee involved in the purchase process was “that the predominant beneficiary was going to be the tourism proposition because people look for the country URL.”

The site remains in constant development with two or three projects each year to add new functionality. Foreign language versions began being introduced in 2000. The home page on 6th June 2000 (Figure 4.3) includes a Chinese option in the top right hand corner. The foreign language versions have worked mainly as translations of the English site and were managed by the overseas offices. In 2005, it was recognised that the foreign language sites were out of date and had fallen well behind the English site. The Japanese and Korean sites are now being resourced with permanent funding and a dedicated person, based in Auckland, responsible for keeping these sites on the “same level as the English one”. The non-English language versions have some region specific content but basically continue to mirror the English site. The site is now available in Japanese, Chinese (simplified and traditional), Korean and German. The home page on 04 June 2006 (Figure 4.4) shows five language options above the ‘Travel Planner’ heading and Interactive Travel Planner.

Figure 4.3 – The home page on Jun 6, 2000.

(Retrieved from <http://www.archive.org> on 21 Jan '03).



Research into users' experience with the site is ongoing and the ever-deepening understanding of the user led to the introduction in 2005 of an interactive travel planner. NZ\$1-2 million are spent by TNZ on website development each year. (Bates & Tamahori, 2006). The site continues to be marketed to the NZ industry through TNZ's *Tourism News*, regional tourism organisations, fliers, regional seminars and workshops.

4.1.4 www.purenz.com - a success?

Research participants were asked 'Is the www.purenz.com site a success?' and given an opportunity to comment. Participants interpreted this question in several ways. Many participants focused on the results of the overall '100% pure' campaign rather than on the [purenz](http://www.purenz.com) site and used a variety of different 'evidence' to justify their assessment as illustrated by the following quote:

...how do you measure success, that's a really interesting...how do you measure the success of destination marketing? ...that's a massive challenge ... Well, I think ultimately you have to use the weight of evidence approach where you take a whole lot of things ...everything from awards that the campaign has won to growth in arrivals, to success stories in the tourism industry to ...anecdotal visitor feedback, to the research that we do in changing awareness preference and attention for New Zealand. All of those things I think end up building to a weight of evidence that says this is...this is working.

Figure 4.4: Home page on 04 June 2006

(Retrieved from <http://www.archive.org> on 04 July 2006)



An analysis of the responses of those who considered the site a success reveals that the success of the site is attributed to a number of factors. A few referred to general indicators like "... I think you'd look at the fact that we've had pretty good visitor growth for an extended period..."

The ‘100% pure’ campaign was rolled out from July 1999 and purenz website was first launched at the end of 1999. The international visitor arrival data from 1997 to 2004 is presented below (Table 4.2).

Year	Arrivals	% change
1997	1 497 183	-2.06
1998	1 484 512	-0.85
1999	1 607 241	8.27
2000	1 786 765	11.17
2001	1 909 381	6.86
2002	2 045 064	7.11
2003	2 104 420	2.90
2004	2 334 153	10.92

International visitors reached 2 million for the first time in 2002 spending an estimated NZ\$6 billion in foreign exchange making tourism one of New Zealand’s top foreign exchange earners. “Significantly this 14% increase on the previous year was due largely to an increased ‘per visitor spend’ rather than a dramatic increase in actual visitor numbers” (Tourism New Zealand, n.d.c).

Several respondents stated that the high growth rate in international visitor arrivals after 1999 was partially, though not primarily, attributable to the effectiveness of the website. In response to the question “... if you were to try to put a number on it, what kind of contribution do you think the website made to the overall strategy?” one reply was, “I would say 20%-30%. A key component.” TNZ’s publicity material states that purenz.com site has been an integral component of the “100% Pure New Zealand” global campaign and this campaign won the 2004 PATA Grand Award for Marketing.

One TNZ manager dealing with the online site suggested they used more specific measures to evaluate the site’s effectiveness:

Unique users and page impressions are what we measure the success of the site on and they’ve been achieved for the past three years. The rest of the site is really just based on development and usability of the site, so the percentage of people are saying that the website was useful, in terms of what they wanted it to be ... and those have always been achieved. And then we just have targets in terms of things like Lord of the Rings, work we did with the America’s Cup, to make sure

that we had content that supported that and they've been met too, so

...

In 2003, www.purenz.com represented the most comprehensive range of tourism activities in NZ with approximately 6500 businesses (7000 in early 2007) as against an estimated 16 /17000 industry players. The site by the end of 2003 received more than 1.8 million page impressions per month (Tourism New Zealand, n.d.c) and in January 2007 this figure was over 4.6 million. Unique users of the site reached 176,392 for the month of January 2003 (Tourism New Zealand, 2003) and the highest number of user session (564, 665) occurred in January 2007. An online survey conducted in February 2003 found that 98% of the site users rated the usefulness of the information on the purenz.com site as good (54%) or very good (44%) (Tourism New Zealand, 2003). A similar online popup survey done in July 2006 revealed that 97% of the participants rated the overall usefulness of the site as good (52%) or very good (45%). The site is the winner of a number of national and international awards including the Best Tourism Website in the Webby Awards for both 2005 and 2006 and is again a nominee for the same for 2007.

The purenz.com site is considered a success by TNZ interviewees and most of the other industry members who participated in this research though the criteria by which they judge the success vary from increase in tourist numbers to the effectiveness of the site.

4.2 How was the successful outcome achieved?

Success of projects is usually measured against the objectives which are set for the project. In the case of purenz, the original objective was primarily to profile NZ as a tourism destination. The NTO and industry research participants were in agreement that the website was a success in terms of effectively reaching its target audience and providing in depth information on New Zealand which supported the '100% pure' campaign. What were the factors which were perceived to have led to this successful outcome?

4.2.1 *Effective marketing practices*

In answering the above question, a number of people referred to effective marketing practices such as the fact that the website was, “Developed around customer motivational needs ... first time research & marketing based and not purely focused on product.” According to another interviewee, “... I think they had good data ... they acted on the research.” The importance of market research in the development process was confirmed by one of the key leaders of the whole project:

I would just like to say that in the construct of this campaign, a particularly strong...ingredient into this campaign, was in fact the research department at Tourism New Zealand ... who had done extensive research over the previous four years....Not just quantitative but significant qualitative research.... When tasked with this to get a campaign up literally within four to five months ... when you construct a campaign, the access to that information was vital and I guess was probably the strategic success factor.

Others commented on the fact that they came up with an "outstanding piece of branding work" and have continued with it for some length of time:

Came up with the purenz idea & stayed with it unlike in the past when they seemed to change every 12 months.

...they struck a chord with the creative and then we've delivered consistently without changing and chopping too much. You know, we've rolled and evolved but without radical movement ...

Some interviewees are impressed with the number of visits the site gets and the number of people that it manages to reach:

I treated it with just oh okay ... but now I see that it is probably the most powerful marketing tool New Zealand tourism has and ... I don't say that lightly, I say that because it's receiving way over 200,000 visits a month and I think they're averaging around 7 minutes – which is quite long. We can track ...

Other participants judged the success of the site on the basis of the site's “Good images, attractive and user friendly” design and other features such as comprehensiveness and interactivity:

... it's certainly the most comprehensive and representative site I think for the industry because, you know, no-one's had to pay to get on there.

...it is the definitive New Zealand information site.

... the website and where it began which was just sort of a duplicate medium has now gone to a level which is extraordinary, it's interactive, you know, ... you can go on there and plan your whole itinerary through New Zealand ... It's rich in features and ...

4.2.2 Top management support of professionals

A large number of participants attributed the success to factors such as the support of top management for the professionals who developed the site. According to one tour operator the fact that the whole vision began at the top made a big difference:

But I think the vision definitely started at a very high level ... and that's why it's managed to become such a big part of that strategy. If it had gone the other way, if it had been ... if the concept had been developed at a lower level and then pushed up, I don't think it would have played as big a part in that process.

A key leader of the development process suggested that the top TNZ management shielded the marketing professionals from government interference and this allowed decisions to be made on a commercial basis:

I must say in the time that I was there, the functioning of the statutory authority and to the credit of George Hickton [CEO of TNZ] ... he ran it as an organisation which was a statutory authority and therefore there was very little Ministry involvement in the management of statutory authority and I thought George Hickton's primary role actually allowed these marketing initiatives to happen because he took that stance. And so, to their credit, did the Board, so...in that arrangement, it allowed basically commercial principles to be applied in the utilization of government funds.

This view was echoed by another operational manager from the NTO:

...because it was a great kernel of an idea but it had the legs to run and I think the people within the organisation who gave it the space to run and protected it from, in early stages, from being derailed...that got it going.

4.2.3 Timing and luck

A noticeably large number of respondents, both from the NTO and the industry, suggested that the website and "100% pure" strategy's success was also due to "a huge element of luck at the outset ...". Respondents pointed out that the timing of the launch of this strategy coincided with increasing airline competition:

... timing would be I think the biggest ... As well as the ... price, as

well. We're very much still...in the U.S and the U.K. and Europe...we're still quite a cheap destination ... And with the competition of airlines, it's becoming cheaper and cheaper to go to New Zealand nowadays. So, it all adds to that fact, yeah.

Other respondents focussed on the timing being excellent as "... there was a lot of press about New Zealand in the rest of the world ...". The publicity generated by the worldwide launch of the film 'Lord of the Rings' was a major factor mentioned by many. Some respondents mentioned that the 9/11 New York tragedy also helped New Zealand by enhancing the perception that it was a relatively safe tourism destination as evident from the following quotes:

...the timing was excellent because of the whole Lord of the Rings ... hype with New Zealand ... there's a lot of unsafe destinations ... well, I should say, perceived as unsafe destinations....And it's becoming a lot more easier to access New Zealand with the way airfares are going with round-the-world ... it's just the perfect timing in conjunction with the...events of the rest of the world basically.

So those three things ... the people, the execution and then, to some extent, timing. You know, the exchange rate was good, ... you know, September 11 came along and didn't really hurt us, it helped us ... Bali and things like that and ... the airlines started flying in big-time, so that definitely helped, execution and the people ... a combination.

In summary, the success of the purenz site is attributed to top management support of the project and creation of an environment in which marketing and technical design professionals were allowed to make decisions based on commercial realities without political or government interference. The success is also attributed to there being a number of favourable factors in the wider environment which coincided with the timing of the launch.

No interviewee stated that the purenz site was not a success though four interviewees qualified their statements with how a better result could have been achieved. An example is the following comment from the CEO of an RTO:

Given the amount of traffic going to it - yes [it was a success] ... Whether it is good at conversion - I don't know ... I think the site has too much information on it...Qualmark is a good way to go...put some standards there ... it's the only way to cut down on the information...

Their reasons for not rating the site as an unqualified success included the initial problems with categorisation and navigation and the limitations of the original objectives with no effort to convert customers from interest to purchase. One interviewee highlighted the lack of connection between the promotional promise and the need to focus more within the site on ensuring the delivery of the promise. One tour operator focussed on the limited representation on the site for overseas and New Zealand tour operators.

4.3 The role of cooperation in the development of www.purenz.com

Cooperation and partnership are regularly cited as being of great value to the New Zealand tourism industry. Press releases on the creation of the new Ministry of Tourism highlighted the importance of developing productive relationships between the government, tourism operators and other stakeholders (Tourism 2000, 2002). At the NZ Tourism 2000 conference the NZ Tourism Strategy Group was asked to consult widely and develop a Tourism Strategy to take NZ through to 2010 and beyond. The Strategy Group was to design a ‘framework for better business and a basis for more effective partnerships’ (Hall & Kearsley, 2001). On the release of the Strategy 2010, Ray Salter, GM. Ministry of Tourism stated, “I’m already impressed with the industry-wide recognition that partnership is the way to go ...” (Tourism New Zealand, 2002)

4.3.1 The extent of stakeholder participation

In the first 19 interviews done for this research, participants were asked, “Were you involved in the development of the purenz portal?” 14 respondents said no to this question. Of the 5 who were involved, 4 were either on the NTO Board, working for the NTO or providing a support service for the NTO. By this time it had become fairly clear that the entire decision making with regard to the development of the purenz site, especially at Stage 1, was centralised within TNZ, and had involved virtually no stakeholders from the tourism industry beyond the NTO. The remaining participants interviewed were only asked this question if they worked for the NTO.

All decisions regarding the design and features of the website were made by TNZ and implemented in close collaboration with their website development company. When funding was involved, the proposal would go to the TNZ Executive and Board for

approval. It was only after the initial development and when industry participation in the website database was needed, that TNZ used a “roadshow to sell the site” to industry members and get them to register on the website. The site was also promoted to the NZ industry through TNZ’s *Tourism News*, regional tourism organisations, fliers, regional seminars and workshops. Listing on the site was seen as giving industry members a sense of involvement and ‘access to the campaign’ while TNZ retained control. According to interviewee who provided support services to the NTO in the early years, there was:

...not too much consultation in development of the site precisely because it was controversial ... there were entrenched views ... politics ... TNZ had a clear view of what had to be done and got on with it.

From the perspective of a TNZ manager, the tourism industry was, and is, consulted when required:

We do industry consultation about where the organisation’s going and its strategic path, but we don’t have an industry group that comes in and looks at where the Internet development’s going. We’ll consult on areas that we have to ...

A few interviewees suggested that there was some industry input into the development of www.purenz.com through the TNZ Board. One interviewee focussed on how the Board members represent different sectors of the industry as well as areas of expertise:

In-house, as far as the Tourism Board itself, or the Board of Directors was concerned, you’ve got a wide variety of Directors that sit on that Board with all kinds of expertise, so you’ve got, like, for instance, you’ve got two of them on there now that are Directors from..., two of the biggest, you know, inbound tour operators in New Zealand, you’ve got, you know, like really, really strong foundational legal advisors there, you’ve also got, you know, accountants, and which you have to have. You’ve got a marketer on board, you’ve got a regional tourism person, who clearly understands, you know, regional tourism operations and you also have, and there’s also a couple of ... operators.

The Board is perceived by many interviewees as being representative of all industry stakeholders. One research participant noted:

See, I think one of the good thing about Tourism New Zealand is that they are funded by government and when there’s the Minister, and there’s the Board and then there’s the C.E.O. and we aren’t bogged down too much by, you know, just a lot of, a lot of stakeholders ...I

mean, I guess the Board are ... representing the stakeholders.

The Board members during most of the period (1999-2006) that this research covers included Wally Stone of Whale Watch Kaikoura who has been on the Board since 1999 and became Chairman in 2002. Peter Stubbs, Deputy Chairman of the Board is a partner in the national law firm Simpson Grierson which specialises among other things in laws relating to sponsorship and events marketing. Paul Bingham is MD of the Black Cat Group from the South Island. Mathew Boyd, a senior executive with Citigroup has previous extensive airline experience as Regional Director International with Air New Zealand. Kathy Guy is Group GM Chateau Tongariro and Wairakei Resort and has previous experience as Chairperson of Tourism Lake Taupo. Keith Johnston is Chairman ID Tours New Zealand and a past chairman of ITOC. Sean Murray is Group GM- commercial of Tourism Holdings which has a range of tourism related businesses. Mike Tamaki is MD, Tamaki Maori Village in Rotorua. Susie Johnstone is a director of the chartered accountancy firm Shand Thomson and Gill Lockhart has been the Board Secretary since May 2003 as well as Executive Assistant to the CEO.

Although aware that members on the Board are not there to represent their own interests, a TNZ Board member described the members' industry experience being reflected in the Board considerations in the following words:

...these people are very, very clever and know their fields very, very well ... I shouldn't use the word but...they are also representing themselves with their industries and whatever, you know, ... you know, "I'm an operator, I'm in the airline, ... I'm a hotelier", so I'm thinking very much, I'm a hotelier, how does this affect me?

Another NTO official suggested industry input came into the decision making process through the interaction of the NZTB senior executives with major industry players:

...I think we are very keen to have industry input. I think ... at a higher level the work of the Board, the Executive and the Chief Executive do in fronting and getting alongside the main industry players in whatever forms that may be, also feeds quite heavily then into the decision making process that we have. So, it's not as though we're sort of sitting in a dark room and just coming up with, "oh this seems like a good idea at the time, you know, it seems like this is what we should do", you know, so it's ... there is a huge amount of opportunity for the industry to engage and we set a lot of that up as well.

However, one ex-TNZ manager suggested that there was a conscious decision not to

consult at the beginning of the development process and explained the rationale for this approach:

...previous experience has shown that consultation is an exceptionally long process and ...I see now, even with some of my clients now...that if you stop and consult, then you'll never get anything done and the marketing opportunity is gone then, it's lost. And so quite a big decision was made then not to consult. I think there was...some...just some...with some real key people, top-line people but the decision was made that this is such a big thing, we've got to get on and do it. And perhaps we'll talk to them afterwards about how we did it and why we did it and put processes in place then to get them to be a part of what we're saying. So actually the follow-up, there was as much work went into explaining what the campaign was about and how it had been put together, on what basis and what the industry for example could do with it.

One interviewee working at the strategic management level of the NTO stated:

Well, I'm not so sure that it wasn't consultative but actually, the fact of the matter is that there are many, many stakeholders and you can consult completely and designing a horse you would get a camel ...

Thus, there seems to have been a clear reluctance at the start of the development of the '100% pure' strategy on the part of TNZ management to consult with the industry.

The responses to this question on the extent of industry participation in the development process indicate a considerable difference between TNZ staff quoted above and other stakeholders. Again from the TNZ perspective:

I think when we need to have industry consultation, we do...when we need industry involvement, we get good buy-in and ... We've always taken the site to where we want it to be and in terms of other national tourism organisation sites, it's probably ... does lead the way.... I don't think we've really been stopped doing what we want to do because of lack of industry support ...

On the other hand, a senior manager of a support service recalled:

Tourism New Zealand decided and the management decided who they needed to consult or discuss with, so they, you know, grabbed a few of us from Air New Zealand and talked to us and ... so ... at that time I think it was very much management driven...whether that was obligation or really wanting input, I think in those days probably obligation rather than really wanting our input.

One CEO of a large tourism company summarised the industry view of the purenz website development process in these words:

They [TNZ] structured it, they drove it, they launched it, they told the industry how it would work and how they could participate.

It became evident that the number of tourism stakeholders who participated in the website development process was very limited except in terms of listing on the website database.

4.3.2 The level of cooperation

During the course of the interview, participants were asked to give their opinion, using a scale of 1-5 (one being low and 5 being high), on what level of cooperation was achieved in the process of developing the purenz website / strategy. It must be kept in mind that only nine the people interviewed for this research were directly involved in the development of the website and thus many found it difficult to give a rating in response to this question. Of those that did give a rating, relatively few felt that a high level of cooperation was achieved in the development process (Figure 4.5). Some brief examples of the type of comments made include

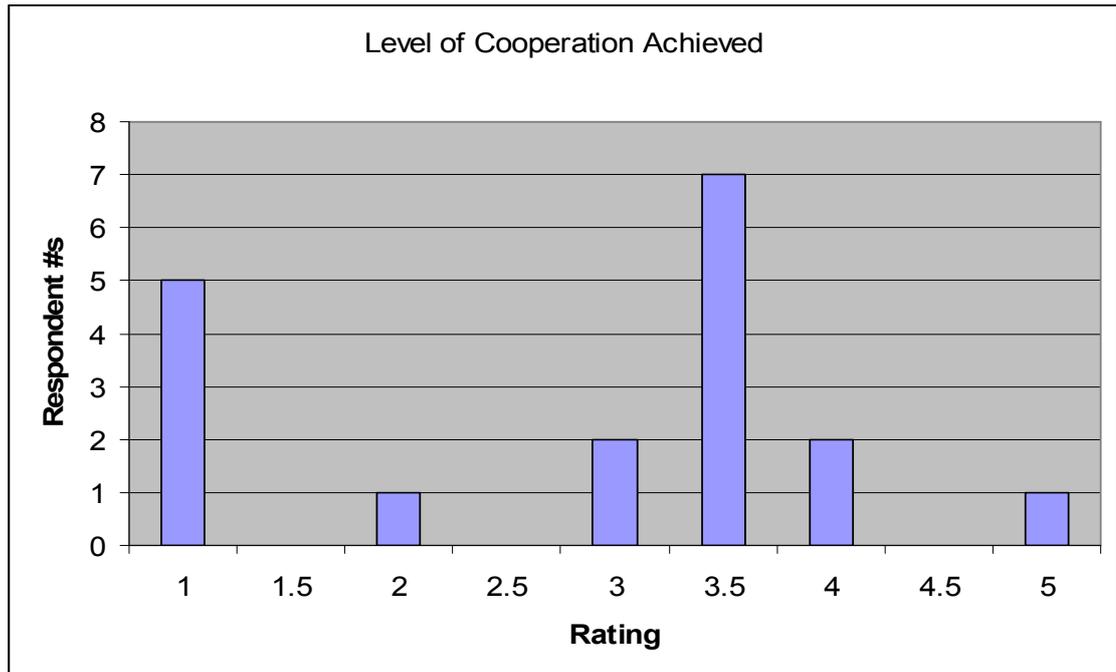
Well it [cooperation] wasn't used, so I'd have to say one.

It was quite disastrous ... It could've been slightly more inclusive, 2 or a 3 ...

Most of the interviewees who rated the level of cooperation achieved as high were NTO employees. The mean for all respondents was 2.8. The mean for only NTO respondents was 3.9 while for all non-NTO respondents, it was 2.4. Saxena's (2005) UK based multiple case study research also found that the public sector bodies perceived their partnership relations with others as more effective than did the private or voluntary organisations.

In this case, the differing perceptions could also be explained by the fairly high level of coordination and cooperation achieved between the different departments within TNZ (and their supplier agencies) to ensure that the website and overall '100% pure' campaign were integrated. This integration aspect is repeatedly referred to by

Figure 4.5 – Level of cooperation achieved in the development process



comments from NTO officials who led or were involved in the development process. One NTO manager who was part of the strategic management describes the initiation of the project:

... initially there ... there was no ...in-house resources...So the key thing was to get a supplier who could actually undertake the work....And who understood the complexities of the environment and who could translate that vision that I had for it ... So we selected a...an internet or a digital space provider in Wellington. And that was a company called Shift...and they provided all the intellectual hardware in terms of translating that vision and the campaign support into a digital medium ... I then got some really good staff, being internally recruited to take on a) the management and the stewardship of that and to develop it further...

An NTO official working at the operations management level recalls the level of coordination and communication required from all departments and all levels of TNZ:

I mentioned that lady earlier ... the amount of work that they did to communicate ... what was happening, once the campaign had been put in place, was enormous. I mean, right from...there was roadshows, updates, they used to do executive updates ... where all the members of the executive spoke in the key kind of cities, and then roadshows went around regionally in between those times ... There was also an awful lot of work with the media as well to communicate what was happening ... to be on TV and newspapers ... and continue communication with ... they developed a magazine called Tourism

News ... I think following Pure NZ was put in place; they then developed the trade site as well...

While there was considerable coordination and communication internally within the different departments of TNZ, it became evident that the part or role played by inter-organisational cooperation in the process of purenz development was limited.

4.3.3 Industry response to limited participation in the development process

It is clear that the process of developing purenz was perceived by most interviewees as “prescriptive” and had a very low level of industry consultation and involvement. Yet when the interviewees were asked for their view on what they thought were the strengths of the process used to develop purenz, this same prescriptive approach was seen by many as a key strength of the development process for a number of reasons.

The view of most of the industry members interviewed was that this prescriptive approach was probably the only way of getting results in a highly fragmented industry. In the words of research participants from two different sectors (tour operation and entertainment) :

... I don't know whether there's any strengths [of the process used to develop purenz] ... but then these things are sometimes like that, you know, if you go out and you ask a committee of people what's the best idea, you'll never get anywhere. So you do need someone to come up with an idea, then you sell the idea and get people to believe in it and away you go...you know, it's probably the way it has to be done.

This industry talks around in circles and never actually gets anywhere, so you do have to put a stake in the ground and say, yeah it might not be the best way of doing it, but ... the industry seems to believe in a diplomatic process and yet it ties itself up in knots because it becomes decision by committee and they would never of got anything done....

A comparative study of the development of RTO websites in New Zealand (Doolin, 2002, p. 16) quotes one CEO of a RTO as saying:

We in fact did not consult, we didn't go out there, we didn't run out with models and try and talk to our industry. We actually just did it ... it sounds awful but I'm not a great fan of consensus marketing with tourism operators, simply because it just doesn't work...especially with the Web. It's a complex tool and to go out and try to actually

involve too many people, too early, is a recipe for disaster.

A leader of an industry association at that time echoed the above when interviewed for this thesis and adding that as the NTO had the funding to do the job, it was 'logical' for them to take responsibility:

I don't think you can build brand and come up with great advertising through committees or you'll just end up diluting just about any concept cause it's not going to work for everybody. So I think, you know, that they were logical in that they had the funding ... they were the logical party to be responsible for developing and delivering. So I think the strength was that there was a small, a tight group of people responsible for coming up with the answer versus trying to do it by committee which would have just ... I think ... we would have ended up with sort of quite a compromised result.

A senior executive from the attractions sector saw the prescriptive process as having been necessary in terms of fairness and because of the large number of small tourism businesses in New Zealand:

Tourism New Zealand also got into quite a lot of hot water when they did partner with Air New Zealand and Air New Zealand was the biggest player, probably still is the biggest player in terms of international marketing. And you had smaller players in the industry saying; well it's not fair It's really hard because we do have so many small operators. New Zealand tourism industry ... it is virtually small operators. How do you involve Ma and Pa Bed and Breakfast Operator in Devonport? And so by being quite prescriptive about it yes we can ... first time around on the website, yes we can list you, but you can only be listed in X number of locations. It's probably the only way to do it.

The NTO may have concurred with this view as indicated by a Board member's interpretation of their role as making decisions for the 'greater good':

The fact that 16,500 industry players have 16,500 separate personal interests ... And so what that means is, you can't please everyone and what that means therefore is that you have to form views about the greater good, which is part of our role, as the destination marketing arm of the government.

Another TNZ Board Member also saw this prescriptive approach as the 'only way' but explained its necessity in the context of the environment of that time:

I suspect that you have to look at that particular period in the broader, historical context. ... often ... adversity is another intervention and I think often at times it takes a crisis for people to be decisive, to get out there and do it and I think that we probably got pretty much the right

answer in terms of 100% Pure in a period of adversity that we possibly wouldn't have got in a period of consultation.

Overall, the low levels of cooperation in the development of the website were perceived as quite acceptable and justifiable by most of the participants in this research. This is contrary to previous studies of destination website development which have raised the issue of lack of stakeholder cooperation as having a tremendous impact on the development of the website. Palmer and McCole (2000) reported on a survey of tourism supplier's websites in Northern Ireland, in which very little cooperation was observed, making the websites less effective than their potential. Other case studies on destination websites (World Tourism Organisation, 1999; Frew & O'Connor, 1999) suggest that the lack of cooperation has an impact mostly in terms of delaying the development and in making the site less effective.

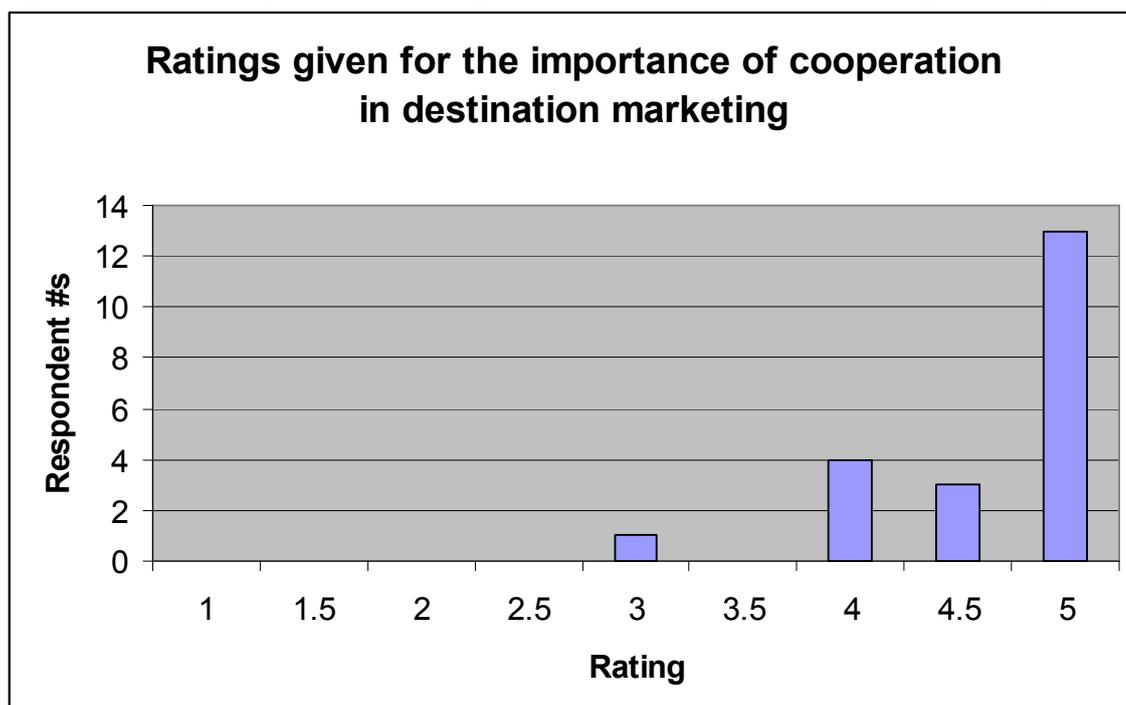
4.4 The value of cooperation in destination marketing

Notably, no research participant referred to stakeholder cooperation, or the lack of it, as having had either a positive or negative impact on the outcome of this destination marketing project. Yet when prompted, these same participants considered cooperation to be very important in destination marketing.

Participants were asked the question, 'On a scale of 1-5, how important do you think is the role of cooperation between stakeholders in the process of destination marketing?' Many of the interviewees did not give a rating in responding to this question. The responses of those who gave a rating are summarised in Figure 4.6.

The majority of the respondents considered stakeholder cooperation to be important or highly important in destination marketing. The mean of the ratings was 4.6. Yet most of these same participants were quite satisfied with and supportive of the limited cooperation used by TNZ to develop the purenz website. The stakeholders interviewed recognized the prescriptive nature of this process and yet were largely supportive of this approach. This seemed to contradict the importance that the same stakeholders placed on cooperation in destination marketing. This contradiction required a deeper exploration of the meaning of cooperation for these NZ tourism stakeholders.

Figure 4.6 – The importance of cooperation in destination marketing – ratings



4.4.1 The meaning of cooperation

As the data collection proceeded, there was a greater focus on understanding the meaning of cooperation for each participant. The responses to this probing were analysed and provide an insight into how there were different understandings of ‘what is cooperation’ and how it should manifest itself in the destination marketing context. From many respondents’ point of view (especially from the NTO) cooperation is about the industry having a shared understanding and acceptance of NZ tourism goals and strategies as communicated by the NTO.

A senior TNZ executive felt that cooperation in the industry was “Taking on board the national strategy and building on it.” A TNZ Board member echoed this view:

... well, we’ve talked already about alignment. That’s what I see to be a big part of the co-operation. I guess it’s support ... sometimes, you know, being able to contribute with dollars and with your own resources ... And then also by aligning your own product, when you do your own business plans to, you know, to make sure that they’re not opposing what the national strategy is.

Another TNZ Board member does acknowledge that cooperation is a two way process,

but is again clearly focused on the industry role in supporting NTO strategy:

Cooperation I think is when you have the industry being totally ... co-operating with the Tourism Board organisation. And vice versa as well ... I mean, the Board has to be confident to know that when they go out there into the world and start promising and offering, that the industry back home is going to deliver it.

A TNZ manager at the operations level suggested again that the industry needs to understand the NTO goals and strategies so that they can align their product to support these strategies:

... I think what we want to have is an industry that understands where New Zealand's heading...and that they feel a part of where we're headed and they also understand why we're striving for the types of visitors we strive for, and you know, that's about having visitors that best...appreciate New Zealand for its culture and its landscape etcetera... so we want an industry... and a group of stakeholders to understand those messages so that we've actually got a sustainable tourism product at the end of the day.

The General Manager of an RTO focused on 'alignment' as well. He seemed to take it for granted the TNZ would take the lead and that "we [the RTO] align with them to get leverage".

This unidirectional understanding of cooperation is perhaps explained by the fragmented and small unit size of the NZ tourism industry. In the words of one industry association executive:

...I mean, you don't often work with [TNZ]as much...I mean, it's great if that happens but it's not the critical point because sometimes you don't have the opportunity to work with, in a commercial sense...to explain this I suppose, I mean, Tourism New Zealand go out there and put a TV campaign in the States, then, you know, ... the Bed & Breakfast in Taihape isn't working with them, they are in spirit though because, you know, they've been involved in the process, they understand why it's happening, they understand who the target audience is, so they're supportive of it. So therefore, yes, you're working with them, but it's in a very detached way..."

From the industry point of view there is an expectation that the NTO's responsibility is to act on behalf of the tourism businesses and to support them. As one NTO manager who has worked in a number of other industries described it:

... it's something that I've never experienced in any other industry that I've worked in and it's ... almost like this umbilical cord that kind of strangles you, (laughing), actually from time to time because yeah, continually ... the travel trade is always coming to us and saying, 'what are you doing for us?' and they sort of stake a claim that we must be doing something for them and we sort of say to them, well look, we provide these forums for you, we provide trade shows, training, etcetera, etcetera but it never seems to be enough ... So I think the problem with identifying what co-operation means is how long is a piece of string? ... Other extremes are that financial end of the spectrum with co-operation including finance and some of the travel operators in the UK, for instance, used to come down on an annual kind of trip to New Zealand and Australia with a large suitcase and collect vast amounts of money from NTOs and RTOs to be a part of their advertising campaigns and fund their bottom lines ...

This emphasis on the NTO as the key organisation responsible for taking leadership action came through in virtually all interviews and is perhaps best illustrated by the following two quotes from interviewees working in the attractions sector and large tour operations respectively:

... the partnership element, really to me, is having a clear understanding ... of how a national organisation...are actually really sort of selling New Zealand as a visitor destination. Having ... the confidence to know that they're out there working on your behalf. You know...for a positive effect on your own business. I mean, ideally, you know, they are there working on your behalf and ... so you know, so their whole responsibility is actually painting a picture that's going to make the operator or the industry look good so there has to be a really tight ...

Tourism New Zealand has to set the base level of activity in every market. I always describe it as ...if we were building a house in North America, we would need Tourism New Zealand to put the foundations in place and build the first floor. Then the industry would come and build the floors on top of that.

Minimal involvement or consultation does not appear to be an issue for this manager of a travel publishing support organisation:

...I wasn't involved in it in the beginning ... I mean, there would obviously be a team in charge of it and I, I imagine it would be a research team or a marketing team. They'd know what's happening out there. And I imagine it would be the various Tourism New Zealand offices throughout the world as well. So we'd know what's happening in their areas as to our destination ... we belong to ITOC and TAANZ ... So we do have meetings a few times a year where

we're able to comment ... and add feedback and that type of thing.

One small tour operator who had not been involved in the purenz development process was asked if he thought a number of people would have been consulted in the development of the website. The response was, "I can't answer definitely but I assume that they did". A large accommodation provider had a similar response:

I think they're much better at communicating now, than perhaps what they were. And I've got every confidence that they go about consulting the industry even better now than what they would've then.

These comments indicate an expectation that consultation does take place but also an acceptance that their particular organisations are not among the stakeholders who would be consulted.

In contrast, there were other participants who see cooperation as a two-way process. A senior industry executive views cooperation as a interactive process which needs mutual understanding and working together to achieve all parties' objectives:

... cooperation is about understanding each others needs and you can't do that without actually some time ...and interaction. ... The definition of co-operation ... basically it is understanding of each others objectives and working together to achieve both parties objectives with the same actions ... I mean you can't have co-operation just because they're nice people ... It's a co-operation because ... we want a result.

Another executive who has held industry association leadership positions suggested:

I think co-operation is around being able to appreciate the objectives of different parties and trying to accommodate those needs in the solutions that are derived ...

and then suggested that at a different level of cooperation was involved in a:

Partnership....more focused on the how are we going to go about this ... so how are we actually going to partner or look into some of these activities.

Jamal & Getz (1995, p.187) define cooperation as 'working together towards some end' without specifying how the parties work together. In this case, TNZ appears to be

saying that they know where they are going and stakeholders need to understand and buy into their strategy and then align their organisation's efforts with the NTO strategy. This approach is not in conflict with the many stakeholders who see cooperation in terms of TNZ taking leadership or acting on their behalf; keeping them informed and providing support to their own business marketing efforts.

However, there are other stakeholders who expect to be consulted in the development of the objectives and the strategy and are willing to contribute resources to achieve jointly developed aims. From what the participants in this research said, it would seem that the meaning of cooperation or what it involves may differ by whether you are the NTO, a passive stakeholder or a more proactive stakeholder.

4.4.2 Cooperation - a necessary evil?

The responses of the participants were further analysed to understand why they considered cooperation in destination marketing to be so important. Two main reasons emerged. The first reason focussed on the interdependencies of industry organisations and the network nature of the industry. A tour operator felt that, "I think the network nature of the industry means that co-operation is inevitable." An NTO official expanded on the need for alignment between the destination promotion and the delivery of the destination experience:

... unless there is an absolute alignment between the work that's being done in destination marketing and the delivery of the product and the experience and all of those things...it's not, it's just not gonna happen
...

An RTO manager focused on the fact that the tourism product experienced by the consumer in NZ is delivered by a number of different suppliers:

... there are very few companies in the New Zealand tourism sector of the scale and size that they can provide everything that the visitor is looking for...So, simply to put together high value, itineraries based on high value experiences the customers are increasingly looking for...it's going to take a degree of co-operation. Co-operation between businesses who are providing some but not all of that experience ...cooperation between regions...again to piece together the various elements of the New Zealand tourism experience and different product offerings.

A second reason why interviewees considered cooperation to be important in the NZ tourism industry is based on the predominance of small businesses in the industry and the need to share marketing and other system costs. In the words of one long time member of the industry:

I think cooperation is very, very important. And particularly because this business is, is typified by so many small businesses ... And so, to me, a more fragmented sector, needs more co-operation ... So actually working together in a market, so that...suddenly instead of having five or six or seven firms spending the marketing dollars and spending the money having people beating the drum and ... they're sharing it.

Two industry association leaders make the same point, though one approaches it from the supplier perspective and the other from the market perspective:

Now people come from somewhere to an airport, in New Zealand's case, mainly Auckland but increasingly Christchurch as well, a few into Wellington, or ... and now, from there, they move through the country using a succession of visitor services and visitor products and ...if those operators can work together and refer people to each other, hand people on to each other, ... collaborate in terms of their marketing...

... we compete in large and remote international markets and...we don't have limitless funds and so co-operation is the best way of making a bigger impact with the resources that we do have. So I think it's...I think the markets that we have chosen to compete in are the things that drive co-operation.

Within the literature on inter-organisational relationships (Jamal & Getz, 1995), exchange theory suggests that organisations voluntarily interact to achieve mutual organisational goals. Resource dependency theory suggests that organisations are forced to interact as they seek to acquire and compete for scarce resources. From the responses of this study's participants, the motivation for cooperation seems to arise very much from a resource dependency perspective rather than an exchange perspective. One respondent, a NZTE (New Zealand Trade and Enterprise) manager, highlighted the lack of scale affecting marketing and also other aspects of the competitiveness of NZ tourism businesses:

... I see that collaboration and co-operation is extremely important for overcoming some of the other constraints that come from a lack of scale so, ...the ability to invest in new products and innovation, the ability to invest in people, technology... and general business systems,

is constrained by that lack of profitability overall which I spoke about earlier.

Holm et al. (1999. 470) talk of resource interdependencies (dependence of two exchange partners on the resources they receive from each other) and workflow interdependencies where, “This conception of interdependence applies in closely coordinated systems, in which each unit performs specialized activities that are instrumental to the achievements of the wider system.” A synthesis of various participants’ comments indicates that both resource and workflow interdependencies are relevant to NZ destination marketing as the following comments indicate:

... I think people ... know that there are lots of interdependencies so ... I’m reliant on the transport network to deliver people to here or I know this coach operator or this wholesaler will refer business so that because there is that strong referral and feeding component to it...

...there are very few companies in the New Zealand tourism sector of the scale and size that they can provide everything that the visitor is looking for ... So, simply to put together high value, itineraries based on high value experiences the customers are increasingly looking for...it’s going to take a degree of co-operation. Co-operation between businesses who are providing some but not all of that experience ... cooperation between regions ... again to piece together the various elements of the New Zealand tourism experience and different product offerings.

Within the tourism policy and development context, additional reasons cited for collaborating include more sustainable outcomes through improved consideration of the wider impacts of tourism (Bramwell & Sharman, 1999). There is no evidence that the ‘wider impacts’ were a consideration in the development of the purenz website. A second reason cited is the added value through the input of stakeholders’ knowledge, insights and capabilities. In the case of the purenz development, the value of stakeholder input was perceived as minimal because of the New Zealand industry’s lack of experience with this relatively new technology. A third reason for collaboration is the greater efficiency achieved through improved coordination of policies and actions. There is evidence that considerable attention was paid to coordination among the relatively few participants directly involved in the development within the NTO and the agencies it had appointed. The fourth additional reason suggested is avoiding the cost of future opposition and conflicts with stakeholders. There is some evidence that TNZ

was concerned with avoiding conflict and getting industry buy in, as the following comments from NTO officials suggest:

... if there are a lot of moving parts in our planning process because we want to make sure we've engaged with the regions in detail and we've got five regions and half of the staff offshore ... we need to make sure that all of those connections happen and ... in terms of formally buying the industry in, the challenge with that, or if you like, the weakness is that we don't have the ability to do a, ... a series of iterations of go out and consult with the industry and then come back and redo it and go out and consult. And so ... it doesn't sort of formally get built in ...

I think it's really important because we do represent them, that's what we're here for.

One Board member elaborated on why TNZ did talk to some people and not others. His response is interesting in that it begins with a statement that others' views are valuable and then moves to the more pragmatic need of having to keep stakeholders pacified:

... one, because I think we believe that others do have valuable views ... two, by doing that, we would increase the chance of public support. I mean, their support in public which is important. So there was good business reason ... and then there's ... the less good business reasons, I would say, which is politics. It's everybody's money, we represent the industry, we represent the stakeholders, the operators to a degree, you know...so even making them feel like they are, like their input's important, you know, if I'm taking the negative view, I mean, and surely there was a bit of that... we are a bit like a committee...because we represent government and we represent everybody else ... and that's the difference, you know, being involved in a government-related organisation like this. You know, it'd be much nicer to say, oh, screw it, we're doing what we like, it's our company, we'll do what we like, but we just can't do that ...

Only two research participants suggested that cooperation or involvement of more people was important because it could achieve a better result. One was a CEO of a support service

... I think a much better result could have been achieved. Number one, by being a lot more ... co-operative or communicative with the whole industry ... And I know that brings problems. You know, George said, well, do you want me to go out there and consult with every...you know, there's seven thousand tourism businesses ... it's not that ... but, it's consulting more widely with, with representative groups ... and I think a lot more could have been achieved if, if they were to accept that commercial operators have a role to play in the below-the-waist delivery.

The other interviewee was working in a relatively junior managerial capacity and has worked in New Zealand for only a few years. In her view

... the more people you have involved in it, from the different ... areas ... the better you're gonna have the website or campaign, or whatever it might be ...

Cooperation is important to the industry mainly because it is a necessity given the limited resources of industry businesses and the government or tax payer funding of the NTO. The NTO officials consider cooperation to be important because they are a government funded organisation responsible to the public and more immediately to the nation's tourism industry. Therefore, both industry members and the NTO see cooperation as a necessity, rather than a process which could add value to the end result. However, there is some evidence, as discussed in the next section that the NTO perspective on the value of cooperation in achieving its strategic destination marketing objectives may be changing.

4.4.3 Increasing cooperation over time

Research participants were asked the question, “*Do you think the level of cooperation has changed over time?*”. In general respondents were confident that the level of cooperation had been improving since the initial launch. A large number of those interviewed from the NTO focused on how the level of cooperation had increased over time:

... you've got to see the project as a continuum and as a continuing and dynamic project...I don't know and I'm not even going to speculate what the level of cooperation and consultation was. I suspect that the answer was that it has increased over time....

From the industry point of view the NTO became more communicative when they realized (at the time of initiating the database) that they needed industry input for the database to have value. In one public sector interviewee's view, “The campaign probably had no great consultation ... while website consultation was to get product sign up...” for the database. Another interviewee, who was one of the few initially consulted about the development of the website, describes how the need for cooperation became clear as the website was developed:

I think they got it wrong initially – they thought they had to do

something very generic just to push New Zealand ... First of all the consumer wasn't wanting that ... But the industry didn't want that either, although at the time I don't think they cared, but then ... they realized that you can't do it alone, it is a partnership ... they have to work with the industry, so they shifted it to more of a link type...when they started ...they got on the band wagon just like everybody else, you know...we must have a website. And they had some money to throw at it and away they went. Then they started to realize that it's not a stand alone, it's a tool, integrated with the rest of marketing....they originally set the site up believing that it had to be very generic, very top-line, about New Zealand and then they did some research and realized that in fact, public using the site were more savvy than they had given them credit for ... and that in fact, the site was being used further down the decision making process, than they had anticipated ... so they had to completely re-look at it and put a lot more tools and a lot more links in, getting back to your alliances, than they had originally thought where it was all just going to be ...

In the opinion of the CEO of a transport company, there was no cooperation at Stage 1 of the website development. Cooperation began at Stage 2 and the value of this approach is now well accepted by the senior management of TNZ:

I think there was no co-operation in the first phase ... in the second phase the co-operation was when it was allowed to be a part of it. And now I think there's very firmly a philosophy that ... at a senior level, there's regular interaction with the industry, there's regular feedback.

The reasons for this improvement in cooperation were attributed to changes in the wider national environment, the industry itself and within the NTO. By the middle of this decade, the NZ tourism industry was more willing to accept NTO leadership and to support it than when the development began in 1999. There had also been an increase in the number of tourism related small and medium sized businesses to cater to growing visitor numbers. It was felt that the general understanding of the value of tourism to the NZ economy had improved especially with regard to its contribution to revitalizing certain regions. In the words of one TNZ official:

... I think the value of tourism's been realised. And, I think the New Zealand public generally...the New Zealand population understands tourism better than they did five or six years ago ... You've got more small tourism businesses than we've ever had ... I think what tourism's done in New Zealand and in some regions it's actually reopened them and kind of re-energised them in such a way ...

There is a greater appreciation within the industry of the interdependence of tourism businesses. A number of people mentioned the NZ Tourism Strategy 2010. The Strategy 2010 was credited by many as having provided a unifying process and vision for the industry as it was developed through a “collaborative effort.” A tour operator suggested, “... we’ve all realised that we’re all playing one small part in a much bigger picture.” An interviewee from the transport service sector suggested this was also true of the NTO:

I think there was a little bit more humbleness within Tourism New Zealand, an acceptance that they didn’t have a God-given right to all tourism. That we were a team and you work best together when you work with players who have an equal, if not more, knowledge of the industry ... with Tourism New Zealand there’s only so far you can take any project. At the end of the day, ... you can help facilitate to get a booking in and get a lovely search engine up ... sorry – website, but... the bottom line isn’t being impacted. I mean, say you didn’t ... say the site bombed. And everyone gets upset and maybe a couple of heads roll, but you know you still get paid, but a lot of the people that they’re working with, who know, they have to get the business in the door so there just didn’t seem to be enough understanding that you can ... go around and make a few floaty decisions and so on, but it can really impact on people, whose business may crumble as a result of poor decisions or poor planning as to how the website looks, what trade show you go to or not and I think that they do seem to understand that a lot more now than they did before.

A number of changes in NTO leadership, staff, and strategies happened at the end of the 1990s. It appears that while working towards launch of the ‘100% pure’ campaign, the NTO executive and Board began working as a cohesive team. A TNZ Board member observed:

... in, sort of the last three or four years ... it’s very much a team of people...of George’s executive work and regional managers...and thinking, working, developing and being ... and then working with the Board and saying, look, well these are our thoughts and what do you think? And that’s an annual process ...

A senior private sector CEO suggests the process of development and the success of the campaign led to greater confidence and clarity within the NTO of its place within the industry:

... I think Tourism New Zealand is now sort of gone from being a wayward teenager that didn’t really know what personality and where they fitted in society ... now into a young adult who’s quite confident

in their own abilities and quite confident in their own ... position within the industry ... I think the big plus of Tourism New Zealand at the moment is that it knows when to leave an issue, it knows when to support it, it knows when to just watch it or observe it ... that some years back, wasn't the case and when they were trying to lead every single issue, it had a major negative impact on both the way the industry interacted with them and the way they perceived it.

In summary, the role that inter-organisational cooperation played in the development of the purenz website was limited in terms of stakeholder consultation and involvement. There was, however, evidence of coordination between NTO departments and supplier agencies to ensure consistency with the overall '100% pure' brand strategy. The limited cooperation with wider stakeholders was because of TNZ's internal constraints at that particular time as well as the constraints posed by the industry's diverse stakeholder profile. The NTO led and dominated approach was seen as realistic and the 'only way' to get things done in the highly fragmented and politicised industry climate of the time.

In general, interviewees suggested that inter-organisational cooperation in destination marketing was highly important. The importance was due to the necessity of being able to align the NTO's destination promotion promises with the delivery of the tourism product by the numerous industry suppliers. Destination marketing cooperation was also seen as important in order to make more effective use of each organisation's limited resources.

There are some differences among stakeholders and the NTO in terms of how this necessary cooperation is achieved and what 'cooperation' means and involves. There is agreement that TNZ has over the period 1999 to 2006 been changing its destination marketing leadership style to include greater role for communication and consultation with the NZ tourism industry. This has been evident especially after the release of Strategy 2010 in 2002.

Chapter Five: The Factors Affecting Cooperation in the Development of purenz.com

This chapter discusses the findings related to the second guiding question for this study: what factors affected the process of cooperation in the development of www.purenz.com.

A number of studies in the area of social partnerships (Jamal & Getz, 1995; Mutch, 1996; Roberts & Simpson, 2000; Selin & Beason, 1991; Waddock & Bannister, 1991) and strategic alliances have focused on identification of the factors which affect successful cooperation (Gulati, 1998; Kale et al., 2002; Parise & Casher, 2003). Table 5.1 summarizes the key factors affecting inter-organisational cooperation that have emerged from these studies of social partnerships and strategic alliances.

Table 5.1 – Factors affecting achievement of inter-organisational cooperation

Social partnership literature	Strategic alliances literature
Recognition of their interdependence by all members of the collaboration	Ensuring complementary strengths in partner selection
Inclusion of key stakeholders	Motives for formation
Benefits of collaboration are clear for individual participants	Trust and communication between partners
Formulation of joint vision aims and objectives	Flexible control /conflict management processes
Appointment of a legitimate convener to facilitate cooperation	

This research sought to confirm if these factors were relevant in the destination marketing context and to identify any additional factors which may be specific to achieving cooperation in destination marketing.

5.1 Shared vision / strategy for destination marketing

The importance of a shared vision or cohesion within the industry came through as an important facilitator of cooperation in the interviewee comments. In the words of one interviewee:

... one of the bigger ones [facilitators of cooperation] I think to me personally would be industry players having a better understanding of how the industry actually operates from head to tail. You get a lot of operators that come in and they start up and they just go with a rip, bust and whirl and then they...they kind of come in to the industry doing everything that's probably wrong, you know, if you don't mind me saying that,...the price-cutting scenario, just...there's just a whole lot of skull-duggery out there. And they have no understanding that for such a small country...if we tidied our act up in this area here, we could really uniquely sell ourselves as a unified destination that's got a story to tell from the top through to the bottom. Every single region being involved and every operator within that region ... having some real buy-in and an involvement in the whole overall marketing campaign to make it work. But we don't have that ...

5.1.1 *Impact of Tourism Strategy 2010*

A number of research participants suggested that this shared vision had been provided by the Tourism Strategy 2010 which was developed and released in 2001. The way one TNZ Board member views it:

In the period prior to the tourism strategy, we were effectively, I think operating in a strategic-vacuum and effectively the strategy was led by '100% pure' branding. So that's one part of the project, but since the strategy's been put in place, what that has done is it has given us a clear sense of priorities which have been by and large, bought into by the industry ... in terms of the leadership of the industry and what the strategy has done, is provided a strategic context, the strategic priorities...

An industry leader at that time described the fortuitous circumstances through which the Strategy 2010 process started:

... the tourism conference was coming up, we invited Jenny Shipley as the Prime Minister to come, she said she couldn't be there so we invited Helen Clark and it was kind of clear to me that there was going to be a change of government. We were pretty much able to write the Prime Minister's speech which caused her to commit on behalf of the incoming government to a range of different things including the development of a ten-year strategy for tourism. And ...that was a

really, you know, again, was it good luck or good management, but it was a real turning point because when the Labor government came in, they were really open to the concept of developing an industry strategy that was a real partnership between the public and private sectors. So that it was industry ... what did we use to say? It was industry-driven and market-led.

The following description from an industry association leader indicates how the process of developing the Strategy 2010 began:

...there were two stages actually to 2010. We wrote up a thing that became known as the purple document which was a thing that TIA led, so we actually wrote the whole strategy and said...and these are the strategic projects ... when the government said, ooh, we like this, ... let's now work together on giving or implementing it, Tourism New Zealand said, ooh no, we couldn't do that because it's not our idea so we had to kind of start the whole process again and I actually remember...it was a good 12 ... 14 months before the 2010 document ... but Tourism New Zealand wouldn't buy into that so instead we had to invest a whole lot of money in employing Gemini to ... take us through a process all over again ... and I remember saying to the Prime Minister at one little discussion about this, it just seemed like, we could have been so much further ahead if we hadn't have had to repeat the process and she said, well sometimes, you've got to pay. You know, there's a price to pay to get buy-ins and this is what it takes.

The development of Strategy 2010 also began with a difference of opinion about which stakeholders should be on the advisory group:

... they [TNZ] were quite grumpy about the whole thing because ... TIA had driven it, ... we had enormous stand-offs with Tourism New Zealand around who should be on the advisory group ... And Tourism New Zealand...felt that it should be them and maybe us, as in TIA, ... we also wanted groups like DOC, iwi and local government ... and he would be like, 'no, we should be the group because it's, you know, our job and they're kind of second-tier'. And our whole position was, no, they're not, they're top-table ... it's as important that these people buy-in to the strategy...

The members of the Tourism Strategy Group included senior executives from Air New Zealand, NZTIA, TNZ, DOC, Te Puni Kokiri, Local Government NZ, Office of Tourism and Sport, Destination Northland and Whalewatch Kaikoura and the chair was the CEO of Sky City. These words of a TNZ Board member suggest that the development of the Strategy 2010 was a more consultative process than that of purenz:

I think that one of the benefits of the Labour government coming onboard was driving the industry towards an overall strategy. It's an incredibly disparate industry with many many players; many of them are very small who feel that they don't have a voice. The development of the strategy process was a perfect opportunity for everyone who felt they needed to have a say, to have a say.

A senior NTO manager's comment encapsulates the views expressed by a number of the interviewees regarding the key contribution of the Strategy:

The most powerful thing the Tourism Strategy did was it gave the industry a collective space to come back to. And that's, I think, quite an important thing for an industry to have. It helps the cohesion.

5.1.2 The links between Strategy 2010 and '100% pure'

The overall direction for the NZ tourism network presented by the Tourism Strategy 2010 (p.ii) was for:

A sustainable yield driven strategy based on growing tourism demand and financial returns while enhancing the quality of the visitor experience and New Zealander's quality of life.

The key principles that were stated as running through this strategy are (Tourism Strategy Group,2001):

- Sustainability – sustainable development is seen as critical to ensure the benefits of tourism will not be short-lived.
- Yield driven – this required that more emphasis be placed on both growing visitor numbers and spend per visitor.
- Maori participation – Maori will play a key role in tourism and will increasingly benefit from the same.
- Public / private commitment – more effective public and private sector partnerships consistent with the Treaty of Waitangi.

A small number of interviewees were familiar with the Strategy 2010. The research participants who did have some thoughts on the Strategy were mostly connected with the NTO, government organisations or industry association managers. At the Board level, one interviewee states:

We are very conscious of the Tourism Strategy and the key pillars that that strategy is built on. Issues of ensuring that the indigenous culture is infused into ... the way in which we represent the country, ensuring that we try to meet that delicate balance between driving foreign exchange earnings and ensuring that the environment, which is a canvas against which the tourism industry is able to exist is carefully and sensitively sustainably managed.

For many of the interviewees from the NTO, the Strategy 2010 and the '100% pure' positioning are closely entwined. An industry operator and TNZ Board member described the link as so close now that it no longer matters that the Strategy was developed after the '100% pure' campaign

They're holding each others hands, I mean, ... one drove the other but I'm not ... I mean, I know one came before the other but one ... It's like the chicken and the egg, you know, the two relate to each other, they both talk about the same strategy. They are ... they are inter-connected. And now we don't know which one came ... I mean, it doesn't really matter because now it's just like this and it does have a momentum of its own.

One of Strategy 2010's recommendations was the development and implementation of a sector wide technology strategy to support sustainable tourism growth and its management. In relation to the marketing function, the technology strategy was to support targeted yield growth; strengthen the brand; develop an understanding of the New Zealand experience; build an understanding of visitors' needs, preferences and behaviours and potentially create one-on-one relationships. All this was to be achieved while promoting efficiency and effectiveness of marketing expenditure (Tourism Strategy Group (2001).

There is some evidence that from 2002, TNZ took the Strategy into account in its decision-making in further development of the campaign and the website. When the target market was defined more narrowly as 'interactive travellers', a TNZ publicity document (Tourism New Zealand, n.d.a) states that this was done for four reasons including:

In order to achieve long term goals as defined in Strategy 2010 which include providing a world class, sustainable visitor experience; developing a compelling differentiated brand; matching brand promise with brand delivery and optimising yield, seasonality and regional spread.

One NTO operational manager suggests that the Strategy 2010 now guides all their decisions:

... Strategy 2010 and that was a collaborative effort by a number of industry players to obviously have a strategic plan for the future of tourism in New Zealand. So that obviously under-pins a lot of the campaign work and ... you know ... that is essential and it's kind of a bit of a guiding principle for us as ... for anything we do, everything is about the Strategy 2010 which was a consultative process with the industry.

On the other hand, an industry association CEO suggests the Strategy 2010 is longer term and wider in scope than the '100% pure' campaign is. In this CEO's view, the campaign needs to reflect the Strategy and the connection between the two is essential:

Well, very important although, you know, the Strategy is about much more than a marketing campaign and at the end of the day, the Strategy's more important because it's talking about the effects and the destination management ... there's some important linkages but, you know, at the end of the day, a campaign's a campaign...and one day it will change. We'll have a new one. As long as it reflects the Strategy...otherwise if we have some form of dysfunctional, you know, linkage, between those two, then we have a problem.

As the following two comments suggest not all NTO managers at the operational level see the link between the Strategy 2010 and their marketing responsibilities:

...the one thing the strategy was relatively silent on was the international marketplace and that was pretty much left to us, so who is the target market, who do we want to attract, what do we have to offer, ... sort of the marketing bit of it...

So the problem I have with the 2010 thing is that it sort of feels so, ... detached from the destination marketing strategy ... but I believe it's under review at the moment. But I think that the two should be much, much more closely aligned. I remember talking about issues about sustainability at work one day, at TNZ, and we were saying, you know, what happened was the Department of Conservation was saying to us, we don't really want you to keep featuring Milford Sound in print adverts and things like that ... because they're under pressure. And I remember the question came up, well, whose responsibility is the sustainability of tourism and it wasn't Tourism New Zealand so I can only assume it's the Ministry of Tourism but they're so detached from the campaign...

The Tourism Strategy 2010 emphasizes that creative linkages between destination marketing and destination management and also more effective partnerships between central and local government and between government and industry will be critical to the success of the strategy (Tourism Strategy Group, 2001).

5.1.3 Vision / Strategy still not fully shared

It seems that this shared vision still has to filter down and reach many industry members as the comments of this interviewee from an air charters business indicates

... I think the bit that's missing is that everyone operates within the boundaries and...what they can do ... I think we could do quite a bit to lift our game....There's level of things that, we've got everything here, wonderful foods, accommodation, people, but we're just not full international standard ... I don't think that's a huge monetary issue. It's just that people just don't know.

Although called a strategy, Strategy 2010 is perceived by some as more of a vision document for the NZ tourism industry. As one industry association leader suggests, it actually had very little focus on how to achieve the goals or how the industry members could be part of the process of achieving these goals

And I guess one of the things about the strategy last time was that it didn't have much engagement at the operator level because it was really about things that had to be done in Wellington ... or last time around, the strategy was about setting up the Ministry of Tourism, getting Qualmark up and running, getting research really on the right footing, ... it was all those sorts of things....

This weakness of Strategy 2010 may explain why most research participants not connected with the NTO or other key players knew what the Strategy 2010 priorities were, or how Strategy 2010 linked with the '100% pure' campaign.

The lack of a widespread strategic perspective in the industry may be due to a number of reasons such as: the structure of the industry; its combination of public and private organisations with clearly defined territories; the limitations of having many small businesses in the industry and also possibly due to the limited number of professionals that the industry attracts. Many research participants referred to the lack of qualified business specialists in the industry and how the New Zealand tourism industry has

traditionally attracted relatively few business professionals. A TNZ Board member remembered:

I mean, the old saying way back used to be, you know ... tourism ... it's not a real job, it's while you're waiting to get a real job you go into the tourism industry.

A long time tourism industry manager suggested that things were changing:

And they've always said tourism is one of the better industries to get into middle management quite quickly. You can zoom up the chain quite quickly. You don't get paid very much, you have to put up with that, but you can ... and increasingly, there's professional courses to take, AUT being a great example, so that you enter the tourism workforce well qualified and can really offer something. In the past, it might've been a little bit by the seat of your pants, but now it's a lot more professional.

An industry association leader focussed on the background of many of the small business members of the industry

But it's ... difficult in the tourism industry, where ...the majority of the industry is small businesses,...who are fairly independent characters, running their own businesses...who might have set up those businesses for any number of reasons. A lot of it will be lifestyle but you know, others it will be because they took the redundancy cheque or, you know, they sold the farm or petrol station or whatever... there's an awful lot of people still come into the industry or train in tourism courses because they like travel ... and it's not really anything to do with travel...You know, they don't have any real knowledge of what tourism is about and yet they're coming into the industry ...a lot of them are not running businesses that are making a good return at the present time ... and some of them, you know, for some of them that's just not their agenda. They're not in it to make money ... They're there for lifestyle reasons ...

A key person, behind the '100% pure' campaign and the purenz website strategy, who was relatively new to New Zealand and to the tourism industry at the time, stated that marketing skills in the industry were rare:

I would also purport to say that the skills in marketing and the intellectual rigor in marketing are almost non-existent. So it's opinion-based marketing And it's very hard to consult in that environment.

Another participant involved in the development process at the NTO described the

difficulties of communicating the new strategy to overseas offices with people in a marketing role:

... because also a lot of them aren't ... necessarily marketing-skilled people ... I tend to find, my experience with working with New Zealand tourism operators and I don't know if it's true for the wider field but ... there was a disconnect there in terms of what they were expected, or what they thought they were doing ... a very hazy definition in New Zealand of what marketing is, so I thought I was coming down to a team of people that understood all of the disciplines associated with marketing and things to me that were incredibly obvious about why you do certain things, whether it was in a television commercial or from a branding perspective with elements of your brand ... I had to go back to the beginning and probably teach every single person that came into contact with the campaign, very, very basic marketing.

The above interviewee added that the biggest hindrance to cooperation in the industry was a "Lack of marketing skills, lack of international marketing skills, lack of ... kind of in general business decision making as well." There was an implication that to facilitate cooperation in destination marketing, the participants needed a common marketing language and knowledge base. Piggott (2001) in her research into RTOs in New Zealand suggests that if there were more marketing professionals in the sector, decisions would be reached more quickly and have greater substance. An interviewee from NZTE spoke of a recent study done on the NZ tourism sector which revealed:

... that ... there were ... significant constraints to the sectors growth overall, ... in terms of ... the business capability, ... so the capability of managers within the sector, the practices employed by businesses within the sector, and in general, the level of profitability of the businesses within the sector ... What I think we found is that, that the sector's been very good at promoting itself internationally ... we've had, you know, we've seen a lot of growth particularly in terms of large increases in visitor numbers, ... over recent years ... but we haven't necessarily seen the same attention paid to business improvements. So, yeah, as I say, it's the general capability improvement and management improvement type efforts ...

The industry seems to have become aware of the need for more people with specialist skills. In the case of the NTO, the current situation is described by one official:

We have a lot of staff who've perhaps worked in a RTO or ... for perhaps a small operator who's come on board. Some come from other industry associations like NZTIA ... so there's quite a range and then obviously there's staff that have not come from a tourism

background but they have the skills for that particular job. If it's an online role, they've obviously got a strong online background and things and ... they pick up the tourism side of things as we go.

However, research participants who were functional specialists and had come into tourism after working in other industries expressed a need for training on how the tourism network is structured and operates before they can be effective. In the words of one TNZ manager hired from outside the industry:

I mean, it took me a long time to understand or even think about the fact that there's inbounders and how they affect the whole product choice and ... yeah, it just never occurred to me until I worked in this job that there were people...I mean, it makes sense now. There's wholesalers in every chain but yeah, I never thought of it until then and it's not until I got involved in this job that I realized about that. So just getting a better grip on the different players in the industry.

Another senior marketing manager in the private sector recalled the time when she moved into the tourism industry and found the industry very complex and confusing and suggests that perhaps some industry orientation or training would have helped:

... I came in to this industry segment called tourism and ... all the people...they seem to make it so mystical. And it all sounded so complex and so confusing ... and as soon as you work out that it's a whole industry in New Zealand based on nothing but relationships, you start to get a clearer picture and if somebody had sat me down very early on and said, okay you are the retailer, there are other retailers out there in Holiday Shoppe type retailers, the inbound operators ... and wholesalers ... if somebody had sat down and told me that from the very start, it would've been a very clear picture about how the...organisation worked, but for six months it's like ... didn't understand where all these pieces fit together and it's really important to see that bigger picture about where the pieces fit together. And it's interesting because I thought quite a few people ... working for me that had been from outside the industry and at first I wasn't sitting down with them and explaining that this is how it works ... and so they muddled along ... as soon as you sit down and say that's how it's going to work, that's fine.

In the view of the CEO of a major transport operation, this lack of an understanding of the tourism industry and network is quite apparent at the operational levels of the NTO and leads to a 'disconnect' between the industry and TNZ:

I think one of the major challenges for Tourism New Zealand is that as an organisation, they employ a lot of people who have never

worked in the tourism industry... I say that with guarded ... in the sense that a lot of them are people who are highly educated ... and who have from their being in Wellington... ended up working for Tourism New Zealand in a structure that's governed more by the ... the public services ... you know, the guidelines for the organisation are more government than they are industry ... as a result I think that as you step down the different levels of Tourism New Zealand, you become more and more removed in terms of Tourism New Zealand in the industry. At a high level, there's a high level of integration...at all the major conferences you'll find the top executives and the next level down but you'll very seldom find someone in the engine room of Tourism New Zealand who's got a lot of tourism experience, who knows the structure and the flow of tourism and that sort of stuff. And so there is, from time to time, a disconnect between the industry and Tourism New Zealand.

There is a need for business skills in the industry, but there also seems to be an indication that these specialists can only make a contribution once they understand the nature of the tourism product and the structure of the tourism network. There is also an indication that this integration of tourism network knowledge with specialist skills is needed from staff working at all levels of the NTO and not just at the senior levels to facilitate cooperation between the industry and TNZ.

The development of the purenz website began as a supporting tactic for the new global destination promotion strategy. The strategic industry-wide ramifications of the '100% pure' campaign were only realised after the initial development. The business professionals who led the development of the '100% pure' campaign and the purenz website had very limited time in which to launch these projects. They were new to the tourism industry and probably had limited understanding of its strategic marketing interdependencies. At the same time the NZ industry did not expect a more strategic perspective from the NTO leaders because of their narrow interpretation of TNZ's destination marketing role as equating to overseas promotion of the destination.

The Development of the *Tourism Strategy 2010* seems to have been a catalyst in initiating a more strategic and therefore more cooperative perspective. However, this perspective has yet to become a 'shared vision' or understanding among all stakeholders or at the lower levels of the industry.

5.2 Shared understanding of the scope of destination marketing management

Marketing's role changes depending on how an organisation (in this case the tourism network) defines marketing. The marketing role can be at the strategic level which would involve having an input in defining the business and determining its mission, scope and shape in addition to formulating the strategy on *how* to compete. At the functional level, traditional marketing activities include sales, advertising, promotion, distribution, market research, customer service, pricing (Webster, 1992).

5.2.1 *Destination marketing equated with destination promotion*

The findings of this study support the observations of other authors (Buhalis, 2000; Ritchie & Crouch, 2003) that the term marketing in the tourism world is commonly used to refer only to promotion. Blumberg's (2005, p. 51) case study research on tourism destination marketing in Nelson/Tasman region of New Zealand found that:

Asked to describe their conception of (tourism) destination marketing the respondents touched but certainly did not embrace the 'new' concept of destination marketing as it has been derived from the literature...

The evidence from this case also suggests that although TNZ was clearly seen as responsible for marketing, 'marketing' was equated with the functional responsibility for destination promotion. In analysing the interviewees' comments to understand why cooperation is important in destination marketing, it is interesting to note that only one participant articulated interdependencies in the tourism network from a strategic marketing perspective:

...we've got an industry where the product itself, what seems like one product to the consumer, is actually supplied by... and there are variations to add up to the whole, right?...So if in marketing we talk about the, the very basic four 'P's ... those are the tools of the marketers. But really and truly, no-one really controls the product in any one organisationNo-one controls the promotion in any one organisation. No-one controls the price and certainly nobody controls the total distribution of the product ... it's a very interesting situation where we...virtually have to collaborate.

When responding to questions related to cooperation in destination ‘marketing’, most respondents’ focussed only on the promotion function of marketing. An example is this quote from an industry association spokesperson:

I think with any campaign ... advertising campaign, you try and keep, I guess, a few surprises up your sleeve. I mean, you go away and you develop it ... we really wouldn’t have had any expectation of being involved in the creative behind a campaign like that. I think it would be ... it’s too much consultation, it’s too hard and they probably would have got it wrong. In general we’re ... very happy and still very happy with the campaign. There’s always little bits that, you know, that you can disagree with but I think it’s been a great success. So no, we’re not particularly concerned that we weren’t involved in the development of it...

This same person did however say that destination promotion has impacts on other aspects of the destination marketing mix:

... it [the advertising campaign] goes obviously much further than that and it’s got to have links right through into the product and product development...

An NTO manager with a marketing qualification and experience in other industries was asked to define destination marketing and the initial response (below) focussed mainly on the promotional aspect:

It’s understanding the consumer need, understanding the opportunity in terms of knowing what your potential market, your customer...potentially would be motivated to buy. Understanding your proposition in terms of what you have to offer. Ensuring that you’ve connected the two so that you have a...a customer who wants what you have to offer. And then conveying a clear message about that to motivate that customer to come and take advantage of your offering. And promoting yourself against other offerings that that customer might choose to spend their money on...

When the same participant was prompted by asking ‘What about the other aspects of the marketing mix’, the manager elaborated on TNZ’s destination marketing role as follows:

... if you think about the four Ps: promotion, yes ...we have an advertising campaign that at its very peak touches people with regard to the 100% Pure proposition but on its own, it’s not the campaign. ... place is critical to us and I’d define place as being the international channel, the travel channel, how to actually buy the thing ...You buy it when you walk into a travel agent. You buy it on the web. Or you get to New Zealand and you buy it by going into a visitor centre so those ... having that infrastructure in place

and managing it and influencing it is critical and we...and I think we do that. So ... the product, what we actually deliver, the quality of that, the Qualmark totally steps into there, understanding what consumers want and what the changing trends in international visitor needs, wants, local trends etcetera and feeding that back to the industry ... Price is the one area that we probably don't have direct influence over as a marketing organisation ... But we work alongside operators who fundamentally have the ability to...they're the ones that put the price on the market. We can influence it by encouraging people to move it up or make sure you're adding value to what you're delivering but that's probably the one that we have least direct control over but it's still, I mean, it's still part of our consideration.

The following comment from a Board member suggests that TNZ is responsible for the promotion and the industry is responsible for the tourism product or experience:

But stakeholders, you know, the stakeholders don't have a lot of ... apart from the government of course, which is the big stakeholder, the others can't contribute a hell of a lot in resources ... not that the industry doesn't contribute but in terms of straight promotion, us and Air New Zealand, cause that's obviously one we haven't talked about yet, but they are the two that are generating it. And I sort of see the industry as one step below that. They are more about experiences and delivering on the promise.

The comments of a private industry Board member focussed on how the NTO's preoccupation with overseas promotion sets it apart from industry operators:

And I just think that an organisation of the Tourism Board, in the industry, should really create that kind of relationship ... where the organisation really needs to get out there amongst the industry ... I think they get so busy and preoccupied and that's fair...hey do get really busy and preoccupied but I just think it's kind of like, you'll always have the disgruntled ... that gap there because of that very thing. You know, there's just not enough inter-facing and interactiveness going on.

A strategic and integrated approach to the destination marketing mix appears to have been missing in the NTO when the development of purenz began. An interviewee from the airline sector who was one of the few people initially consulted about the development of the website describes the more collaborative approach taken by TNZ after the initial launch as due to the realization that the website had to be integrated with the rest of marketing:

... I think they got it wrong initially – they thought they had to do something very generic just to push New Zealand ... Then they started to realise that it's not a stand alone, it's a tool, integrated with the rest of marketing ...

Other interviewees' comments support the above view. Who would deliver on the promise inherent in the '100% pure' campaign and how this would be delivered was not really considered prior to the launch. The ability to deliver on the promise depended on the cooperation of many other stakeholders and this only became a key focus of TNZ after the campaign and the website had been launched. The CEO of a prominent industry association recalled:

...the whole way that the campaign focused on this 100% Pure New Zealand, obviously had impacts on our own understanding of our country and the product quality. That we were suddenly putting lights saying, you know, come to 100% Pure New Zealand and then having the realization that the experience had to match the marketing ... And we always knew that that's actually never possible. (laughter) So ... you know, that's where suddenly I think this whole thing of destination management came along. Well, if we're promising 100% Pure, then we have to deliver that. We have to work with conservation, we have to work with product quality and service standards because you know, it's only 90% or 85%.

The same respondent suggests that the connection or relevance of the '100% pure' campaign took some time to become clear to the industry:

... it talks about quality, ... and therefore other things like Qualmark and the I-SITE network ... have been able to leverage off that. Whether that was devised and envisaged at the beginning, I don't know. Probably not ... I think, but it probably has enabled, as they built off that campaign, to actually make it more relevant to the industry.

An executive from the attractions sector observed that the TNZ communications to the industry was not given enough attention at senior levels because the strategic importance of these developments remained unclear:

It was probably one thing if we'd understood the strategic importance of it at that time, we wouldn't have just let it drop down to minions to feed the information through and they might've got the better result ...

5.2.2 NTO focus moving beyond promotion

The TNZ 2002/3 annual report (Tourism New Zealand, 2003, p. 6) gives an indication of emerging recognition within the NTO of the need for greater cooperation in destination marketing

The Interactive Traveller strategy has also required Tourism New Zealand to influence the way in which the travel trade package, promote and sell New Zealand around the world. In order to achieve greater alignment between New Zealand's international offering and the needs of Interactive Travellers, extensive familiarisations by product planners, regular product updates and development workshops have taken place

The '100% pure' advertising campaign and purenz website were developed as an overseas promotion strategy by TNZ. The promise contained in the '100% pure' positioning had implications for the range and quality of the products, services and experiences offered by tourism providers. TNZ's choice of target market and global branding approach had implications for other NZ stakeholders' overseas marketing strategies. As the wider ramifications of the '100% pure' campaign became clear, there seems to have been a change in the approach of TNZ management (at least at the senior levels) from a narrow view of their destination marketing role to a more strategic view.

NTO leaders' involvement in the formulation of the Strategy 2010 possibly helped bring a realisation that action was required on many fronts in order to deliver consistently the '100% pure' brand promise. The need for additional resources and the cooperation of other stakeholders became apparent. An NZTE executive explained how TNZ approached their organisation for help in 2004:

The ... New Zealand Tourism Strategy, which you'll be familiar with, ... referred to a number of ... issues ... the key stakeholders, including TIA and the Ministry of Tourism initially, saw that nobody really in the industry was responsible for leading work on those capability issues...And where TIA was responsible, they didn't necessarily have enough resource to do anything about those issues...So initially the Ministry of Tourism approached our [NZTE] Board... I think the conversations I've had with TNZ have said that, you know, that's to their own admission, they've got a limited amount of resource, ... they've thrown most of that into, as you say, promotion ... And beyond Qualmark, and the activities that they have there - they haven't, particularly in the last two to three, four years ... invested much resource in those aspects of capability and new product development, of ... value innovation, all of those sorts of things ... has largely been left up to the industry ... And I think they're the first to admit that ... Again, I guess part of that...that partly reflects why Tourism New Zealand's been increasingly comfortable for NZTE to play a role.

The NTO has gradually taken a more proactive approach to influencing the development of quality products and experiences by industry suppliers. The role of their subsidiary Qualmark has been expanded to include quality certifications for not only the accommodation sector but also suppliers of other tourism services. According to a TNZ Board member, the role of Qualmark accreditation is set to expand further:

Re control of product - Well, we can do quite a lot actually...I mean, probably one of our biggest vehicles is Qualmark ...we're a 50% owner with the A.A. so we're sort of underwriting it as it were because it's not a profit centre ... so that's one of the biggest vehicles and I think we've got ... about 1,500 licensees which is still a long way short of ... getting 100%, but we've got the biggies ... so now we're just going through the process of saying, well, ok, what about the others who aren't, ... we're looking at various incentives and using the carrot and stick approach ... So to go to TRENZ in a few years time, you'll have to be Qualmark, to do any of the offshore sales trips that TNZ underwrite and organize you'll have to be Qualmarked, ... To be on the Pure N.Z. site, right at the top, Qualmark ...

Additional steps on this product quality and development front are highlighted in the following comment from a senior TNZ manager:

... our campaign not only ... encompasses the promotional side of New Zealand ... we spend a lot of time ... understanding what ... our consumers are looking for and then translate into developing product ... Well, what we do, is we look at an experience and we've got kind of a, what we call our product wheel and there's, I think there's eight things within that that tells us what people look for in a particular experience ... So what we find out is, you know, ok, what are the products that our consumers are looking for? And then we take some of them and we'll ... assess them within our product research, so what will come out of that is whether that product is satisfying or not. And if it's not, we have a look at what are the factors that are not working ... so is it the fact that the toilets are dirty or whatever else and then we can take that to ...to that operator or to that particular experience we have a team of people that do a lot of work on that. We have a couple of people in our Tourism Development team who work more with ... new tourism businesses, who are looking to understand what they need to do to get into tourism marketing ... in our regional seminars, when we go around the country...we talk to the regions about, well, these are the products that are working and these are the ones that need some work.

Some indication of how long it took for the focus to shift beyond the promotional campaign comes through in these comments from a TNZ Board member's 2006 interview:

...what I've seen recently (*sic*) is an alignment of sort of experiences and strategies below...by operators to align themselves with the promise now, let's reflect what we've got, ... and in some respects ... we're 100% Pure and that was being delivered ... but now it's even more important to, that's what's been promised, well, we need to align ourselves with that, ...in terms of the delivery and I think George [TNZ CEO] is actually quite hot on that one, you know ... we can't ... promise them a nice fresh glass of water and then deliver something with mud in it...So the marketing's got to match the experience. That would be the main area of co-operation I would probably say.

A senior TNZ manager's words seem to reflect some regret at this lost time:

It's difficult because I mean many of the things that you see now, if we were doing at the time the campaign was launched, the things that we're doing now and the industry was aligned and understood and brought into right at the outset, then you'd be that much further on now so...

This move into influencing product quality and new product development is not necessarily one which has support from all stakeholders. One private sector Board member's view is that TNZ's focus has to remain on promotion to bring tourists to NZ:

I like to think of T.N.Z. as totally focused on one area ...You know, we've dabbled a bit in the quality and the rest of it but our focus is getting people here.

An air charters CEO seems to suggest in the following comment the need for a separate body to coordinate these two aspects of the destination marketing mix:

Tourism New Zealand need to sort of stand back a little bit to have an overall, you know, out of the wood for the trees, they'll go out and market New Zealand and ... we'll put together our operations and look after the people and, you know, that works. It probably needs middle, independent consultant type of role...Somebody who can see what the industry's doing and can also see what the Tourism Board's doing and can...link the two. So, I mean, essentially you've got a government organisation and a free-market organisation. So, if you try and put those together, it ... (laughter)

Selin and Beason (1991) found that the recognition of interdependence by all members of the collaboration led to more cooperative relations. Virtually all interviewees indicated their awareness of the interdependencies of organisations in the tourism industry. Although the interdependence is understood by the tourism industry, there is

scope to raise awareness of the extent of this interdependence from a strategic destination marketing perspective. There also appears to be considerable scope to have the interdependencies recognized more explicitly at the more junior levels of the industry as well as within the large number of small and medium tourism operators.

One of the factors that emerge as important in raising awareness of the extent of tourism stakeholders' interdependencies is a common and full understanding of the scope of 'marketing'. NZ tourism industry members still largely equate the term 'marketing' with promotion. The interdependencies within the tourism industry are well understood. However, these are not understood as being part of the destination marketing mix and therefore requiring a strategic and integrated marketing approach to their planning and implementation.

5.2.3 Integration of destination marketing with destination management

The NZ tourism industry has traditionally perceived destination marketing and destination management as two very separate roles and responsibilities as indicated in the portfolio briefing to the incoming Minister of Tourism (Ministry of Tourism, 2002). The briefing referred to the Tourism Strategy 2010 and its recommendation that destination marketing and destination management needed greater "alignment" and that, "...there is considerable confusion in the industry and the government over what the term means, who is responsible and how the proposed alignment can occur" (Ministry of Tourism, 2002, 10).

Destination marketing is the responsibility of TNZ but destination management is seen as being largely controlled by local authorities. As one industry association head points out, this has led to a certain lack of strategic integration:

... I would make a distinction between destination marketing and destination management ... And I think there's an awful lot of destination marketing going on but it's not integrated with an awful lot of destination management ... So you've got out there in New Zealand's regions, a whole bunch of Regional Tourism Organisations who are doing destination marketing but they are often being left to do that in the absence of having a significant and closer role to play with their local authorities in destination management ... And not many towns in New Zealand or cities in New Zealand, have a destination management plan ... or strategy.

A research consultant to the industry views the integration prospects more positively:

We've moved from looking at consumer demand now to looking at capacity and supply issues. The industry association is working very hard on encouraging better business practices to promote yield development. So everybody's kind of got a role and then there's now a regional tourism organisation Regional Tourism Organisation of New Zealand, that's been formed, which gives the regions a united voice. Kind of still waiting to see where that goes but I'm sure it will be successful sooner or later.

The following interviewee from TNZ suggests that ad hoc groups are put together by the NTO or the Ministry of Tourism to deal with major tourism industry issues as and when required:

... what tends to happen is that ... if something needs doing there is a group put together that often facilitates others so for example...the lack of a tourism strategy meant a group was put together that were a facilitation group to bring a strategy to fruition, which is the 2010 Strategy ...

A senior NZTE manager suggests that a more formal collaborative process is needed to enable strategic thinking about the future and that this needs to be driven by businesses rather than the government:

... I think it's important that the role of government doesn't become too strong, is a general statement in that respect...And by that I mean, that...when you bring an industry together...to talk about development and talk about action plans and things...the natural tendency seems to be...these are the issues that we've identified, and this is what we recommend government do about it...Now that's usually relevant to some extent but what it misses is that in all industries... the ultimate change agents are businesses within that sector... So, through the process of engagement and building that co-operation it needs to be very much led by businesses ... and to do that usually, an entity like NZTE or another government agency would need to focus its attention on identifying who are the, you know, the strategic managers, the potential thought leaders within the sector...and bringing those together with, you know, maybe representatives associations ... to have a kind of ... a representative cross-section of the sector but also...one that is, you know, a group that is equipped to think strategically about its future ...

As yet, this case supports the observation of Ritchie & Crouch (2003, p.189) that, "... in the traditional tourism world the destination planning and development function is often not viewed as an integral part of the marketing function." At this point, the NTO senior

management seem to be moving towards a more strategic and integrated approach to their destination marketing responsibility. However, for this approach to work, the interdependent nature of the tourism product demands that the same approach be understood and adopted by all industry members. This shared industry understanding has implications in terms of the acceptance of TNZ initiatives in areas beyond overseas promotion. Also, the variation in understanding of the extent of interdependencies in the tourism arena has an impact on whether the value of cooperation with other stakeholders in destination marketing is acknowledged and recognized.

5.3 Managing stakeholders' diverse expectations of cooperation in destination marketing

A major factor which emerged as having an effect on the cooperation in the purenz development was the NTO leaders' understanding of cooperation and its value compared with that of other tourism stakeholders.

5.3.1 Minimal cooperation at Stage 1 of purenz development

The difficulty of consulting all stakeholders is well understood in the NZ tourism industry and was one of the main justifications given for support of the prescriptive process used by the NTO in the initial development of this website. However, some interviewees while accepting the difficulty felt that there were measures the NTO could have taken to get greater involvement:

... they'd call a meeting, but it was more them telling the industry, than actually asking the industry. And I know they get frustrated sometimes because you know what it's like. You go into a room of a dozen people asking for opinion, you get 12 ... And I don't blame them, but there are ways around that, there are ways that you cope. Get people's buy-in subtly and possibly on occasions they've not done that as well as they could've ...

An airline executive suggested that they could have used industry 'networks' for greater consultation and coordination:

I don't think they used ... there is a whole lot of networks they could have used ... you know, we are all members of different levels of associations and if they needed to run some consultation, co-ordination processes, you don't necessarily have to take it on board

from ... you know individual organisation, you could run it through some of the networks...

A large tour operator suggested a web-based survey in addition to the use of industry associations as mechanisms which could have been used to achieve greater consultation:

... you know, the likes of T.I.A. and ITOC, Tourism Auckland, all those sorts of people could have had workshops and said we're developing the Pure New Zealand website, we're looking for input from everybody...what are the things you'd like in a website or indeed they could have just sent out some sort of survey or a sheet or something or a web-based survey ... rating how these things are important ... then from that, gone away and developed the site ... I'm not sure that any of that was done or how particularly widespread it was done ...

Other participants suggested that the low level of stakeholder involvement in the development meant that the launch initially received less 'buy-in' and ownership from industry members than it could have. The following comments are from the head of an industry association:

Maybe you could say the weaknesses were a sense of ... perhaps a lack of a sense of ownership initially and I think that was because people weren't sure about how to work with that... so there weren't necessarily clear, clear channels of engagement, so this is where you get involved. It was sort of more back at the stage of almost thinking about having a brand manual and this is how you were allowed to use the brand. So you could do this but you had to comply with this, this and this, so it was much more of a compliance-based system than ... really identifying the channels of engagement.

A TNZ Board member suggests that there was a system of confrontation rather than consultation in 1999 when the purenz development began. The result was that the industry members had little understanding of TNZ's long term goals or the rationale behind the new campaign and website:

Yeah, I think that ... clearly I think the point of communication with the industry would have been probably one of the bigger problems ... Back then we had a system of confrontation rather than consultation... rather than walk them through the process from start to finish ... I guess ... inspiring the industry to buy in to the idea ... I think that was kind of like a little bit of a mistake because when [TNZ] did finally launch it, yeah, people just had very little understanding of where it was going to go long-term.

The cooperation expectations of many key industry players were not met and this may explain why one industry leader observed, “I don’t see that other stakeholders at that level have really bought in to it particularly”. The different objectives and perspectives of key stakeholders come through clearly in the following example:

... and the big thing was that Air New Zealand used to say, ‘you should be doing this with us, we do so much destination marketing’ and Ian said ... and I’ve never forgotten this, he said, “people in the world don’t walk into a travel agent and say, where’s Air New Zealand flying today?...they go into a travel agent and say, I’m thinking about going to New Zealand, now how do I get there?” ... So really, what Ian was saying was that, ‘look, you work with us, not that we do what you ... we finance what you want to do’. Absolutely and if we’ve got a campaign that’s going out, if we’re doing television advertising in the UK for example, why don’t you put your ads on television at the same time in the same ad break.

(Interviewer) ... and did they?

No. (laughing) No because they couldn’t get past this, ‘hey, well we want to give you some money and put our identity on the end of your ads’ and then it all gets into, ‘we want this logo there and that airplane up there’ and it’s just too hard.

As has been established earlier, in the initial development of the purenz website, the new NTO leaders made relatively little effort to identify and bring together stakeholders. There was little time invested in interaction and discussion with stakeholders though there does seem to have been some informal interaction with some stakeholders. However, in the words of one interviewee this was more of a necessity than a real desire for input:

Tourism New Zealand ... management decided who they needed to consult or discuss with, so they...grabbed a few of us...and talked to us and...at that time I think it was very much management driven ... whether that was obligation or really wanting input, I think in those days probably obligation rather than really wanting our input.

5.3.2 Flexible and constructive management of conflict

In the course of the interviews, participants were asked to recall any conflicts related to the purenz development and how they were resolved. The examples provided, at times, went beyond the purenz website to also bring in the ‘100% pure’ campaign. In general, participants indicated that they saw flexibility in management and communication as essential to constructive conflict management. For example, an industry leader refers to

the increasing flexibility of TNZ management in taking on board industry feedback:

I think that was resolved by saying that ok, we're working on it. That there was...because the timeframe was so condensed I think people expected that we'd just need to go with this now ... And that in time there was much greater confidence that Tourism New Zealand really would take on board some of the other issues that had been raised ...

Greater interaction with the industry began after the design and development had been completed in order to get industry organisations to register their product / service on the website database. There is evidence that after the first phase, TNZ did demonstrate flexibility on a number of issues in response to stakeholder feedback. Peter Allport, Chairman, TNZ states in the organisation's 2000-01 annual report (Tourism New Zealand, 2001, 4) that:

One of the key areas of activity has been the continued development of our communication with the industry through instigating and developing a number of forums. In particular, our industry updates and regular practical seminars ... These have helped bring together the collective skills of the industry, at all levels of operation, and enabled them to contribute to how we market New Zealand offshore.

According to the description of one TNZ official who was directly involved with the development:

I'd actually say there wasn't a lot [of cooperation] at the outset but I think there's been a huge amount subsequently. That's probably.. what's led to a lot of ...the fine-tuning of it, in terms of the way we've changed...the way we deploy it. I mean, 100% Pure N.Z ... if you take that as a strap line and you say, well, righto, what was involved in industry consultation in that ... very little. But the 100% Pure N.Z. campaign which is everything that Tourism New Zealand does from the website, I & P, trade training, advertising, print etcetera and the way that's deployed now ... there's huge industry input into the specifics of that and that's why it looks very different now and it's deployed quite differently in different markets, than it looked five years ago when it was launched.

The site developers, Shift, had strongly advocated the need for a database of service providers for user convenience and to give the site credibility. Existing online private websites provided databases but mostly specialised in particular sectors such as accommodation. It was felt that the site needed to back up information about activities with links to providers for user convenience. Though not originally the objective, the

site developed into a portal. When the core database was announced, industry members raised a number of issues. Existing commercial sites (e.g. guide books, information providers) feared competition. As a result the word limit of the listings was deliberately constrained:

There's like a 100 word limit to what you can actually write for the intro or there's like a 60 word limit for the intro and then there's a 160 word limit for the actual body of the description of the service ... for the people that register and that was deliberately constrained so it wasn't seen as offering such a great service that people like Jasons and AA wouldn't be offering additional functionality.

The fact that listings are free and open to any business in the industry raised issues about the quality of the products / services which could now be accessed through this portal. As a result, TNZ undertook to call up all applicants who registered to check if they were a reputable operation:

... there was criticism that it was free because within the industry there was a sense that if you didn't charge for it then there was ... if there was no barrier to entry, then there was no assurance of quality of listing ... right ... anybody could chuck a listing up and that's why tourism [TNZ] literally vet every single entry on that database ... they had a person that their full-time job ... just about, is to actually ... when new people registered for that database, they call them up and they talk through their listing with them and make sure they're in the right category, that they are answering the phone, that they appear to be a reputable operator, if they have concerns they may contact a RTO to make sure that this is a kosher operation and so those things which are real costs but very important ...

In addition to the competition and database credibility concerns, there were overall issues raised about the campaign not representing the range of New Zealand experiences; regions and people. Over a period of time, TNZ did extend the campaign imagery to take on board some these concerns. In the words of an interviewee who led a major industry association:

And so I remember, it must have been before the tourism conference in Queenstown that year, going down to Tourism New Zealand and seeing some of the initial 100% Pure concepts ... I guess great creations don't need to take years and years and years but ... my recollection is it was quite a limited space of time within which this had to be cracked. I felt at the time, when it was launched that it was a very one-dimensional campaign...it was really all about clean and

green and at that stage ... I used to talk about things like the need to integrate a cultural element and not just meaning our indigenous culture but culture in the form of art and design and fashion and food and all of those aspects of the visitor experience. But that wasn't really embraced for quite a long time by Tourism New Zealand.

A senior TNZ manager recalled the relative lack of importance given to indigenous culture as being highly controversial:

... certainly that lack of Maori cultural element was the most controversial aspect of the campaign when it was first launched. Mike Tamaki was the guy –... I'm not sure what he said, but he said something in Maori – was clearly a protest, and he's now on the New Zealand Tourism Board ... he's now a Board member, that's an indication of how far we've come.

One support service manager was happy that the initial focus on the South Island was subsequently balanced with more from the North Island:

I was one of these very very strong opponents of pure scenery – I'm a great people photography person, I would see the people so ... they probably didn't go far enough for me in terms of people, so I was very happy with that. I did think that there was a strong South Island focus and they seem to forget the wonderful and dramatic scenery that we have in the North, but they seem to have corrected that. I'm happy.

From the TNZ point of view, some of the criticism or opposition arose from organisations that had a vested interest in the previous NTO approach to promotion expenditure:

Moving away from joint ventures [promotions] upset quite a few industry members used to TNZ financial support. With time and the success of the strategy they came around.

The initial criticism or feedback arose largely from a lack of understanding. At this stage, the importance of clearly communicating the rationale behind the change in promotional strategy and the anticipated benefits of this change became clear:

... trying to explain the benefits in a very positive way was important and just going back to the basics and saying why have we moved from this model to that model, was really ... so overcoming criticism was a very much using a learning process for those people criticizing. Unless they could substantiate their criticism in a certain way, that would be quite different but I think generally most of the criticism came from just lack ... from ignorance really.

Another issue that seemed to have caused some conflict in the industry was how strongly the brand is being policed:

I know as an RTO that we were, in the very early days, very keen to get behind the campaign and adapt it, use some of the imagery and the brand and impart that into our own marketing and promotions.

A large tour operator described TNZ as a "... fierce custodian of Pure NZ" and suggested that "... That's why you don't see it [the brand imagery] widely used in industry brochures." Control of the brand to ensure consistency in how it is used is a standard recommendation of most branding authors (Dhar, 2007; Keller, 2008). However, as TNZ is publicly funded, it can be argued that the 'pure NZ' brand is public property.

Frew and O'Connor's (1999, p. 11) suggest that in the context of website development "... the most difficult challenge seems to lie in addressing the *stakeholder issues* explicitly, effectively, and in advance of the implementation programs." However, even the post development flexibility on the part of TNZ management seems to have contributed considerably to managing stakeholder issues in this particular case. An industry association manager confirms the increasing two-way interaction after the first stage of development and attributes the successful outcome to this interaction:

... I guess Tourism New Zealand in their campaign made sure they, even though they didn't work with the industry in the creative, once it was launched and the roll-out and the development...has been very, very close indeed. And that's probably been why it's been reasonably successful.

This view is more in line with Yablonsky (1990) and Sharma's (1998) findings that ongoing management of operations and interactions is perhaps most critical to the success of an alliance.

5.3.3 *Managing diverse stakeholder expectations*

As the following comments illustrate, some ambivalence remains within the NTO at both operational and strategic levels as to the value of the process of stakeholder consultation and involvement in destination marketing. At the operational level, one NTO manager was of the opinion that prior consultation would only delay action:

And once they'd got over their initial, 'you didn't consult with us', ... they could see that the message was so simple and so versatile and useable and there were opportunities made available to them to then get...be a part of the campaign so you know, every time you go offshore, ring us up, we'll give you materials on the campaign. You can go off to the US with your 100% Pure bag and jacket and be proud of that and they really got behind it then but prior to that there wasn't a huge degree of consultation because I think it just would have held up, help up actually getting something out there into the market.

A TNZ Board member wondered if the process of consultation contributed more to unity or if the successful results of a destination marketing strategy had more impact on uniting the industry. In his words:

... is the cohesion achieved because more people are consulted with or is the cohesion achieved when something is successful?

One private sector operator suggested that the NTO had gone through three stages of cooperation since the end 1990s with Stage 1 of the process development having very low consultation followed by gradually increasing cooperation. In this interviewee's view, the NTO is currently operating at all three stages of cooperation. The level of cooperation varies with the level of the staff in the organisation:

... but I will say, that I still believe the further down the food-chain you go in Tourism New Zealand, the further back in those three stages you go. And I'd go as far as to say that at a lower level in Tourism New Zealand, that organisation is still at phase two, ok? ... I think the senior personnel are very much at phase three but I think that lower down, there's still very much a phase two....And they still don't see themselves as support actors ... they still see themselves as the lead actors ... as you go down the tree in Tourism New Zealand, you definitely change in terms of your interaction with them and the level of co-operation. And I mean ... I have e-mails from the executive members of Tourism New Zealand and the tone, the language in them, is very much stage three. And I have e-mails from people further down the food-chain and it's almost stage one....

From the perspective of the New Zealand NTO, there is a need for different approaches to cooperation with key stakeholders and other stakeholders as illustrated by the following quote from a TNZ Board member:

If you see that every person who sees themselves as being involved in the tourism industry as a stakeholder, and quite rightly they can see themselves and they're talking 16,500 businesses ... then there are a lot of stakeholders. So the first thing you've got to determine I think is who are the stakeholders and then more importantly, who are the people to whom we should communicate and who are the people we think we should consult ... So I think consultation with key stakeholders is critical. And I draw a careful distinction between consultation and communication. I think ... communication with the balance of the stakeholders, who are not key stakeholders, is very very important.

Interviewee comments indicate that these different approaches are recognized by the industry members. The following quote is from a senior manager who was working with Air New Zealand when the purenz site was first developed and launched:

... I think they needed Air New Zealand and they needed the airline alliance and so they had to be nice to us, because otherwise you know it could be on very shaky ground. I think if I had been a smaller operator, wanting to be involved, I could've been dismissed a little bit as a fly on the wall....but as I say, I was a very big organisation, so they ... wooed us .. but I did get feedback from others that it wasn't quite as straight forward for them and they'd think, wow I'd love to use that image in my marketing ... oh no you don't ... I was probably in a fairly privileged environment and we were actually asked our opinion as well, whereas I think other people felt that they were just told this was the new campaign.

The different amount of involvement of key stakeholders is in line with the thinking of many academics that focus on the fact that stakeholders must “have the resources and skills (capacity) in order to participate” (Jamal & Getz, 1995, p.194). Gray (1985,) suggests a legitimate stakeholder is anyone who is impacted by the decisions made on that domain and thus has a right and capacity to be involved in the decision making. Some authors suggest that it does not appear that all stakeholders must participate although the extent of participation can have consequences for outcomes. Although all stakeholders may not be included, it seems important to include all key influential stakeholders (Fallon & Kriwoken, 2003; Wood & Gray, 1991). Gray (1985) suggests,

non-inclusion of key stakeholders can contribute greatly to the non-adoption of the outcomes of collaboration.

Sheehan and Ritchie (2005) seem to take for granted that just as most organisations have primary and secondary stakeholders, this is true of destination management organisations and they need to be managed differently depending on how ‘salient’ they are to the DMO. They cite Savage et al. (2005, p. 716) as suggesting that “management efforts be focused on minimally supporting the needs of marginal stakeholders and maximally supporting the needs of those that have high potential for cooperation....”

On the other hand, as Sautter and Leisen (1999) point out, stakeholder theory is very normative and each stakeholder is expected to be treated as equally important regardless of relative power or type of interest. Faulkner (2002), in discussing his ‘whole of a destination’ approach to destination strategic planning, suggests that inclusion of all stakeholders is crucial to achievement of sustainable tourism objectives.

Thus there are two seemingly distinct camps on how to deal with stakeholders. One camp suggests all need to be treated equally, and the other that the focus has to be on key stakeholders who have the resources and skills to participate. The evidence from this research suggests that NZ tourism network members are quite used to the second approach and mostly quite accepting of the necessity for the same. In the process of explaining their understanding of cooperation, the following phrases were commonly used by participants to describe what cooperation involves: bringing together key stakeholders; time and interaction; open lines of communication; discussing things; accommodating different needs in the solutions and feeling a part of the process.

Buckley and Casson (1988) raise the point that there is a need to distinguish between cooperation as an input and cooperation as an output. It is an output when the arrangement leads to greater trust between the parties and therefore reduces the transaction costs of subsequent ventures. Using data from 139 companies of the Spanish optical sector to study organisational learning, Cegarra-Navarro’s (2005) results indicate that organisation learning is unlikely unless it is actively fostered among partners and:

People will take the time to understand and work through partnership differences to the extent that they feel valued and respected for what

they bring to the relationship. Respect that builds trust begins with an assumption of equality: all parties bring something valuable to the relationship and deserve to be heard.

A review of the progress in implementing the Strategy 2010 was prepared by the Ministry of Tourism (2003) in partnership with the Minister's office, TNZ, TIANZ, Tourism Research Council NZ, and ITOC. Evan Davies, then CEO of Sky City and the chair of the Tourism Strategy Group is quoted in this review (Ministry of Tourism, 2003, p. 5) as saying:

I believe the industry has benefited not only from the implementation of the various Strategy recommendations *but also from the process itself* [emphasis mine]. Tourism competes on the basis of a unique product. It is a product that is made up of not only every element of scenery in New Zealand and every activity but also, in fact, every New Zealander. As a consequence it is vital if we are to continue to be successful as a destination that stakeholders subscribe to a mutually acceptable approach. I believe one of the enduring benefits of the Strategy is that in its development, representatives of a wide range of industry stakeholders brought to the table their (at times conflicting) views. For the Strategy to be agreed we all needed to increase our level of understanding of, and empathy for, the views of others. This was beneficial to the industry at the time, and in my view has continued to be so since.

The output aspect of cooperation seems to be important if taking a more long-term strategic perspective of destination marketing and probably needs the involvement of all stakeholders. Through the process of working together, knowledge transfer is likely to occur and stakeholders are more likely to develop an appreciation of the full extent of the interdependencies in the tourism network and their roles in destination marketing. On the other hand, if cooperation is sought as an input in a tactical destination marketing project, it may only need the involvement of key stakeholders for the project to succeed.

5.4 The clarity of central organisations' roles and responsibilities in destination marketing

Another factor which is seen as important in facilitating cooperation in destination marketing is the clarity of roles of central players in the tourism network. This is

supported by findings from Dredge's (2006, p.576) Australian case study research in which she states that:

The lack of institutional clarity in terms of roles and responsibilities for implementation meant that many network actors did not have a strong commitment to the process.

In this case, as one interviewee put it, when the development of the new global strategy began, there were

Lots of groups doing a lot of talking and not a lot of action ... lack of clarity of roles. And I think that what Murray McCully [then Minister of Tourism] did ... for Tourism New Zealand was the best thing that could ever happen to them because it actually catapulted them ahead as being the leading organisation in tourism....

The confusion between the destination marketing roles of the NTO and TIA seem to have been perceived as especially critical in the context of the troubled and rather dysfunctional state of the network immediately preceding the development of the global campaign and the purenz website. A current TNZ Board member describes the tussle for leadership between TIA and TNZ which preceded the change in TNZ leadership and '100% pure' launch

I think when there was no real leadership coming out of New Zealand Tourism Board...the industry were looking for, you know, they were looking for leadership. They were looking for good, strong, visionary leadership going forward and I think back then, in those days, you know, when the Board was going through its deepest, darkest hour, the industry looked at TIA for that leadership, to play that leadership role ... however ... I don't really think that it was ever going to be TIA's position to take the leadership role ... you know, they're an organisation that are really looking after the interests of the operators. They are the voice on behalf of the operators. That's what their job is.

One private sector interviewee suggests that it was this tussle which largely led to the relatively authoritative process by which TNZ developed the purenz website and the overall '100% pure' strategy:

... at that stage, Tourism New Zealand was very suspicious of the Tourism Industry Association ... Tourism New Zealand saw themselves as the custodian of the industry and the Tourism Industry Association were set up to represent the ... operators and it's effectively a lobby body . their job was to influence a wide range of government policy that impacts on the tourism industry. And that's everything from occupational health and safety to employment law to

... environmental law ... to tourism ... and so the relationship between the two was quite fractious so Tourism New Zealand very sternly took a lead on this. They structured it, they drove it, they launched it, they told the industry how it would work and how they could participate.

5.4.1 *Emerging clarity in roles of central players*

The central players from the destination marketing point of view were repeatedly identified as TNZ; TIA; ITOC; RTOs and the Ministry of Tourism. It seems that a clear differentiation between the roles of all these organisations has developed. The research participants had a fairly consistent understanding of the roles as summarised below:

Table 5.2 – Roles of organisations identified as central players

Organisation	Role within the tourism industry
Ministry	Government policy relating to tourism
TNZ	International marketing
TIA	Umbrella membership organisation which represents operators from all tourism sectors and has an advocacy role on their behalf
ITOC	Deals with the “nuts and bolts” of delivery
RTOs	Promote the region Keep ITOC/ TNZ informed of regional & product developments; Offer trade and media support

The increasing clarity of the central organisations’ roles and relationships combined with emerging consensus on the goals of the network (through the development of the Strategy 2010) suggests that NZ tourism is moving from an informal unstructured network towards a network where the governance is more structured (Inkpen and Tsang, 2005). The creation and clearer separation of roles of the Ministry and TNZ was perceived as:

... quite a relief for the existing Tourism Board because having a Ministry of Tourism there, I mean, those guys are the ones that... are constantly advising the Minister ... of in-house politics and also policy making of the tourism industry ... They’re also heavily involved in the bidding for funding for ... tourism in New Zealand. They get partially involved also in some of the affairs and issues of the New Zealand Tourism Board in terms of market-spend and that

sort of stuff which I guess is a necessity for an organisation like that especially when they are accountable directly to the Minister.

5.4.2 Further scope for clarity

Interviewees, however, still expressed some confusion about the role of RTOs, possibly because there are so many of them and their size, funding and structure varies considerably. Tourism Strategy 2010 contains forty-three 'key recommendations' of which a large number relate to Regional Tourist Organisations. The recommendations call attention to issues such as the need for clear boundaries for RTOs as well as the problems of their governance structures and funding (Zahra, 2004). The Strategy 2010 also suggests that fewer RTOs are needed. However these recommendations have yet to be implemented.

As one RTO head explains there are around 28 RTOs now "...of which the top six have around \$1.5m budgets with others ranging between \$30,000 to 700,000 ... " For each RTO the mix of international and domestic tourists varies. A private operator from Rotorua suggested:

RTO's ... they're an unusual kettle of fish these guys ... you know, I think that their core responsibility is basically marketing the region. How they're doing that is in so many different ways, just ... I think they're all sort of out there, you know, trial and error kind of thing, you know ... because New Zealand is such a small country, I think that, you know, what they're doing is segregating the whole North and South Islands up in to so many different regions and then really fighting against each other for market share ... I get the feeling the RTO's are marketing their region but there seems to be a bit of an overlap, I mean, a large focus is domestic tourism but there's also considerable amounts being spent on international markets. I think there's more spent on international than what there are domestic ... Well, international is more sexy isn't it?

The roles of the different organisations are possibly clearer to the more central players in the tourism network who are actively involved in destination marketing than to all stakeholders. As an industry association CEO points out:

I think in the mind of some stakeholders, it's still confusing, it always will be, you know, it's very hard sometimes, if you're at the sharp end of the business and trying to understand the differences between national organisations who all seem to be doing the same thing ... but I think to be honest, to the major players, it's as clear as it's ever been

... and the collaboration's been as strong as it's ever been.

Although TNZ is now clearly the organisation responsible for leadership in destination marketing, it is still only implicitly recognised by most participants that all tourism organisations have a role in destination marketing. For example, an operational manager at the NTO explains how the NTO interacts and works closely with many organisations for destination marketing purposes:

We all work very closely together on a range of different...projects. For us, NZTIA are obviously our partner with TRENZ and that's ... one of the biggest tourism events in New Zealand if not the biggest, so that's a joint partnership arrangement. ITOC is ... an association we work really closely with in terms of a) keeping the inbound tour operators up to speed with what's going on internationally and in return they keep us up to speed with their own feedback ... The Ministry work with us on a number of obviously more issues-related things ... policies, you know, some of the more high-level government issues ... all of those groups understand that our role is in international marketing and it's about our international relationships with key partners that feed into a lot of what they do, so, for TRENZ for example and NZTIA, our role is about getting the international buyers into the New Zealand event and they organize the New Zealand industry component of that.

Another TNZ operational manager describes how the NTO constantly works with tourism operators to promote the destination to overseas media and wholesalers through familiarization tours:

... a number of basic places that we work hand-in-hand with tourism operators...the "famil" [familiarisation] programmes that come down from the travel trade, you know, travel trade will come down here to "famil" New Zealand, we've got to work very closely with individual operators who deliver that ... And likewise with the international media programme that comes down here, so there are heaps of places where you'll work directly alongside with the industry.

Not all the research participants see all stakeholders as integral parts of the destination marketing process, unlike this interviewee who had worked with TIA and describes the organisation's role in destination marketing as follows:

... one very direct role and ... then kind of more subsidiary roles. The very direct role was that we managed TRENZ ... Tourism Rendezvous New Zealand,...it's our big international trade show where we bring buyers down from ... or wholesalers down from all of the offshore markets to meet with all of the sellers of New Zealand product ... it now attracts about 1700 delegates over a three or four day period and so it's a

massive trade show. So we managed that on behalf of the industry... More indirectly it was about things like ... promoting business excellence and saying for us a destination to go out and make these marketing promises, we have to deliver to a certain standard, in a certain distinctive style, so we engineered the Tourism Awards process so that it was all about upgrading the quality of the product, including the experience, the customer experience, ... getting people to think a lot more about their marketing and marketing processes, ... making sure that the businesses were financially robust and sustainable and that sort of thing ... And then you could kind of go ... I mean, I guess, you could say that almost everything we did contributed to destination marketing ... And that's taking a really holistic view of marketing as opposed to ... promotion.

On the other hand, this past NTO executive's view of the TIA role in destination marketing seems to be influenced by traces of the earlier TIA / TNZ leadership tussle or possibly a more narrow definition of destination marketing:

I mean, the industry association is an industry association ... It represents its industry and lobbies government for certain things ... I did not see that as a marketing arm whatsoever...ITOC, inbound tour operators, is a far closer alliance of course because they, they to an extent are the aggregators of product ... and as such have a far greater impetus or a far greater influence on the marketing and the distribution channels. They are the ones that are negotiating the discounts and the payments and making basically the commercial transactions happen ...

The following ITOC member had some trouble articulating the organisation's link with destination marketing, considering that the latter term is commonly used by the industry to refer only to promotional activities:

"ITOC? ITOC's an unusual animal. It always kind of has been to me ... like, you know, eight or nine years ago it was the old boys club ... but I guess, from a broader perspective, ITOC is the organisation that ... they do have influence and clout out there ... in the whole, you know, distribution chain. So I guess their strength is really ... protecting the industry from ... you know, it's just slightly sort of a broader perspective. It's ... sort of ... directly linked with distribution I think, you know...

The 'role clarity factor' has been important from the point of view that TNZ has clearly emerged and been recognized as the organisation responsible for international 'destination marketing'. This clarity is seen as important to eliminate or minimize the type of conflicts within the industry which had arisen at the end of the 1990s. The

2002-3 TNZ annual report (Tourism New Zealand, 2003, p. 10) categorizes its activities that year under various headings (Table 5.3).

Table 5.3: TNZ Activities (Source: Tourism New Zealand, 2003, p.10)

Consumer Advertising
Internet
Events
Public Relations
Marketing Research
Trade facilitation (e.g. travel shows) and Education (e.g. on promoting NZ)
Market Support Offshore
NZ Market Support
Stakeholder Communications (to promote a wider understanding of tourism developments and issues)
Product Development (working with the tourism sector to develop and enhance products)
Tourism Strategy and Development

The overwhelming focus in Table 5.3 is on promotion related activities with some emerging understanding of the need to involve industry in destination marketing. It is very much a scenario as described by some authors (Buhalis & Spada, 2000; Frew & Connor, 1999) where the private sector is still unsure of and confused about what is included in the destination marketing responsibility of the NTO and also what part they themselves play in destination marketing.

5.5 Communication with domestic and overseas stakeholders

Communication is another key factor which comes up in the literature as related to successful cooperative arrangements (Bjork & Virtanen, 2003; Selin & Myers, 1998). This was the case in this study as well. As one private operator stated, “Well, its just communication isn’t it? Bottom line. Talking, networking, communicating, yep.” This was also the gist of the following comment from a TNZ manager:

... I think, you know, it's good communication at the end of the day. I think if people feel involved and kept up-to-date with what's going on ... that helps to facilitate a bit of action ... it helps ... us to get access to more regions. If we're communicating with them about what we're doing and, you know, it's a two-way street in terms of communication flow, so, I think good communication is absolutely key to good facilitation of what's going on.

An industry association leader suggests insufficient thought and resources were put into communicating the '100% pure' strategy to the industry:

... well, communication does and leadership certainly does...I think it, it's been a bit hard with this first part of the strategy that exists at the moment because it wasn't ever clear how it was to be communicated to the industry....everybody sort of went away and did their own bit ... but nobody really had a ... nobody was given a recommendation around communicating the strategy ... and you know, getting understanding of it ... There wasn't a recommendation to do that in the implementation plan or some money to do that ... And I think that was ... a failing.

5.5.1 Two-way communication

There are suggestions from other interviewees that, in the context of this case study, it was the two-way aspect of the communication which was the major weakness.

I know we get a lot more Tourism New Zealand people coming along to the ITOC conferences and to our meetings as well but I don't know how much consultation actually goes on. I think it's more them updating us on what's happening in the global market than actually things coming from New Zealand going back to them to say, we want more of this Tourism New Zealand and you know, we want more of this and less of the other and ... whatever ... that doesn't happen.

In NZ, the one clear point for industry to have an influence on destination marketing strategy is through membership of the TNZ Board or through informal networking with Board members and senior executives. In contrast to the late 1990s, the current TNZ Board with its largely private sector members is perceived by most interviewees as giving the industry a say and control of the destination marketing activities of the NTO. The CEO of an air charter operation suggests that access to the Board is not easy:

... the tourism board is seen as the pinnacle and everyone sort of looks at it ... it's been quite difficult to get access to the Tourism Board to start working with it ... could be a little bit more openness ... or a little bit more accessible ... a little bit of a path ... that is

acknowledged ...

The above comment suggests that the TNZ Board, as the only mechanism through which stakeholders can influence destination marketing decisions, may not be sufficient.

As Hall (1999, 285) suggests, it is worth considering:

At what point does tourism industry membership of government advisory committees ... represent a 'closing up' of the policy process to other interest groups rather than an exercise in consultation, coordination, partnership or collaboration?

5.5.2 *Two-way responsibility*

One of the difficulties in effective communication with all stakeholders, repeatedly acknowledged by research participants, is the number of small and geographically dispersed operators within the NZ tourism industry. Communicating with and reaching all members requires multiple channels and multiple communications. The NTO's efforts in this area have increased, especially when compared to the state of affairs at the end of the 1990s, as one official describes it:

... [TNZ] organizes those regional workshops I was talking about before, so that's really one-on-one, face-to-face with people out in the regions who might never make the trip to Auckland or any of our Wellington or Auckland based activities. They might not go to TRENZ or they might not go to the...Tourism Conference. I think those other things also help ... Tourism Conference ... the corporate website ... and the whole role that the corporate communications team plays in those tourism workshops.

A private sector TNZ Board member suggests that while most of the onus for communication was on the NTO, the industry was also to blame to some extent as they did not readily accept the new TNZ leadership:

But you could sort of take it two ways though; you know...it's a lack of understanding...where I think the Tourism Board probably could have done a lot better in their communication ... And it's all about inspiring ... people to see the same thing that you're seeing ... that's what leadership's all about. And on the other hand also, ... industry ... was to blame as well I think, yeah ... The Tourism Board had a hard job to begin with, or specifically the new CEO ... not only had to sort of really gain the confidence of the industry with ideas going forward but you know, they also had to come, yeah, out of a real dark hole ... And work twice as hard to gain the industry's respect and confidence.

A shared vision or strategy was discussed earlier as a major factor in facilitating inter-organisational cooperation. Communication is usually an integral part of achieving a shared vision. However, an industry association leader suggests that most tourism operators:

... are not buying into the notion that the whole is greater than the sum of the parts. So that ... people are still quite inward looking and think that they're competing with the motel down the road ...

The view of a private sector TNZ Board member is that the general small operators' business focus is such that they have no understanding of industry strategic goals:

... I think the ... Air New Zealand's and THLs [Tourism Holding Ltd.], yeah ok, and then I think even the medium operators...who are companies of our size of about 30-40 employees, I think once you get down to the under-10's, ... the goals and ... no ... these guys are not well-educated. I mean, I'll make a rash generalization here...a lot of them are doing it for lifestyle...they've been made redundant, oh like, "hey that's a good idea, I'll go and start up a Bed and Breakfast in Akaroa," ... so I think really that the focus becomes more on tomorrow than on five years away, definitely.

The same interviewee gives an example of the limited proactive use of the trade part of the TNZ website which has, "... a lot of stuff on there ... and a lot of these small operators just ain't got the time or the nous to be honest." Another TNZ Board member echoes the above

... this industry is made up of a squillion little companies...and it's very difficult to communicate to all. And there are, no doubt, thousands of operators out there who really don't understand what the hell we're doing. And, and that's very difficult because we all want them to but they're busy doing their thing and they might only have three rooms and going off to conferences or reading strategies or talking to us is not part of their agenda.

An executive of one of the leading tour operators stated that, "... we don't have the resource to go off to all these meetings and...get on the committees and become part of the in-crowd and do all these sorts of things." Another interviewee from the attractions sector stated a major problem for most operators was "... time. We're not hugely well-resourced so time, people's time being stretched." An NTO official describes the difference in responses when communicating with various RTOs:

It's not so much reciprocation but enthusiasm to be involved in what we're doing. I mean, we went out to the regions. Some of them ... well, it was like getting blood out of a stone, trying to get the information from them...And we were sort of thinking, all you have to do is sit down for like two hours, and we're doing this for you and I just found it really frustrating that they didn't ... we weren't asking a lot from them and the reason we were doing it was for them but some people just weren't that interested. Others were really passionate, had lots of ideas and wanted a lot of involvement, which was great ...

When asked to speculate why RTO responses vary from indifference to passionate involvement, the interviewee is unsure but suggests that it may have something to do with lack of resources or frequency of interaction with TNZ:

I think it might come down to lack of resources in their own area. You know, there might be just two of them and they're struggling to do everything ... maybe they ... oh, this is ... it's really hard for me to comment because...I don't know that many of them ... well, it's easy to know at Tourism Auckland cause we see them all the time ... a lot of the other regions, I don't know them that well so I can't really comment why.

The same NTO manager acknowledges the difficulty that industry operators may have in directly interacting with TNZ and that these same under-resourced RTOs are TNZ's main communication conduit to most of the general industry:

... when people have issues and they don't tell us. They just have a grumble to everybody they know ... I think sometimes people find it hard to know who are they supposed to be talking to and they end up calling four or five people in the organisation before they get the right person so that's very frustrating for them ... we really look to the Regional Tourism Organisations to be our spokesperson or at least help pass on some of the messages we've got for the operators and if they don't have the time or the resources to do that, our message is less likely to get out there.

One senior private sector executive expressed a lack of confidence in existing associations being able to reach and unite the rapidly increasing number of small and medium sized businesses in the industry:

... when Air New Zealand was virtually the only airline ... Now there's Origin Pacific, Qantas are doing just main trunk stuff. There's charter airlines that actually have large airplanes. There's helicopter operators that have got \$6-8 million helicopters ... and they do truck-loads of business ... so that ... that small or medium business tier has actually expanded and become a force in its own right but it's made

up of lots of individual ... I don't know how to pull that together into a cohesive unit or force ... We belong to ITOC ... I think they're fragmented. I think there's so many of them, industry associations; they're all doing a little bit.

5.5.3 *Managing the communication challenge*

There was a general agreement among the research participants that the task of consulting and involving such a large range of stakeholders was difficult, if not impossible. This agreement was so universal that it could be termed as having become the dominant logic or dominant reality for the NZ tourism industry (Isabella, 1990). However, one consultant to the industry suggests that just because this is how things have worked in the past or because this is a difficult challenge does not mean that nothing can be done:

And I think you just have to decide that you want a solution, as opposed to saying oh, it couldn't happen because of that ...

There are authors (Buhalis, 2000; Gretzel, et al., 2000) who suggest that that the Internet provides an opportunity to enhance the networking systems of all tourism providers. In comparison to traditional media, the Internet provides an opportunity to build interactive relationships with partners which overcome time and physical distance limitations. It also provides an opportunity for expanding the number and depth of partnerships at a relatively low cost. This can be done through a variety of ICT channels such as email, news groups, chatrooms and linear/threaded asynchronous bulleting boards.

Jamal & Getz (2000) highlight the importance of communicating widely the various opportunities for public participation. They acknowledge the challenge of handling diverse participants. Gray (1985) even suggests that some stakeholders may require incentives to induce participation which would offset their limited resources. Network theory suggests the density of linkages increases the embeddedness in a network and leads to more efficient communication. The more links there are and the greater the communication between those links, the greater the likelihood of developing shared values and conformity within the network (Rowley, 1997; Uzzi, 1997).

There is general agreement among those interviewed that promotion of the destination is the prime responsibility of the NTO. The target market for this promotion is based overseas and this has meant that the focus of TNZ has been on understanding and communicating with overseas markets. In the words of a TNZ Board member

... but I think that 100% Pure, there's a lot of people very happy with it...I mean, our job really is to try and put ourselves in the shoes of, you know, someone in Sydney or someone in London or Delhi or New York ... and try to evaluate that, that's why we do so much research. What New Zealanders think ... I don't ... I don't say I don't care ... but that's not our target market.

One CEO of a tour operation explained the repercussions of this overseas focus of the NTO with an interesting analogy:

... I think Tourism New Zealand ... it's almost, it reminds me a little bit of the CIA, and what I mean by that is it's not the intelligence side of things but the CIA is primarily worried about external influences, in other words they have nothing to do with things happening inside the States, you know, the FBI worry about all that, so in other words, if there's crime going on, in America, CIA don't care about it. I get the feeling that Tourism New Zealand, they're more concerned about the international world market-place and how New Zealand's perceived overseas than really relationships in New Zealand. Are they doing the right thing by New Zealand operators, are they taking New Zealand operators with them, do they consult with them, do they meet with them ... you know, you almost feel like they're, they're quite removed from what happens domestically, from the real world of tourism.

An industry association leader suggests that internal communication is very important in the tourism context as the service providers are part of the tourism 'product':

... but what does that mean in terms of how you would engage them, I wouldn't be advocating, you know, a round of community consultation on whether they like the brand or not, (laughing), but there's a strong argument for, I think, actually running our brand campaign internally so that New Zealanders have a ... how we're expressing ourselves internationally should be something that's understood domestically, not just because it might make people holiday at home but because they are part of the product offering.

Gretzel et al. (2000) used focus groups and expert panels to develop their list of future challenges faced by DMOs. One of the key challenges which emerged was managing the expectations of the growing number of diverse constituencies of a DMO. They

suggest in addition to communication with external markets, the DMOs need to put additional resources and capabilities into establishing a community relations plan which identifies key audiences and the ways to communicate with them.

5.6 Professional leadership with people skills

One of the key factors which emerged as having an effect of the process of cooperation from the interviewee responses was leadership. This is supported by the findings of Gretzel et al. (2006) that what communities and partners expect from an NTO is leadership. According to a long time industry association leader:

.... our industry is very much a personality-driven industry, so...it can succeed or fall on the strength of the leadership in any one of those key organisations we talked about and on a political level. So whenever there have been problems, it's usually been leadership-driven conflict...

In the words of one private sector TNZ Board member:

I think the strength of it was the leadership. The reason why I say that is because ... Ian McFarlane was driving the marketing side of it with George Hickton as CEO...they had a focus on a path going forward and the whole Tourism New Zealand organisation were all basically made to feel a huge part of the ownership of the decision-making ... of the organisation going forward...

... so I'd say more than anything the facilitators have been ... excellent, excellent management.

The impact of leadership was possibly perceived even more strongly in this case because of the difficult relationships between key industry leaders immediately preceding the purenz development. This is colorfully described by one private sector CEO:

... it was all in the leadership area ... I mean, back then we had a Minister who wasn't happy with the delivery ... or the working model of what the Board were producing. He wasn't happy with...particular Directors who were on the Board and so already you had an organisation divided among itself ... And also, I think, another part is that you had an organisation, and I'm talking from executive middle management down ...who were all old school type thinking people. And back in those days, you know, the Tourism Board organisation basically thought that they were in an untouchable bubble ... Above everybody else. So you combine all of that together, and that's an

amazing mess.

An industry association head recalls the situation at the end of the 1990s as ‘messy’ largely because of personality clashes between the leaders of key tourism organisations at that time:

Yeah, it was a bit messy to be honest, just before that. but the other organisations you mentioned were probably, you could say, in a bit of a power struggle ... in that period of, gosh, what are we saying here now, this is the late 1990’s...probably driven by personalities government Minister at that time who, you know, created probably half of those problems...and there were some real personality clashes between him and Tourism New Zealand, the Ministry, TIA and in between all of those organisations as well. So there was ... some very strong personalities at the heads of those organisations in those days and that filtered down so there was a bit of distrust, a bit of acrimony ... and that just really didn’t help our overall effort in a lot of ways ... it started to change before Pure NZ came out but that was probably the catalyst, you know. If you had to look back to a defining moment, it really ... it was when George Hickton came on to TNZ, there were changes in other organisations too and I think we just became, through that better communication, better collaboration, it sorted out a few of the issues that were probably around.

5.6.1 ‘Outsider’ leaders with new ideas

One of the conditions under which embeddedness in a network becomes a liability is ‘over-embeddedness’ leading to few links to outside members who are often the source of new ideas (Uzzi and Dunlap, 2005). The two people consistently named as leaders of the ‘100% pure’ strategy and champions for the purenz website were both new to the NZ tourism industry. In the opinion of an NTO manager involved in the development process:

And that’s why I think the 100% Pure campaign was so successful because we had a person coming from a different background, petroleum for example, or consulting and what he did was just look at it with fresh eyes and say, why on earth are you doing that in this time ...

In the course of the interview, one of these leaders, while acknowledging that the tourism network has a positive impact, mentioned that being an outsider was a “definite help” in his leadership role. One of these leaders was also relatively new to New

Zealand. When asked who the leaders of this process were, one interviewee's description indicates that the person was an outsider, "... a Zimbabwean chap ... and really what he did was revolutionize the whole tourism or whole approach to destination marketing ...". According to one interviewee involved in the development process who was also from overseas:

... and talking about resistance, personal resistance was ... I was often asked what gave me the right to come to New Zealand and promote their country...because they felt that that was a slur on their ability to do it...I used to say to them, it's not that there isn't people here that are capable of doing that, there's some exceptional marketers in New Zealand but you will always see your own country, your own backyard in a different way ... to what international people will see it.

One of these leaders analysed the advantages and disadvantages of being an outsider as follows:

But I think the other issue was, was that as an outsider coming in, whilst you can look at things realistically, remember you have no history and people don't sort of think that you have the necessary passion to carry it through ... The only thing you have is your professional standards and your applications of your profession ... And I think that that came through to be honest. I worked very hard at that.

5.6.2 Acceptance of new leaders – establishing legitimacy

The primary reason that cooperation is considered important in destination marketing is because of an appreciation on the part of industry firms of their interdependencies with other organisations in order to be able to satisfy the overseas visitor. This interdependence is a very different phenomenon from many other industries in which most organisations can control their own marketing mix. It is possible that one of the factors which led to the change to a more flexible and collaborative approach of the TNZ leadership was the time it took the new 'outsider' leaders to appreciate the depth of interdependence within the tourism network. The costs of cooperation were apparent to these new leaders from the beginning, whereas the need for a more cooperative process within this network was possibly not as readily apparent to these newcomers to the industry.

The growth in international visitors and the recognition that followed the '100% pure'

campaign seems to have given TNZ greater legitimacy in its destination marketing leadership role. In the opinion of the CEO of a major transport company, the biggest hindrance to cooperation was, “ ... the time it took Tourism New Zealand to find its place in the industry after '97 and the time it took for those key personnel to become comfortable in that place.” The flexibility and positive approach to feedback demonstrated by the TNZ leadership after the initial launch of the ‘100% pure’ strategy possibly reflected an increasing understanding of the tourism network and also probably an increasing acceptance by the industry of their leadership.

A recent study (Padgett, Bekemeier & Berkowitz, 2004) of state level partnerships in public health area has interesting parallels to the tourism industry. One key point is how the regional health agencies budgets are dependent on support from elected governments and thus subject to change and uncertainty. Their research suggests the importance of leadership who have knowledge about the political context in which they function. There is a need for proactive efforts to engage with political processes and to seek high-level support. The new CEO of TNZ was head hunted for the job because of his experience in change management. In addition to the private sector, he also had considerable experience in the public sector as general manager of The New Zealand Income Support service and of the New Zealand Employment Service.

From the participants’ comments, the key characteristics of the leadership in this case were a combination of professional authority and people skills, and the ability of leaders to work well as a team. For example, one private industry member described the current TNZ CEO as, “I think...it’s just that he’s a good marketing person and he’s a good people person.” The head of an RTO suggested that the ‘line up of people’ within the NTO from Chairman down worked well with each other and that the CEO needed to be strong but not “intransigent”. These comments tie in with the finding that two of the reasons that interviewees gave for the success of the ‘100% pure’ strategy were the use of effective marketing practices and the support given to the professionals by top management. Dredge (2006, p.277) in her analysis of the problematic case of public-private policy cooperation at Lake Macquarie in Australia found similar leadership characteristics to be important, i.e. “their expertise, professionalism and networking ability ...”

5.7 Additional factors

In addition to the above six factors which had an effect on the process of cooperation in destination marketing, there was some evidence with regard to three additional factors. These additional factors are discussed in this section and related to other studies which have also found that these factors affect inter- organisational cooperation.

5.7.1 *Clear benefits of cooperation*

The literature on cooperation highlights the importance of clear benefits accruing from the process for all participants (Jamal & Getz, 1995; Roberts & Simpson, 2000; Selin & Beason, 1991; Waddock & Bannister, 1991). This was supported by comments from a number of participants in this research study as well. In the view of one TNZ Board member:

... I think that cooperation is theoretically indisputable as being a means by which you develop a stronger industry, but cooperation has to have a purpose and the nature of our capitalist society is that people are in business to make a profit and therefore there has to be ... a very clear link between doing this and getting this ... a profitable result ...

An industry association executive suggests that the benefits of cooperation were not clearly communicated when the '100% pure' campaign was launched:

... when it was rolled out, there was a lot of supporting background information and assistance that came with it and opportunities to a) understand it and b) to partner with it as it was rolled out . initially, like anything I think, there were opportunities that were possibly missed, there were communication areas that weren't as strong as they should have been ...

It has become clear through this research that when the initial development of the '100% pure' campaign and the purenz website began, the NTO was not seeking NZ industry cooperation. However, when the product/service providers were asked to register on the website database, the benefit of the free registration and additional exposure was clearly conveyed and elicited a very good response from the industry.

Waddock (1989) suggests that there are three concurrent processes at the start of a

partnership: issue crystallization, coalition building and purpose formulation. For the first stage interdependence is not enough. The issue or problem which requires cooperation must be of importance to the potential partners. There also needs to be a clear perception of benefits for each partner in return for their cooperation. These benefits must outweigh the cost of participating for them. One interviewee from the support services sector emphasized that “One of the things to achieve co-operation in the industry is to be able to have quantifiable benefits shown to people.”

On the other hand, the management of a large firm in the entertainment sector has a corporate strategy in that, “... we get on all these Boards ... to try and influence ... but God it’s hard work! It’s really hard work at times”. This comment suggests that the benefits of cooperation or involvement if perceived clearly may not necessarily be related to immediate profitability. Zeng and Chen (2003) suggest that the inherent tension between cooperation and competition in alliances is basically a social dilemma, i.e. an individual can achieve a higher return by acting only in their own interest but all individuals achieve a better return if they cooperate than if they all act only in their own interest. They also suggest that individual partners are more likely to cooperate when they perceive their contribution’s impact to be high in achieving alliance success and that the more alliance partners understand the social dilemma aspect of their alliance, the greater the cooperation.

5.7.2 The importance of trust

Kauser and Shaw (2004) found that behavioural characteristics (high levels of commitment, trust, coordination, interdependence and communication) were good predictors of a successful alliance. Surprisingly, considering the considerable emphasis on this factor in the cooperation literature (Elmurti & Kathawala, 2001; Kauser & Shaw, 2004; Roberts & Simpson, 2000), the term ‘trust’ was used by only two of the thirty-five participants in this research. The term was used in differing contexts. A support services person mentioned it in the context of the earlier network culture. “Well I think there was a lot of legacy, a lot of distrust, but they would play lip-service to people’s decisions.” A Board member referred to it in the context of the future of the website, “I think people will trust ... trust the internet more and more.”

The importance of 'trust' could be interpreted as implied in a few comments which referred to the competitive instinct as being a hindrance to cooperation. In a long time tour operator's opinion, "Probably the old story of commercial sensitivity and people not wanting to reveal their... potential secrets to others." A CEO of a travel publishing firm suggested:

Ah, the era of giving something away to the competition ... You know, it takes some savvy, you know, it takes co-operative type thinking to ... get past the barriers. Say, well I'm out there to do better than them, so, I don't want to give them an advantage, or I don't want to work with them and give away my secrets, but, you know ... we just have to get over that ... And there are some that know how to work together very well and there are others that just ... they struggle because ... a lot of them struggle cause they're not prepared to work with others.

In the context of NZ destination marketing, it is possible that most organisations see themselves as mainly partnering with the NTO which is not a competitor and being government funded is seen to be acting on their behalf and therefore not likely to exploit their vulnerabilities (Gulati, 1998). This may explain why building trust was not seen as a major factor in this context.

5.7.3 Structural and control mechanisms

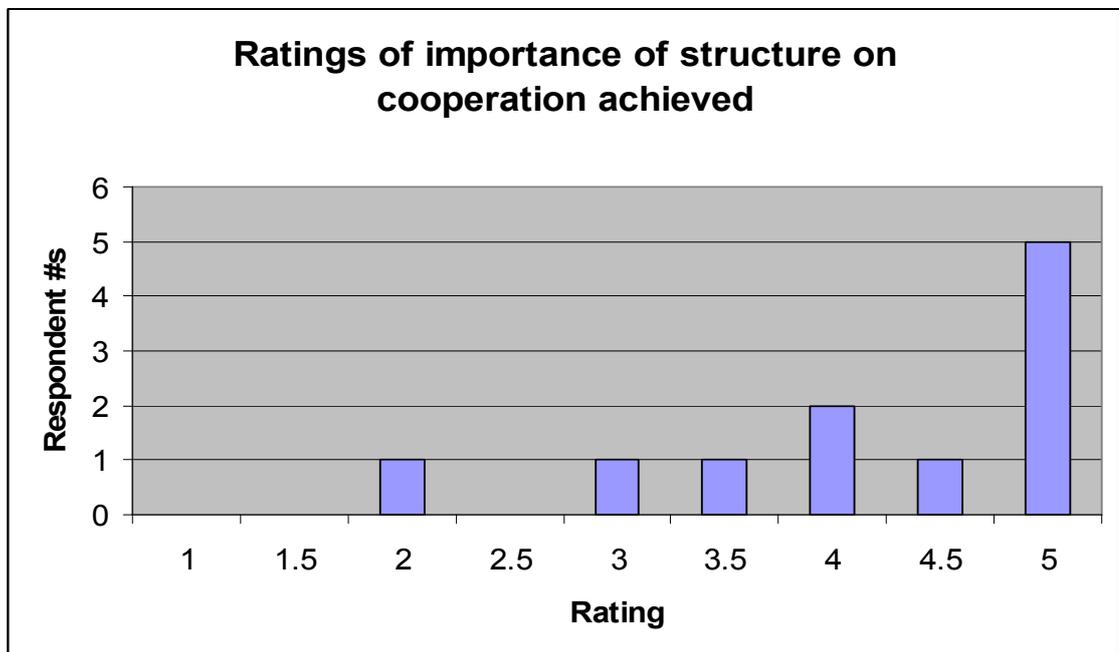
Organisational characteristics such as structure and control mechanisms were found to have only an indirect impact on cooperation in this destination marketing context. Their impact was through the existing structure and control mechanisms within the tourism network. There was no separate formal structure created to achieve cooperation in this particular case. There was informal and ad hoc interaction among senior members of the industry through established networks and relationships mainly at the Board level. Below Board level, there was mainly one way communication from TNZ to the industry through existing network mechanisms.

Research participants were asked in their interviews, "On a scale of 1-5, how important was the impact of structure on the level of cooperation achieved?" The largest number of the respondents rated the impact of the structure as 5 (Figure 5.1). The mean was 4.2. It seems that of those who responded to this question, the overwhelming opinion was that the structure was very important in achieving cooperation.

An analysis of the respondents' comments on this issue revealed that these interviewees were interpreting the question as referring to either the tourism network structure or the TNZ structure. The following two responses indicate how the question was interpreted

Ah, I think it was ... a five, especially in that first stage I was talking about because it was the structure that got radically changed as a result of the 1997 issues ... Tourism New Zealand was pushed a step further away from the government ... its Board was effectively turfed out and changed and the way it operated internationally was reviewed extensively and ... quite extensively modified.

Figure 5.1 – Ratings of importance of structure on cooperation achieved



... in 2006 we have the strongest structure for a long time which began with Mark Burton. Previously under McCully had fallen apart. Personnel changed at TNZ, TIA, Ministry.

Only two interviewees interpreted the question as referring to the specific structure through which cooperation was achieved in the development of the purenz website. These two interviewees indicated that they did not think that the structure was very important or implied that the unstructured or informal processes used were effective in the context of this industry as indicated by the following comment:

... oh moderate, moderate, just three and structure's sometimes important and sometimes it's not absolutely critical. I mean, it's good because it makes things more efficient ... I don't think, I mean, no, I'm not a huge believer in everything being structured.

The effect of the structure for cooperation in destination marketing may be indirect and influenced by the state of the overall tourism network structure. The next chapter discusses the considerable impact that the existing network structure and climate had on the decisions made by the NTO with regard to the form/structure of cooperation to be used in the process of developing the purenz website.

In general, the factors which emerged from this study as affecting cooperation in the destination marketing context have a clearer overlap with those emerging from the social partnership rather than the strategic alliance literature. This research also suggests that a shared vision/strategy which has been developed through a collaborative process facilitates cooperation. Communication of the vision and strategy to all stakeholders comes through as very important. The communication of the benefits of cooperation is also confirmed by this research though it is unclear if these benefits necessarily have to be in individual organisation profitability terms. The appointment of a legitimate convener to facilitate cooperation is indirectly confirmed through the time it took the new NTO management to be accepted as leaders of NZ destination marketing.

Perhaps unique to the destination marketing context, is the importance of how the factor 'recognition of interdependence' by all members of the collaboration' is understood and explained by the members. An understanding of the full extent of interdependence requires a shared understanding of the scope and integrated nature of destination marketing management. It also requires all stakeholders to be aware of how their role affects and is a part of destination marketing. Another interesting finding from this research is that cooperation in destination marketing does not have a homogeneous meaning for all stakeholders which has implications on how the cooperative process is managed in this context.

Chapter Six: The Network Relationship with Cooperation in Destination Marketing

This chapter begins with a review of the research findings related to the third research question guiding this study: what form did inter-organisational cooperation take in the development of purenz. The chapter then moves on to a discussion and analysis of why the cooperation took this form. This leads to findings about the effects of the current tourism network structure and climate on cooperation in destination marketing.

6.1 Analysis of the structure for cooperation

The literature suggests that the form of inter-organisational cooperation can vary a great deal and can be based on very loose and informal arrangements; very tightly defined legal contracts or on shared ownership (Todeva & Knoke, 2005). In this case, the research participants were asked how the cooperation in the development of the purenz website was structured. Typical responses were along the lines that, “the subject of developing the site was raised during the various roadshows and seminars and trade shows and events that take place through the course of the year”. At these events:

... they told people what was going to be done and answered questions but if the question would say well, can you do this or can you do that ... no, we're not going to do that, I mean, they made the decisions.

In addition, according to one interviewee from a major public-sector organisation in the industry, there were “... informal catch-ups every now and then...more often than not, they were initiated by us ...” For most, however, the experience was similar to that of the manager of a large organisation from the attractions sector who stated, “We were told what to do, what to enter, what to submit to NZTB by such and such a date ...”

The development of the purenz website was at best a ‘coordination’ exercise (Hall, 2000). There is no evidence of the development having been an interactive process with mutually defined goals or pooling of resources in the development process.

6.1.1 Objectives of the original purenz site

One of the main reasons that the development of purenz was selected as the case for this research was that it was seen as a ‘strategic’ destination marketing project which was of long term importance to the industry and would affect a large number of organisations. An analysis of the data collected revealed that this was not, however, the NTO perspective of this development.

A long time member of the industry whose organisation has considerable experience with internet marketing stated, “Well, I can tell you ... nowhere is there a ... clearly defined strategy for Tourism New Zealand’s website or its development.” In 1999, when the development of the website began, TNZ did not see the website as a ‘strategic’ project. The development of the site was perceived as merely a cost efficient way of distributing destination information by many in the industry and as confirmed by comments from most TNZ officials interviewed.

The following quotes illustrate the different responses (Figure 6.1) to the question, “What were the objectives for developing the site?” The key objective emerged as the NTO desire to reduce the costs of promotional materials through a standardised approach for all markets in line with the new global positioning strategy. A private sector marketing executive recalls:

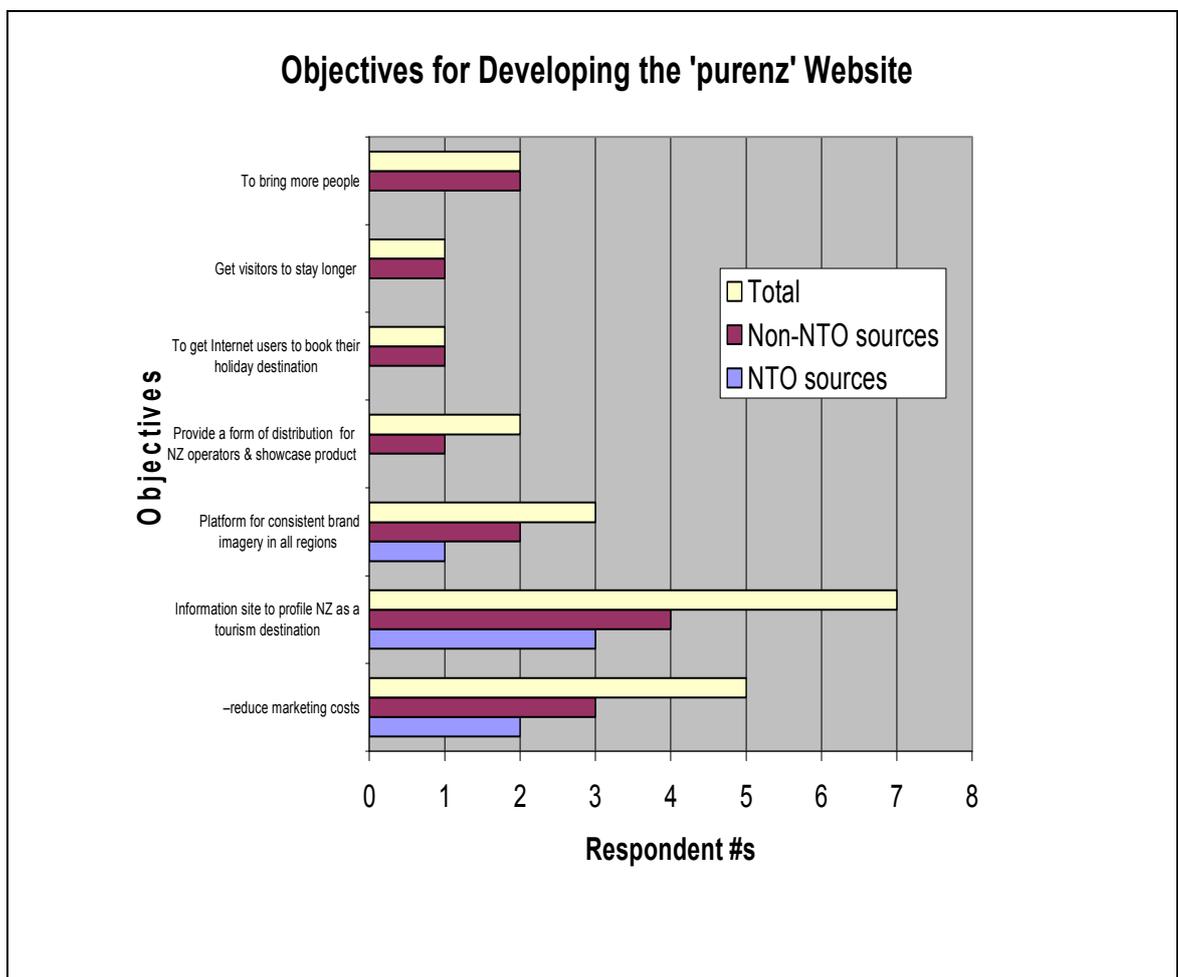
Before that, they were producing ... they were spending an absolute fortune ... printing trade planners by region and each regional manager would develop their own trade planner. Asia would have a different look from Australia, which would have a different look from Niue, which would have a different look from UK.

A TNZ executive working at the strategic management level suggests the rationale was not just cost efficiency but also the perceived effectiveness of the website as a support communication tool for the new global branding strategy:

It’s a more efficient way of spending the limited amount of money we have and the second is ... that it’s a more effective communication piece for people to get their heads around. If we have one single campaign and they see that everywhere they go then they’re more likely to get the message. The full potential of the website was not realised from the start and the site was originally apparently developed

only as an 'electronic brochure' to replace the various materials produced by the different regions. I think originally, it was really sort of seen as a parallel, almost publication channel. So ... it did the job originally of what a brochure would do, a motivational brochure would do ... I think it was just such a new area really for tourism boards to be involved in or to understand what it actually meant at that time so...it was purely a duplicate communication channel then but now it's moved to a very different model ... I think very quickly though, a lot of thought started to be given to how we could keep it developing in an ongoing sense, to make it a dynamic site, that people would come back to.

Figure 6.1 – Objectives for developing the purenz website



As one TNZ manager closely involved with the development of the site suggests, it is quite possible that if the full strategic potential of the website had been understood from the start, the project may have been managed quite differently:

... it's an information site as well as being something that pushes people out ... I'm not saying it's not a portal site, but it was never the objective ... it was never designed, like you won't find something written saying "we are going to develop ... like with the campaign – a national tourism portal" because that's a ... it's a very strong description for a site and it's ... if we were going to develop a national tourism portal then yes you would have to consult with all of the industry because you're developing a beast of a thing, where I see it as being a lot tighter and smaller ...

6.1.2 Who set the goals?

Most definitions of alliances include the clause that the cooperation is for a common or mutually defined goal (Buckley & Dunning, 1994, Morris, 1987). Vardarajan and Cunningham (1995) specify that the cooperation is to achieve common goals as well as individual goals. There is no evidence from this research that suggests that the objectives for the development of the purenz website were mutually defined. Research participants whose organisations were registered on the purenz database were asked what their reason for registering on this site was. The responses indicated that they were motivated by the free additional exposure overseas for their product/service. The following comment was from a manager working for a major Auckland attraction:

The exposure to the F.I.T. traveller. Predominantly, the F.I.T. market and Tourism New Zealand have provided stats about ... I think it was something like 70% of F.I.T. travellers outside Australia, international but outside Australia, use the web for their research, so it's pretty key. Also Tourism New Zealand I guess would be very au fait with dealing in international websites so would make sure they were listed on appropriate search engines, so you know ... a tourist puts in "New Zealand" and you've got to hope that they are close to top of the list. We do our bit through our search engine ... to try and keep us going ... up in the top ten or the first ten or something, but Tourism New Zealand clearly have more clout to do that and we don't do any offshore marketing.

An accommodation provider and the manager of a large tour operation echoed the above reasoning:

Purenz portal relates to everything else that Tourism New Zealand are doing in the international market place, including the ... 100% pure campaign, so there's a linkage backwards and forwards from that, which means you're not there ... you're not going to get any exposure ... so I guess what I'm saying is, the key for us is the exposure ... the high level of viewer activity it gets means that we have a chance of

tapping into that viewer ship as well and having links back to our own site and so on.

... our job is to take people between the main attractions. It's not to be a main attraction ... we're very comfortable with that role ... But being a support actor ... we definitely try and be involved where we can.

The head of an RTO suggested "... we're just here because it is one more channel." Another attractions manager was not sure of the original objective for participating but "... clearly if I wasn't on it, I'd be quite distressed."

The NTO began the development of the purenz site with the objective of cost effectively supporting their global branding campaign with an electronic brochure without a clear understanding of the website's strategic potential. Industry input only became important once it was decided to include a product database within the site with links to product and service providers. Industry members recognized the benefit of to their organisations of registering on the database. It provided their companies with a free additional channel for potential customers to be able to access their products / services.

6.1.3 Pooling of resources and skills

In addition to mutual goals, most authors describe an alliance as requiring a pooling of specific resources and / or skills between the alliance partners (Gulati, 1998; Vardarajan & Cunningham, 1995). Again, there is little evidence to support that this was the case in the development of this website or in the overall '100% pure' campaign. The entire expenditure for the development of the '100% pure' campaign including the development of the purenz website came from the government funded TNZ budget. The total budget was NZ\$ 55 million, of which the bulk (around NZ\$ 35 million) was spent on the global branding strategy. The initial sum spent on developing the website was NZ\$ 2 million.

The development of the purenz website first began in 1999 when the opportunities that the Internet presented were still becoming apparent. A WTO study (1999, p.67), suggests that the tactical perspective that characterized TNZ was not unusual at that time:

... most DMOs were not particularly quick off the mark in establishing a sophisticated Web presence ... Where DMOs did have their own sites, they were often no more than electronic versions of their existing print. There were some notable exceptions – the real market leaders such as Singapore with its interactive guide. From 1996 onwards, a lot of DMOs started taking the Web seriously, often recognizing the opportunity to use the special features of the new medium – interactivity and multimedia.

When TNZ began the development, within the New Zealand Tourism industry, there were very few organisations with more experience than the NTO in developing a presence on the Internet. A marketing professional working in the attractions sector recalled:

I was aware at the time that a lot of smaller operators thought this was completely over the top ... spending so much money and bringing in such a major design team on this, they just couldn't understand the rationale ... but four years ago was really before the website started to get quite sophisticated, and I think that was just a lack of understanding about the capability.

An NTO leader of the development process described TNZ at the time as a novice in the area with no internal expertise for the development of the website. The basic approach to the development of the website therefore became to get outside suppliers for the development while building an internal team for the “management and the stewardship of that [the website] and to develop it further ...”

In line with the general approach to the whole ‘100% pure’ campaign, TNZ decided to ‘buy in’ skills where necessary rather than seek input from the admittedly few industry organisations with Internet marketing experience. According to one interviewee from a large airline, the airline would have welcomed the chance to have an input into the ‘purenz development:

SHIFT ... did some beautiful stuff in terms of the creative ... But, in terms of the commercial realities no!... And we are the biggest, so they should have come and talk to us first ... we have a very clear and documented four year plan which says our biggest opportunity is offshore inbound customers ... bringing that strategy back to a more ... a more micro level, I very much have planned those strategies that are around targeting offshore customers from an online perspective and bringing them online and to New Zealand ...

If a strategic alliance is interpreted as covering any type of inter-organisational cooperation, then this is clearly one with a dominant parent (Killing 1983). The dominant parent (TNZ) was the partner in control and the others played a largely passive role. A study by Foxall (1984) of cooperative marketing in European agriculture found that the largest market share was achieved by strong central organisations capable of directing and on occasion coercing their members. Harrigan (1988) also linked initial partner asymmetries with the success of the alliance.

Lawrence & ul-Haq (1998, p. 17) suggest, “After all, the strategic alliance does not just happen. Typically, a strategic alliance will be the result of conscious intentionality of a proactive kind.” Todeva and Knoke (2005) argue that a strategic alliance involves at least two partners who remain legally independent after the alliance is formed; share benefits and managerial control over the performance of the assigned tasks; and make continuing contributions in one or more strategic areas, such as technology or products. In terms of structure, there is no evidence that a strategic alliance was formed to develop the purenz website. If the existing network of relationships and general interdependence of network members is interpreted as an alliance, then the structural support needed to deal with the cooperation required in this case came from an existing alliance in the form of the NZ tourism network.

Bramwell and Sharman (1999) present a framework for evaluating how well collaboration takes place in the tourism policymaking context to evaluate stakeholder collaboration in Britain. Their framework seeks to assess the extent to which collaboration is inclusive and involves collective learning and consensus-building. Three dimensions of collaboration are considered in the framework - the scope of the collaboration, its intensity, and the extent to which members’ achieve a consensus. Each dimension is evaluated using multiple criteria or indicators (Table 6.1).

**Table 6.1: Evaluating how well the purenz development collaboration worked
(Adaptation of Bramwell and Sharman’s (1999) framework)**

	Indicators	Rating
A	The scope of the collaboration	
	A1. Extent to which participating stakeholders represent all relevant stakeholders	low
	A2. Extent to which relevant stakeholders see positive benefits in participating	low
	A3. Collaboration includes a facilitator + stakeholders who will need to implement outcomes	no
	A4. Extent to which a particular representative fully represents his/her stakeholder constituency	low
	A5. The number of stakeholders involved through the participation techniques used	low
	A6. Initial extent of agreement among participants on scope of collaboration	none
B	The intensity of the collaboration	
	B1. Extent to which participants accept that they will have to compromise to achieve outcomes	high
	B2. At what stage and how often are relevant stakeholders involved	late and limited
	B3. Extent to which stakeholders receive information and are consulted about the collaboration activities	low
	B4. Whether use of participation techniques only disseminates information or also involves direct interaction with stakeholders	limited interaction
	B5. Degree to which dialogue reflects openness, honesty, tolerant and respectful communication, confidence and trust.	medium
	B6. The extent to which participants understand, respect and learn from each other’s different forms of argument	good
	B7. The extent to which participants understand, respect and learn from each other’s different interests, forms of knowledge, systems of meaning, values and attitudes (otherwise token gesture for (one or few) to legitimize their policies).	low
	B8. The extent to which the facilitator controls the decision making	high
C	The degree of consensus achieved within the collaboration.	
	C1. Participants accept that some will agree or embrace enthusiastically all the resulting policies	high
	C2. Extent of consensus among stakeholders about the issues, policies, purposes and assessment of results	medium
	C3. Extent to which consensus and ‘ownership’ emerges across the inequalities vs. reflects them	high
	C4. Extent to which stakeholders accept that there are systematic constraints on what is feasible.	high
	C5. Extent to which stakeholders appear willing to implement the resulting policies	medium

Using Bramwell and Sharman's (1999) framework, Table 6.1 presents an evaluation of the development of the purenz site completed by the author on the basis of the earlier discussion and analysis presented in chapters four and five as well as this chapter. In terms of the three broad areas for evaluation suggested in this framework, the scope of collaboration in the development of the purenz website was limited. The number of stakeholders involved in this development did not represent all relevant stakeholders. The stakeholders were not involved in implementing the outcomes nor were they involved in determining the scope of the collaboration.

The intensity of the collaboration was low at the beginning but grew towards the end of Stage 1 with the need for participation in the website database. There was a high level of acceptance of the need to compromise or accept the NTOs directives to be part of the database. In terms of other indicators such as frequency of stakeholder involvement, consultation and direct interaction, the intensity of collaboration in the purenz development was low.

Yet a fairly high level of consensus was achieved. Stakeholders supported the purenz website with a high level of agreement that it was a successful outcome. There was also a high level of acceptance of the constraints under which TNZ achieved this outcome. This fairly high level of consensus in the collaboration seems to have been built largely upon the shared understanding and mutual respect already existing within the network.

6.2 The NZ tourism network

The NZ tourism industry is part of a wider network of stakeholders affected by tourism to NZ. These stakeholders have a history of connections and relationships with each other which influence the current actions and responses of these stakeholders. Embeddedness, density and centrality are some useful concepts from network theory for analysing the collective nature of the tourism industry.

6.2.1 NZ tourism stakeholders

Freeman (1984, p. 46) defined a stakeholder in an organisation as "... any group or individual who can affect, or is affected by, the achievement of the organisation's

objectives.” Freeman’s original stakeholder theory was focused around the relationships that an organisation may have with various groups and individuals. Within the tourism development literature there is considerable debate about how to define and identify stakeholders. In the case of tourism, many authors (Sautter & Leisen, 1999; Sheehan & Ritchie, 2005) apply the stakeholder theory with the assumption that the NTO is this central organisation even though it is not responsible for, and does not have control over, all the decisions and activities related to tourism. Tourism is a domain with a large number of interested parties as well as a large diversity in the type of stakeholders. The NZ Ministry of Tourism in 2002 (Ministry of Tourism, 2002) listed key stakeholders as:

- TIANZ
- RTOs
- Major Corporations (Air New Zealand, Auckland International Airport, Sky City, CDL Hotels, Kingsgate International, Tranzrail, Tourism Holdings, Fiordland Travel and Shotover Jet.)
- Maori regional tourism groups
- Local Government New Zealand
- Public sector stakeholders (Foundation of Research, Science and Technology, DOC, Border Agencies (e.g. MAF and Customs), Transport Agencies (e.g. Ministry of Transport & Civil Aviation Authority), and Statistics New Zealand.

In 2005, the Ministry added ITOC, New Zealand Hotel Council and the Hospitality Association of New Zealand to its list of key industry stakeholders. Public sector stakeholders were no longer mentioned while some of the major corporations named were changed (Ministry of Tourism, 2002).

During this study, when participants were asked who the stakeholders in destination marketing were, the answers included:

- the general population of New Zealand and more specifically the Maori people;
- the various sectors of tourism such as accommodation providers and airlines; industry organisations and associations;

- other government departments such as Trade & Enterprise NZ; Immigration, and Department of Conservation;
- local government councils, RTOs and the i-Sites around the country.
- other NZ businesses that could leverage off the ‘100% pure’ image such as primary food exporters as well as education providers trying to attract international students;
- offshore distributors were also seen as stakeholders in NZ destination marketing.

Participants understood the term stakeholders as referring to anyone who was affected by destination marketing decisions as illustrated by the following two comments. The first quotes a previous industry association CEO, the second comment is from a senior TNZ manager:

I think there are a range of them and ... partly because of my background I'd take quite a holistic definition of that ... there is of course the government as the primary funder, there are the private sector players who have got, you know, investment capital on the line in the industry. There are the Regional Tourism Organisations who are local government funded. There are other government agencies as well, for example Creative New Zealand and Trade and Enterprise who are also trying to tell a brand story and can contribute to that. And you'd have to say that ... that New Zealanders themselves are a stakeholder.

That's kind of broad, once you've said the population of the country and the tourism industry, there's not many left. Other stakeholders such as the ... the exporters, are impacted by what we do. You know, you look at people like, well, the primary industry sits very happily alongside what we do and are very positive about the position that we've taken ... There are a number of other exporters who actually quite like the position of the people like 42-Below who are going “well, God, it's fundamentally because of that positioning that we're able to make our product fly. Because it's seen to have those characteristics. So it's wonderful for us...So I think ... those sort of ... export ... immigration, I mean, education, those sort of sectors have direct...what we do, immigration definitely, it's a wonderful place to live and you get that picture ... So, those sorts of sectors arguably are key sort of stakeholders, if you like, in terms of what we're doing.

There is recognition that there are a wide variety of organisations and even the entire population of the country who are affected by destination marketing decisions. The

organisations affected go beyond the confines of the conventional list of public and private members working directly in the tourism industry.

Probing deeper, interviewees were asked ‘When you use the term “key stakeholders”, how would you define them?’ While stakeholders are broadly perceived as anyone who is impacted upon by the destination marketing activities, key stakeholders are primarily defined in terms of the size of financial investment in the industry or contribution to the marketing budget. In the words of one TNZ Board member:

Well I think it’s the people who are putting most capital at risk in terms of the New Zealand tourism industry, so you’re looking at the airlines, you’re looking at the typically the major accommodation providers, typically those people who are providing major plant equipment.

Again, in the words of a manager from the NTO:

In a sense everyone in NZ but more immediately those who pay like government, then industry members ... NZTE jointly own the new zealand.com brand with us.

This manager of a business in the support service sector sees the government as the primary source of funding and therefore a key stakeholder. Private sector organisations with investment tied up in the industry are also seen as key stakeholders:

... there is of course the government as the primary funder, there are the private sector players who have got, you know investment capital on the line in the industry. There are the Regional Tourism Organisations who are local government funded.

This Board member identifies ‘airlines’ as key stakeholders based on the amount of money they put into destination marketing, “... the airlines or particularly the national carrier because it puts more money into destination marketing than any of the others do.”

Aside from the financial criteria, key stakeholders were also defined in terms of the contribution they could make because of their role or size. These organisations were clearly core members from within the tourism industry as outlined by the CEO of an industry association and a TNZ Board member:

Ah, well, I guess there's a bit of a hierarchy there, obviously Tourism New Zealand, someone's got to take the key responsibility for some of these decisions but it's very much a bit of public and private sector ... you know, you have got Regional Tourism Organisations, who are sort of quasi, half way in between and then they have their own stakeholders, which are the, of course, the commercial suppliers, the inbound tour operators, the wholesalers, it's anybody who's involved in the distribution channel in selling that.

...the general industry here...and I'm talking about the hoteliers, to the operators...so they're represented largely by T.I.A. but also the large hotels, you know, big enough on their own or the large companies are big enough on their own to have us to consult with... the airlines, or particularly the national carrier because it puts more money into destination marketing than any of the others do ... and then offshore ... apart from the airlines again, the offshore...the major distributors ... I guess the other ones I'd just add in there that may be not to the same degree but certainly important, local government, because of the R.T.O structure ... Having the i-Site structure is critical to our success as well.

The above criteria used to define key stakeholders are very similar to the findings from an empirical study on CEOs of largely American destination management organisations (Sheehan and Ritchie, 2005). Sheehan and Ritchie's objective was to identify how the CEOs classified their stakeholders as primary or secondary and what strategies were used to manage their stakeholders. The authors found that those stakeholders are important who supply or facilitate funding, provide the tourism superstructure and product; participate in or generally support their programs or influence governance.

6.2.2 Relational embeddedness

Previous research (Uzzi, 1997) suggests that that embedded exchanges are quite distinct from arm's length exchanges and result in quicker action. McLoughlin & Horan (2002) suggest that as an outcome of the IMP interaction research, there is an impression that close relationships are always good, however they caution that close relationships could have a 'dark side'. A picture of both the positive and negative aspects of the embedded relationships within the NZ tourism network emerges from the interviewee's comments.

A support service manager, who has been in the industry a long time, suggests that there is a core of a small group of senior people who consult each other:

I've been getting in and out of this industry ... I've been in this industry for more than ten years and what I actually ... I see the same people everywhere ... whether that be at the management level so in other words, they are people that shuffle around on the international tourism New Zealand employment scale ... whether that be in London, Los Angeles or Auckland and then in the media area ... so they shuffle around in there and there's probably only a couple of hundred of them ... there is a nucleus of people in that industry and those people are very consultative – extremely and I think that's the vitality of the industry.

Another 'long-timer' in the industry suggests that within this small nucleus there is easy access to people and faith that their communications can be relied upon:

... I feel I can ring up pretty much anybody in the industry and ask them a question and they would give me a response. And accurate, you know a truthful one too. As I would them.

An RTO official echoes this and provides an example:

... e.g. it is easy to call up and check info about someone you may be thinking of hiring/ value what people have done in the past / understand value of the need for cooperation...

One ex-airline executive recalls with considerable nostalgia, the advantages of being part of this close-knit nucleus of people:

It's an extraordinarily close-knit industry, at a decision making level and I missed it ... that ability to pick up the phone and say, can you help me or can you give me some advice, being able to go into a room of industry people and knowing the whole lot of them, one way or the other.... and there are a lot of people in the industry at the moment that have been in a long time ... people out there who have been through the whole lot ...

These quotes reveal that embedded relationships are strong within a relatively small group of senior industry people who have been in the industry a long time. Within this group, there is considerable reliance on fast and informal communication. One industry leader also points out that there is a, "strong referral and feeding component to" to these relationships. Another research participant suggests these relationships follow the individual:

... I guess with respect to Tourism ... it's funny because ... now I've gone out and worked on my own, I've tried to not have tourism products, or tourism clients ... and it's impossible (laughing) because the networks that you have ... people ring me up or somebody says they need something ... you become known for what you stand for and what you can do for others ...

On the positive side, the embedded relationships of a small number of people in the tourism management circle leads to easy accessibility and possibly greater and faster communication. These senior industry members have known each other and interacted in a variety of roles over a period of time. Many interviewees mentioned the informal channels and ease of communication among the senior executives of the industry. In the words of a large tour operator:

... the senior members of the tourism industry, the senior players in the Tourism Industry Association, and the senior players in Tourism New Zealand...are all well-known to each other now. And they've been in their roles for a long time, they're stable, there's firm relationships there and I think there's a high degree of comfort ... with how they all interact now.

A TNZ Board member emphasized the importance of informal and social occasions as contributing to the consultation and communication that happens in the industry:

... through the formal board meetings but also in the informal times because we spend as a Board, quite often, an additional night together if we're travelling somewhere and so we spend a lot of time together informally, a lot of time talking. And if you ... and the subjects over the dinner table ... it's very boring, but it's always tourism Likewise the Board has as well because at least, I'm guessing; three or four of our meetings a year are held in regions where we invite local industry. And we spend some hours talking about consulting, just chatting informally usually.

An industry association leader focuses on the positive aspect of these embedded relationships and then suggests that these can get a bit 'incestuous' and possibly 'fresh blood' is needed to bring in new perspectives at times:

... people who've been there a long time, even if they've moved within different roles in the industry, it does make the co-operation, the interaction that much easier...Because you get to know everybody, ah, and it makes it easier to, not only to agree and co-operate but it's easier to actually bring forward objections or to disagree ... So, it doesn't hold those back, so it does make it a lot easier. But it also makes it a bit incestuous and sometimes, you know, you...you sometimes need some fresh blood and people to come in to actually question things a little bit differently.

An NTO operational manager sees two sides to these long term relationships – the positive being the ease of communication and the negative again being the lack of new ideas:

... it was funny noticing that cause when I came in I'd never worked in the tourism industry so I didn't know anybody but you clearly saw some people had been around, as you say, forever and a day and seemed to have done every job. I think that it helps in some ways ...because you don't have to explain everything to somebody when you ring them up, they know... I think sometimes it hinders because it's hard to get fresh eyes looking at something cause they've been there for twenty years and for anybody, it's hard not to sort of get set views about things, so I think there's two sides to it.

Another interviewee who worked with the NTO and has now moved to the private sector worries about this lack of new ideas and suggests that the only way of avoiding is to have industry members work in other industries and then return to the tourism industry:

... I do just worry with tourism is that we still continue to do things the way we've always done them ... And the only way that you can change that is if people leave an industry and go out to another one and come back and bring some disciplines from them ...”

In addition to the possible lack of fresh ideas, a TNZ Board member suggests that these relationships can sometimes also mean that ‘sub-optimal’ decisions are made:

... the nature of human beings is to be contrary and that the nature of human relationships is such ... it doesn't matter what business or industry you're talking about, that human beings don't sometimes act in a rational way and at sometimes personalities or likes and dislikes will result in sub-optimal business decisions ...

With the growth of NZ tourism in the first half of this decade, the number of businesses in this industry has grown. As a result, according to one large tour operator, this reliance on personal connections is diminishing especially at middle and lower management levels:

... I think it's becoming less because of the ... expansion in the industry. And people probably don't get to see one another as often as they used to. Also, I think one must take into account that ... certainly at a middle and lower management level, and also at the consultant level, there seems to be a far greater turnover of staff.

In the view of another interviewee who has been in the industry a long time in various roles, “Yes an ‘old boys’ network’ could be negative but it is not so bad now as there are so many more players now.”

The picture which emerges from the interviewee's comments is that the NZ tourism industry has strongly embedded relationships which affect the interaction and decision-making within the industry both positively and negatively. Table 6.2 summarises the perceived positive and negative aspects of these relationships based on an analysis of the comments.

Table 6.2: Positive and negative aspects of embedded relationships

Positive aspects	Negative aspects
Very consultative	Small /incestuous
Open communication	Sub-optimal business decisions
Less hierarchical as multiple interactions in different roles	Set ways of looking at issues
More efficient as less background explanations required	Lack of new ideas
Reputation known /referral business	Difficult for new entrants

6.2.3 Centrality of the NTO

The central role played by the NTO in the development of the purenz case and also in the overall development of the '100% pure' campaign is clearly revealed in this research. Within the tourism network, the marketing of New Zealand as a tourist destination overseas is seen to be the responsibility of TNZ and there is now a clear expectation that the NTO will take leadership in this area:

Tourism New Zealand's role is definitely a leadership role...that is what the industry looks to the Tourism Board and the tourism organisation to perform. They should be the seers of market-change, ... you know, whatever it may be ... market differentiation, I guess ... you know ... in setting up the whole of the campaign going forward and I mean it's ... it's just ... that major leadership role, yeah, for them...Tourism New Zealand. Ah, their core responsibility is destination marketing so that is totally focusing on bring in international visitors to New Zealand and creating an awareness campaign out there globally that's going to sell New Zealand as an attractive destination.

... there'll be people out there that see their numbers go down ten percent and go, well, what the hell are T.N.Z. going to go about it? ... and see, that really frustrates me when people do that ... it's

obviously someone else's job..." oh I haven't got any ideas" ..."
they're getting all the money."

The key benefits of a network are connected with information - its accessibility and flow within the network. "Underlying embeddedness is the quest for information to reduce uncertainty..." (Gulati, 1998, p. 295). The density and strength of the ties within the network determine how effectively information is shared and organisations which are more centrally positioned are likely to have more access and influence on the information flows within the network.

The centrality of the NTO and the closeness of its links with different stakeholders in the context of this case study are shown in Figure 6.2. As Tinsley and Lynch (2001, p. 374) suggest it is necessary to "choose an epicentre to create perspective, angle and focus". In the context of this case study, at the centre of the diagram is TNZ and closest to TNZ are the organisations directly involved with the development of the purenz website. The Ministry of Tourism, TNZ Board, TNZ overseas offices and Shift were the most central players who had direct input into the decisions made by TNZ with regard to the website. Consumers are also included here as consumer research was a major consideration in the design and features built into the site. As suggested by some authors (Brass & Burckhardt, 1993; Rowley, 1997), these more centrally positioned network players had the greatest power, in this case, to influence the development of the purenz website.

The middle level includes major organisations (e.g. industry associations, RTOs, key industry operators, i-Sites) whose support was needed to get industry operators to list their product/service on the website's database. These organisations were more distant from the centre in terms of having an input in the decision making. However, their support and participation was actively sought by TNZ..

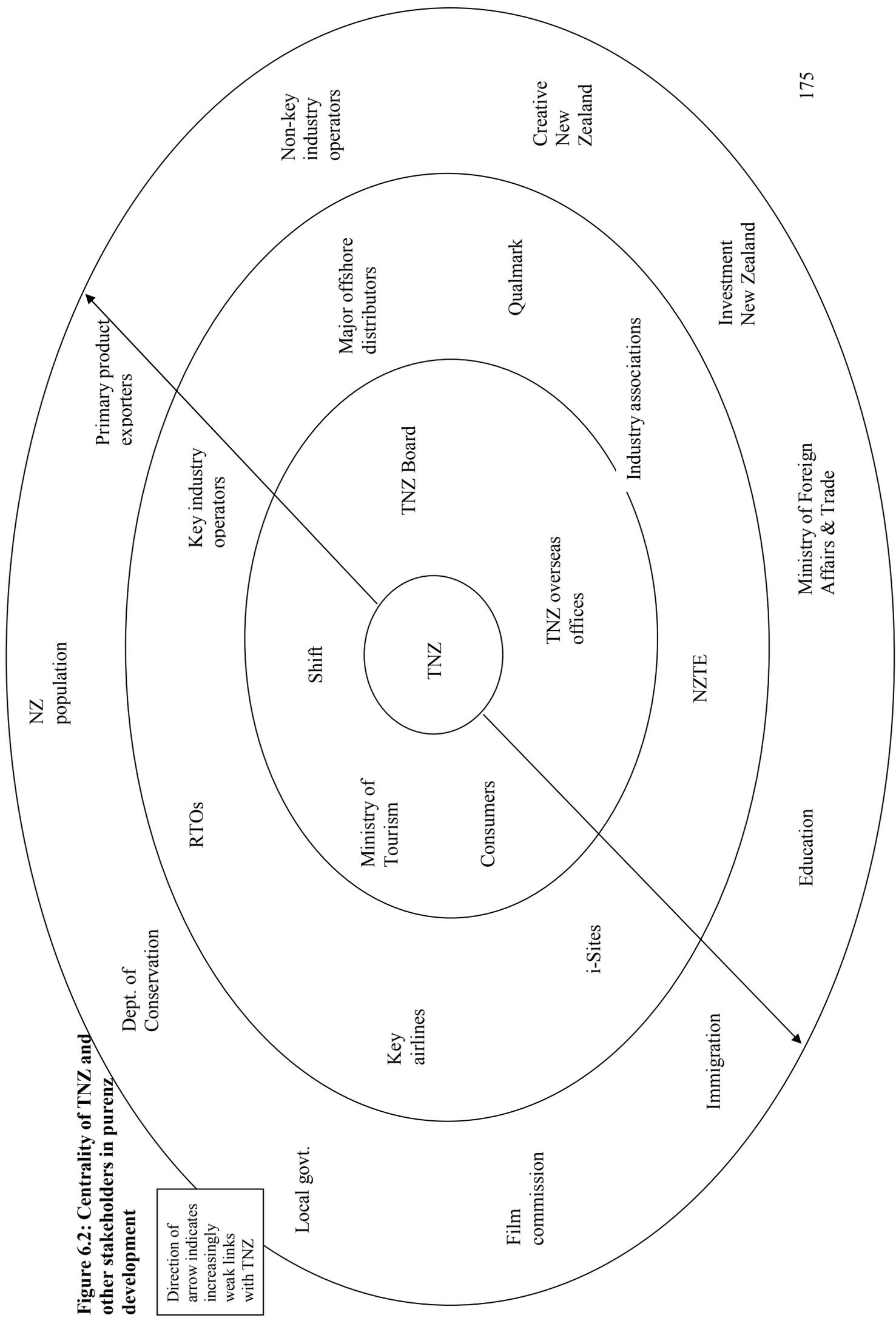


Figure 6.2: Centrality of TNZ and other stakeholders in purenz development

Direction of arrow indicates increasingly weak links with TNZ

The organisation within the third level were most distant from the centre and include the many stakeholders identified by research participants as destination marketing stakeholders but with whom the NTO's interaction was minimal and mostly indirect (through organisations in the middle level or at the centre).

6.2.4 Impact of the network on cooperation

In response to the question, "Do you think the network nature of the tourism industry has any impact on the cooperation achieved", most interviewees felt that it had a positive impact. However, their comments indicated that this positive impact referred to the more recent network climate rather than when the purenz site was first developed. The current network is perceived as having achieved stable and ongoing relationships among senior leaders of the industry and this has led to greater efficiency through informal and faster communication:

... those people are also at stage three where they're very comfortable in their part of the process...and where they fit into things, their relationships with industry people are established instead of formal letters being written. Now there's probably phone-calls or informal e-mails ... It's far more informal and as a result is far more constructive...and probably faster.

In addition, the ongoing relationships among the industry's senior leaders are seen as contributing to greater unity and effectiveness. A TNZ Board member suggests that close personal relationships mean more communication and this leads to greater understanding of each other. In turn, greater understanding lead to identification of areas of common interest from which develops a unitary goal:

Undoubtedly, personal relationships contribute to greater levels of cooperation, but I don't think that's in any way unique to any industry ... I think always that closer personal relationships have provided good grounding for better mutual cooperation. The more you talk, the more you understand the others point of view ... the more you can understand where the commonality of interest might lie and once you've got a commonality of interest, you've got a unitary goal, purpose and that's something you can start to get buy-in to.

An interviewee from the support service sector suggests that the length of time the senior leaders have been in the industry, and their shared experience levels, make them more 'pragmatic' and effective in their decision-making:

... there are a lot of people in the industry at the moment that have been in a long time ... and I think, very pragmatic about things that will work, things that won't ... And I think that at the moment the industry is good, because it looks at things in a fairly healthy way, with a good degree of experience behind it.

Gulati (1998) suggests if alliance partners are embedded in a social network already, the alliance performance is more likely to be successful because the organisations are likely to have greater confidence and trust in each other. Comments from the respondents in this research referred to shared philosophy, respect, or spirit they felt has an impact on the unity of the industry. This is attributed by an interviewee working with the NTO and then by a person working at the strategic level of an industry association to the rewarding nature of the tourism product being sold:

... I mean, impact in a good way. People, you know, it is a relationship based industry and ... you know, tourism's all about people having, essentially having a good time. So...you know, most of those in the tourism industry have a similar philosophy in terms of why they're in it. And ... I think, you know, generally there's good co-operation ... it's a very rewarding industry because when you ... at the end of the day, get the feedback from a tourist from Sweden or North America or wherever and generally, you know, our satisfaction rating's up at about 97% ... you know, something's going right. And that's a combination of all of the industry working together.

Well, there's something really nice about tourism in that you're involved with selling New Zealand as a holiday destination, so that's a very positive thing.

According to an interviewee from a large support service, it is the shared experience of the heavy strains and pressures of this industry that engenders a mutual respect and sense of unity within the industry:

I think it does. I think it doesn't matter what ... if you're in inbound or outbound, or, just cruising or rail, I think, we all...work under quite heavy strains and, and pressure ... and I think that just joins us as an industry altogether ... And somewhere along the line, people's paths are forever crossing. And I think there's a lot of respect for people because of that. We stick in the industry; we respect each other irrespective of what you do.

The interviewee from the support sector quoted below senses the same unity but attributes it to a 'New Zealand spirit' rather than to something arising from tourism industry dynamics

I think everyone co-operates, you know, I can't be really specific but I think there's just, it's ... a New Zealand spirit. People do co-operate, you know, if something happens, everyone bands together and just makes it work.

6.2.5 *Changes in the network*

The research participants' comments presented below paint a colourful and radically different state of relationships within the network prior to 1999. The perception was that in the past there were a few central players who were consulted about, and reaped the benefits of destination marketing. The following comments come from the CEO of a sizable tour operation and a representative from the entertainment and attractions sector:

... the New Zealand Tourism Board, Air New Zealand, Tourism Holdings, you know, ... it's the top five and they all get together and they say, right, this is what we're gonna do ...

Tourism New Zealand also got into quite a lot of hot water when they did partner with Air New Zealand and Air New Zealand was the biggest player, probably still is the biggest player in terms of international marketing. And you had smaller players in the industry saying, well it's not fair, why would you want to do a campaign just with Air New Zealand and not us? ... there's this fairness issue all the way through...

The CEO of a transport operation suggests that, "...in 1996, Tourism New Zealand was firmly of the opinion it had to lead every single issue that was involved in tourism. " An NTO manager reflects that this historically dictatorial approach by TNZ did not 'endear' them to the industry:

... at the time when the wheels were coming off I think Tourism New Zealand have a history of being very much, "we know what we're doing and we'll tell you, industry, what you need to do as a result of what we're doing"... and that, that didn't endear Tourism New Zealand to the industry terribly much.

A long time member of the industry who has worked in several sectors recalls a legacy of distrust and cynicism:

... they would play lip-service to people's decisions...they wouldn't listen...they'd do what they want to do anyway ... they'd take your good idea and turn it into theirs. That sort of thing. There were favourites ... So then there was a lot of cynicism that needed to be overcome.

A tourism industry consultant's analysis was that TNZ Board was not doing a good job and therefore they faced the 'negativity' that they did. In turn this made them cautious about doing things which could lead to further criticism.

Participants suggest that network relationships began to alter when changes were made in the leadership of key industry organisations and TNZ's structure and operations were reviewed and modified. In the view of one RTO CEO, "Personnel changed at TNZ, TIA, Ministry. The previous people had their own agendas and were protecting their own patch, with ambitious, strong egos." Another participant suggests:

... it was the structure that got radically changed as a result of the 1997 issues ... Tourism New Zealand was pushed a step further away from the government ... its Board was effectively turfed out and changed and the way it operated internationally was reviewed extensively and, and, quite extensively modified.

In contrast, the current network is described in more positive terms. In the view of a middle level manager in a tour operation, the network has become more formal and professional in how it operates:

It has become considerably more professional. It used to be very ad hoc and people getting together over a drink or something at a night-time meeting. But nowadays, things are more formal now and professional. And I think the better for that ... basically because it's less informal and...people generally get more formal feedback about what's going on and can actually see what's been done.

A consultant from the support services sector suggests the network is a 'well-oiled' machine now in which the roles and responsibilities of all organisations have been clarified

To me, having been involved for that long, it's like a well-oiled machine at the moment ... structures and the level of cooperation now, I would never have dreamt we would've achieved this so quickly, really that's a very serious comment ... Like go back eight years, we were making a dramatic change and everybody wanted to have an influence and it was like who was going to win ... And now, we don't have that debate. Everybody has a knowledge role and they know what their responsibilities are.

A summary of the descriptions presented by participants of the network show the contrast between the two time periods. The move to a more positive network climate is clear (Table 6.3).

Table 6.3: Network dynamics - prior to 1999 and 2006*

Prior to 1999	Current (2006)
<ul style="list-style-type: none"> • Tourism New Zealand and Tourism Industry Association relationship fractious • Lack of fairness • Incestuous • Resistance towards new entrants • Lack of clarity of roles • TNZ attitude (arrogance?) 	<ul style="list-style-type: none"> • Relationships with industry people established & comfortable • Communication – informal, fast, constructive • Commonality of interest • Similar philosophy • Respect for people • TNZ responsible for destination marketing leadership • Clarity of roles & responsibilities of other industry organisations

* Based on themes which emerged from participant interviews.

Madhavan, et al., (1998) suggest industry networks evolve over time in response to specific events or ‘occasions’. These events are specific occurrences that ‘knowledgeable observers’ agree have an industry-wide impact. Halinen et al. (1999) suggest that most change in networks is incremental but critical incidents or events can trigger a radical change. Stability is usually inherent in a network because of the original logic underlying its initial formation; the technical and resource interdependencies which have formed over time and the high costs of changing these. A critical event can, however, impact on a number of relationships within the network and has the potential to break the existing structure of the network. It may be that a very different pattern of relationships then emerges.

The evidence from this case research suggests that the dysfunctional state of relationships within the tourism network in the second half of the 1990s was the catalyst

which led to change in the leadership of key organisations in the network. These included changes in the TNZ Board leadership and membership; TNZ Executive; change in the Minister of Tourism and also change in TIA management.

In addition to the change in leadership, other incremental factors help explain the alterations in the network. Research participants' comments suggest that there has been a considerable transformation in the pattern of relationships since the end of the 90s. The NTO decision to focus their resources on a global branding strategy led to a move away from the previous 'joint venture' or rather joint funding of promotions based on proposals received from industry operators. A TNZ manager who was posted overseas at that time recalls:

... obviously, we were pretty aware of what was happening because in our markets, previous to the campaign, we'd run kind of smaller local campaigns which ...we'd run with partners, so it was much more of a joint venture advertising program. So we knew that we were about to not have that type of advertising and moving into a ... a global campaign without partnership advertising...

This move away from joint funding meant that the role of many of the organisations in the industry became less central to the destination promotion efforts and this led, in turn, to some resentment. The following quote comes from a manager with a large airline:

... the process? ... I wouldn't say it is consultative, I would say it is very political process and there were kind of some views and some agendas, that were taken on and there is rationales around that.. So they kind of always said to usyou are just one player...it's useful to listen to you ...but we've got everyone in the market to consider which I fundamentally disagree with because ... You know ... its not ... you don't have to acknowledge experience to leverage from 'Jims backpackers' ... than you do with someone like us and we spend more money, I don't mean to sound a bit bitter but who have spent more money promoting the country than TNZ do ... we have got more experience in commercial realities space ... so ... I would have actually expected we get a closer relationship than we kind of do ...

A leading transport operator felt that the focus on the interactive traveller impacted negatively on other segments in the market which had previously had greater importance and support from the NTO:

So, the backpacker industry's a bit grumpy about life and other parts of the industry aren't. Tourism New Zealand definitely have...an

affection for the top-end of the market and luxury lodges and those sorts of things...and where we sit ... which is the mass part of the market, the part that drives those numbers they so proudly put their hand on every month, we don't feel that they're doing ... that there's enough focus in our part of the market at the moment ... Too much money's gone into...into the top-end of the market and this interactive tourist ...

Within the NTO as well, all were not happy with how the changes were being made to the destination marketing strategy and its implications in terms of implementation:

But, the first conflict really clearly was the conflict internally within Tourism New Zealand because to put a global campaign in which we were fundamentally doing, taking away the capacity to generate their own campaigns within each market ... so marketing people in the world who would construct their own campaigns, develop their own ads etcetera, etcetera, now had that latitude taken away from them. ... prior to going with the global campaign, all of the offices around the world were...doing their own marketing campaigns ... which is a fun thing to do, it's an incredibly enjoyable thing to do as a job, you know ... Working with agencies and putting together campaigns. So an element of their work was taken away which obviously they enjoyed.

A TNZ Board member summarises how the change in the destination marketing strategy had an impact on a number of organisations within the industry:

... the early days of taking money away from joint venture and putting it into brand, as we talked about earlier, definitely conflict. What they wanted to achieve versus what we believed in ... probably the area of greatest conflict ... airlines and sellers of travel ... The distributors, the wholesalers and retailers ... the other conflict is, I guess to a lesser degree but, the RTOs wanting their bit promoted and we're saying, no, we're promoting the total. And some RTOs feeling that they got less air-time than they used to.

The move by TNZ to a global marketing strategy led to considerable changes in the pattern of relationships within the network. Players (e.g. RTOs, airlines, distributors, TNZ overseas offices) who had been used to having a bigger say in destination marketing had in the new scheme of things, less central roles. This led to considerable dissatisfaction from the earlier more central players. In contrast, others saw this change in the NTO approach as a more equitable treatment of all industry players. An interviewee from a smaller tour operation business felt:

For us, we're still quite small in the big boiling pot so we do benefit a lot from it. I imagine that the larger tourism companies would ...

there would be a bit of conflict there. I think they would like to maybe have a lot more of their own products on there.

An industry association executive liked the fact that listing on purenz was free for all industry organisations, stating that it:

... gives people the ability to get their product listed...within the context of the New Zealand ... within the context of the 100% Pure positioning ... And it doesn't cost them anything.

Both perspectives are best illustrated by the following quote from a research participant who previously worked for a large airline and now has more of the NTO perspective:

... I would be in meetings and I would hear from my partners, the wholesalers and the distributors ... what a crock of shit this was, this is just a disaster. It would affect New Zealand to a point where, you know, New Zealand would be begging to have their partnerships back because the business would just drop back ... "I'm not even going to support New Zealand anymore because you can't provide funds, etcetera, etcetera ...". As an airline partner we also felt pretty annoyed, you know, because actually we wanted money, the funds free, you know...and I'm delighted to say ... that everyone else was pretty well wrong and the believers and the visionaries were in the main right.

The nature of the NZ tourism network has been changing since the late 1990s from an unstructured to a more structured network in which the roles and relationships are becoming more clearly defined and cooperative to achieve certain goals. Mandell (1999) makes a distinction between networks where people are loosely linked together and a network structure where people actively work together to accomplish 'what is recognized as a problem or issue of mutual concern'.

The NZ network is possibly moving towards this more focussed network structure as described by a long time agency supplier to the industry. In the first part of his comments, the current network is described as a 'well-oiled' machine with a clear structure and high levels of cooperation. The same respondent attributes this achievement to a combination of government support; the development of the Strategy 2010; a period of industry success; and clarity of roles and flexible management:

I don't know what you put it down to? I think to be honest; I think the Strategy 2010 has played a very big role in that. It's given people something to unite within. I think the government has certainly shown willing to financially support the industry and so I think that certainly

is part of the story and I think that we've had success in the industry as well. There's nothing like success in the strategy to get behind to unite the industry. Plus we've got something now. It's not like we're changing. Like go back eight years, we were making a dramatic change and everybody wanted to have an influence and it was like who was going to win ... And now, we don't have that debate. Everybody has a knowledge role and they know what their responsibilities are... I think everybody's been adaptable ... I mean I think the fact that Tourism New Zealand has been prepared to adapt it's strategy and they haven't stuck rigidly to the first campaign objective – they've moved on. And I mean ... we've done work on ... or the industry's done work now on cultural tourism – there's a lot of work been done on cultural tourism.

The comments which follow suggest that people are now ready to actively work together to focus on the capacity and supply issues which seem to be currently of mutual concern:

We've moved from looking at consumer demand now to looking at capacity and supply issues. The industry association is working very hard on encouraging better business practices to promote yield development. So everybody's kind of got a role and then there's now a regional tourism organisation (RTONZ) Regional Tourism Organisation of New Zealand, that's been formed, which gives the regions a united voice....

6.3 Why was the cooperation informal and unstructured?

Within the inter-organisational cooperation literature, the form or structure of an alliance has been given considerable importance. Gulati's (1995) research suggests that the choice of alliance structure is based largely on the current social network in which the firms are operating; financial appropriation concerns and the activities that the alliance encompasses. A subsequent paper (Gulati and Singh, 1997) also mentions another consideration is the anticipated coordination cost. All four of these have had an impact on the form that the collaborative aspect of this destination marketing project took and how it was managed, i.e. with its low levels of integration and formalization of relationships.

6.3.1 Nature of the task and the historical role of government funding

The purenz website was developed to support the overall '100% pure' campaign in a cost effective way. The costs of this electronic medium were much lower than the previous approach of separate print publications produced by the different regions for their markets. The original website was described as an "electronic brochure" which had the advantage of delivering a consistent message to all users. The site content and design were centralised in Auckland which allowed for ease of coordination and integration with the overall global advertising campaign. The NTO did not see any need for industry input for this task. In the words of one NTO manager:

... I think in terms of co-operation for the Pure NZ, that's an interesting one because again, tourism offices haven't really traditionally seen the web as an important part of the communications mix, so a lot of that development went on at the beginning, kind of quite quietly and ... instrumentally, but now in terms of co-operation with...operators for example ... that's quite important although they're tied in to that now ... but in terms of co-operation elsewhere from the site...I mean, there had to be co-operation internally, within the organisation, so co-operation to ensure that the site was, had carried the branding and the campaign etcetera, etcetera and things like that but I don't know...I wouldn't know who they would cooperate with elsewhere, sorry.

The above quote suggests that the NTO initially did not see the website as an important part of the marketing communications mix. The tourism operators' cooperation was sought only in terms of tying them into the database and TNZ saw no need to cooperate with or involve any other tourism stakeholder. In contrast, Buhalis (2000, p. 112) suggests:

Destination promotion requires a co-ordinated campaign and message for all local principals and suppliers. Designing a cost-effective promotional mix is difficult because of the diversity of tourism suppliers at destinations and spread of consumers throughout the world. Achieving a consensus on the marketing campaign as well as raising adequate funds to develop and implement is one of the most challenging tasks for destination marketing.

In this particular case, however, a consensus on the marketing campaign was not perceived as necessary as the NTO did not have to 'raise' adequate funds. Historically, the New Zealand NTO has always been funded by the central government to fulfil its destination marketing responsibilities (refer 4.1). As one pragmatic industry member sees it:

I'm more of the view of ... you know, there's market failure, we need the government funding, let's do it and do it well and do it properly and do it quickly ... But I think the industry's got a ... it's got a place...but it's one level under. It's trade, it's famils [familiarization tours] , it's sales trips, TRENZ, you know, and then it's reinvesting in your product, training, you know, better capital, all that stuff.

There is considerable debate over how the NTOs should be funded (Bennett, 1999; Ritchie & Crouch, 2003). As tourists use many of the general facilities and infrastructure which are also provided for a nation's residents, tourism development can fall into the category of a public or social good and "A public good, by its very nature, is a candidate for government activity" (Jamal and Getz, 1995, 193). Within New Zealand, the government has largely divested itself of public sector corporations and withdrawn from direct involvement in commercial activities since the end of the 1980s. By 1999, a briefing paper prepared for the incoming Minister of Tourism (Office of Tourism and Sport, 1999, p. 9) stated:

The balance between public and private sector involvement in tourism has become confused ... Critical in this assessment is ensuring that the Government does not crowd out private sector activity, while at the same time ensuring it lives up to its partnership responsibilities to ensure continued growth and development in the sector.

The New Zealand tourism industry has very few large organisations and none of these organisations would have as its primary objective the marketing of New Zealand as a tourism destination. In the words of one industry member:

... if we never had Tourism New Zealand, none of us ... have the resources... to go out into the marketplace and do what these guys do.

The briefing paper for the Minister (Office of Tourism and Sport, 1999, 2) recognized that, "Market failure prompts a direct role for Government in generic destination promotion, research and information...."

A TNZ Board member considered the role of a government NTO to be an area which requires continuous monitoring and review:

The ongoing debate is the balance that you draw between a public body doing stuff where private bodies think they could do it. The whole argument about having a government funded destination marketer, is around market failure ... that effectively there is no-one in the private sector who would do this, because there is no-one for whom it's in their best interest to market New Zealand. Air New

Zealand comes closest, but with the proliferation of airlines coming to New Zealand, particularly over the Tasman, their interests aren't necessarily always going to be Air New Zealand interests, where our interests need to be somewhat wider than that. Although the national flag carrier is incredibly important to New Zealand. So we have a body, because of the issue of market failure. The question then is to ensure that that body doesn't go over the line and start to get involved in stuff that private sector people could be doing. One of the ongoing ... philosophical debates that is ongoing within the organisation, is how far we can take this whole issue of attaching products and service suppliers to the site and there are some people, some private suppliers of those services, who say we shouldn't be in that space at all.

The NZ government funds the destination marketing activities of the NTO as there is no one entity in the private sector with the resources or willingness to take on this task. However, if marketing is not equated only with destination promotional activities, then the NTO is sometimes seen as competing unnecessarily with the private sector. As the above quote suggests, even the inclusion of a database of products and service suppliers on the purenz website elicited objections from some quarters in the private sector. A long time member of the industry justifies his opposition to this attachment of products and services to the purenz website on the following basis:

So we think the top half, you know, the big picture, selling New Zealand, the sizzle if you like, no, no qualms whatsoever, where we have the big problems is with T.N.Z. connecting the bottom half, which is about all the operator information and creating and maintaining a database. We just think, that: a) they shouldn't be there and there's a whole stack of reasons why they should not, the least of which is the lack of quality control. But even if they put them in place, we're still saying, but why are you doing this when there are commercial operators out there doing this sort of thing.

Purenz has moved from an initial static information site to a much more motivational and interactive planning site. Some research participants, like the one quoted above, see no further role for the site beyond this. Other participants suggested that the website's full potential remains untapped. A participant working for an airline suggests that the website does not have a tracking code to follow the customers through to the actual purchase:

... they should be taken to the next step...you know, the first step is...visitors ... the next step is...you know, speeding those off to suppliers and ... the third step is purchasing convention ... now, I can tell you that they don't have any tracking code ... to go ... and they can do this ... they can do it, its pretty easy to put tracking code on the

site to make follow their customers through into a provider ... to then follow that through to a purchase ... so ... we track and measure our customers really well...

A technical consultant to the industry felt regret that there was no 'standard schema for sharing information between all the various databases developed for i-Sites and RTOs:

I mean Tourism would certainly encourage people to list everywhere ... wherever it makes sense for them ... but it's a real shame that there isn't a mechanism like a standard schema for sharing information between all of the various databases ... because you've got ... VINZ, i-site ... you've got the RTO's will have their own information about operators in their region ... you've got tourism ... you've got all the guide operators ..., you've got online bookings functionality ... if they could all be interlinked conceivably, it's not a trivial thing to do, it's neither trivial to figure out a data scheme but it could be done...

Mistilis and Daniele (2001) conclude that government involvement in the development and operation of a DMS is useful, "if not critical", for the system's success. They suggest though that beyond a certain point the responsibility should ideally shift to the private sector though with safeguards to ensure that the overall image and positioning of the destination is what is desired by government and that it can intervene if there is 'market failure'. Further development of the role of the website so that it is integrated with other industry members' websites and databases would require achieving a consensus and possibly sharing of costs. At this point, there is no evidence to support that there is a move towards this kind of partnership in New Zealand.

A study of RTO websites in the New Zealand context (Doolin, 2002, p.13) also found that a single source of government funding was cited as important in enabling "completeness and impartiality". Other authors (Buhalis & Spada, 2000; Frew & Connor, 1999) argue that public sector involvement both in the development and operation of the DMS is critical to balance the needs of the main stakeholders. They suggest that with private sector responsibility the bigger industry organisations dominate resulting in an unequal spread of benefits. A large tour operator suspected that this would happen in New Zealand as well if industry funding were involved:

I did a lot of work in Australia ... when Ansett went under and Jetset Holidays went under, Qantas Holidays dominated that market and you had a situation in the Gold Coast, where Qantas Holidays' product

manager would go in and say, can you sign this or we're not going to deal with you. And it would say that ... you have to offer us rates 10% cheaper than any other player in the market, anywhere in the world... otherwise Qantas simply isn't going to support you, end of story... and that would happen in New Zealand if we ended up with...with industry funding. Because commercial enterprises demand a return on any money they put forward and they'll do that. And the big players will put more money forward and they'll demand more back. Whilst you've got the government funding it, they'll demand their return, it will tend to be in the national interests skewed towards their own interest, but generally the national interest will be...will figure in their statements.

From the perspective of a large private organisation, there is no question that any pooling of financial resources and skills would have to be on the basis of some clear benefits for the contributing organisation over and above those received by non contributing industry members:

The government I guess ... there was definitely no industry involvement ... we would have put money in, alright ... we would have supported it ... and would have been more than happy to have done that to leverage it ... so long as we could get returns on our investment...we really pushed and pushed saying ... front page ... you know you just put it up like this ...you know we got to the point of saying ... you should have pretty simplistic navigation instructions which says what to do, how to get there ... you know those kinds of developments and ... and some of those things were kind of taken on board but ... we would have provided some funding to it, but they didn't want to do it ... because they couldn't be saying that ... they are kind of you know biased ... I guess we also appeared on the same levels as those of Jims backpackers ...

On the other hand, the other smaller players in the industry were not perceived , at that stage, as being able to add value to the development of the purenz website as:

... at the time that a lot of smaller operators thought this was completely over the top ... spending so much money and bringing in such a major design team on this, they just couldn't understand the rationale from being so huge, but four years ago was really before the website started to get quite sophisticated, and I think that was just a lack of understanding about the capability.

The following comment from a Board member suggests that a public/private funding approach would not work, and cites Canada and Australia as examples:

I think that one of the initial flaws of thinking ... was that there could be a public/private partnership between public entities and private entities, all bringing money to the table. That sort of lunacy is evident in Canada, where they have about six thousand different committees and it's a great way not to run an organisation which is capable of making decisions. Happily that lunacy is also to a certain extent prevalent in Australia where you've got the States of Australia each putting in money, each expecting to have a say in the way in which Tourism Australia runs things. What I think was found pretty quickly was, that with the exception of a very very small number of players, most people weren't prepared to put money into destination marketing per say. And that's not in any way criticism, that's the very reason why you have Tourism New Zealand, because by in large, people want to sell their product, not necessarily the country. And so as a result the structure that we've ended up with is the right one. So long as Tourism New Zealand continues to be respectful of and place a great deal of importance on the issue of consultation and communication, while not ever giving up its responsibility in the role to call it as it sees it, in terms of the best interest of New Zealand.

These findings provide support for Hall's (1999) contention that the extent of public sector involvement will depend on a country's political culture and the ideology of the government in power. It is also dependent on the maturity and direction of its tourism industry as well as on the technical expertise and resources with government tourism structures. Zahra & Ryan (2005) in their study of changes in the NZ NTO over a twenty year period found that key players and political processes affected the functions of the NTO and these in turn had implications for rest of the tourism industry.

In the context of this research, the single source of funding from the government did give TNZ greater control of the global campaign and freedom from the influence of the large private sector organisations. However, this positive aspect of government funding is offset by the negatives, "I think...there was strength of independence within the Board and the Executive of Tourism New Zealand. But there's "a weakness of association with political process" in the words of one interviewee. The following comment from a large industry tour operator expands on this perceived weakness:

I know when I'm on conferences, Tourism New Zealand are always very political correct and safe and they never knock the government, you know, I've never heard a Tourism New Zealand person stand up and saying, "come on, you guys, let's start getting a petition together to get more funding together for New Zealand tourism"... because they need more money but they never can voice that or articulate that

because ... they're employed by the government...

Within TNZ, one private sector Board member described this association with government with some frustration:

I think what people don't really understand is ... some of the in-house issues that the Tourism organisation or Tourism Board have got to put up with. We're not only dealing externally with the industry at large and taking it forward in terms of, you know, selling New Zealand as an iconic destination but we're also dealing with a lot of the in-house bureaucracy and politics. And that, to me, you know, that takes up to roughly 50% of the Board's time. And to me, I just often think, you know, this is such a waste of time. Because you know, it's all about pleasing different political members and I mean that 's what politics is all about, you know, ... I mean ... when the budgets are put together and ... and the bid comes around for vote tourism funding, you know, ... you have to be really smart about how you're going to please the politicians, you know...So, there's just such a lot of work and a lot of paperwork to do in that area.

In addition to the demands of their political masters, TNZ also has to deal with industry expectations. The following comment from a CEO in the attractions sector reveals this tension:

...a national organization ... are actually really sort of selling New Zealand as a visitor destination. Having ... the confidence to know that they're out there working on your behalf. You know, for ... for a positive effect on your own business. I mean, ideally, you know, they are there working on your behalf and ... so you know, so their whole responsibility is actually painting a picture that's going to make the operator or the industry look good ...

One private sector interviewee considered wider industry consultation a necessity because this was public money being spent by a government organisation:

... they didn't seek any industry consultation ... number one, you know, I mean, this is a government department, I don't care what they say it is, it's a government department using public money, so they should have sought wider input ... that's the number one weakness....

The NTO is funded by the government and therefore accountable to them for its expenditures. At the same time, the tourism industry considers the NTO to be accountable to them for ensuring that destination marketing expenditure benefits the tourism industry operators. It is conceivable that there could be situations where the government's expectations of what destination marketing should achieve could be quite

different from the industry operators' expectations. The NTO perspective of the pressures that government funding puts on their operations are described by one of their managers operating at the strategic level:

... these are sensitive issues and the reason for that of course is national tourism organisations are using taxpayers money ... And there is always an issue around the appropriateness of the spend of the taxpayers money ... And how to give spend back to the taxpayers ... So there's always pressures, say from the industry, to say, you should be spending money with us because we're taxpayers and we need some help in funding and marketing our products and services ... that pressure. You've then got the pressure from the wholesalers, sort of saying, like, you're using my distribution channel to promote your country and you should actually be helping me and supporting me financially to do that ... So these are the pressure inherent in the system ...

Not being dependent on industry contributions for its destination promotion funding allowed TNZ to launch its new global branding strategy without having to achieve a consensus within the industry prior to launch. The single source of its funding came from the government and this is the key stakeholder to whom TNZ had to be accountable for its new destination marketing approach although many tourism industry members expect the NTO to be accountable to them. The funding aspect certainly did have a considerable influence on the level and form of cooperation that TNZ chose to proceed with in this destination marketing case.

6.3.2 Costs of cooperation

Cooperation brings the benefits of economies of scale; allows combining of resources or spreading of risk, but it can also mean having less control (Blumberg 2001). Cooperation also means that decision making can become more complex and time consuming (Bramwell and Lane, 2000) and this was definitely a problem for the NTO in this case.

TNZ was given a very short space of time to come up with a global campaign by the government. As one NTO manager mentioned:

In actual fact, I mean, I'll be really honest with you but the Minister at the time said if the Tourism Board doesn't sort itself out and go down this road of a consistent approach across the world, he'll shut it down.

A key leader of the development of the '100% pure' campaign and the purenz website noted that "...the whole campaign was constructed in the period February through April..." 1999. He added:

Reality is...the government gave money to Tourism New Zealand to get this campaign off the ground within one financial year...I took the reigns up in February ... The campaign had to be ready by June...So you don't have much time to wander around and consult with everybody and have workshops and so on ... The ultimate consultation, the ultimate consultation is what consumers are telling you.

The complexity of dealing with a large number of stakeholders, and the shortage of time, were the main costs which deterred the use of additional cooperative mechanisms in the development of 'purenz.com'. In the opinion of the CEO of a cruise operation, "...if you wanted to make a democratic process with the whole industry, you're just never going to get anywhere..." A previous NTO manager who works as a consultant agrees:

... previous experience has shown that consultation is an exceptionally long process and ... I see now, even with some of my clients now...that if you stop and consult, then you'll never get anything done and the marketing opportunity is gone then, it's lost.

The GM of a major tour operator recalled the pressure the NTO were under, and mentioned the financial costs of consultation as well:

... probably where the cost was involved ...maybe time, they were in a rush to get the thing going as fast as possible because it had meandered for a long time...and it was in the press a lot about this directionless of Tourism New Zealand...they had a lot of changes there, people had moved on and all the rest of it. So it was probably pressure as well to get something up and going as fast as possible ... add the monetary constraints ... add in the fact they might have assumed there wasn't much knowledge out there ...

A TNZ Board member suggests the main constraint is, "...time. We're not hugely well-resourced so time, people's time being stretched." A key leader of the whole development seems to be referring to time, financial and human resource constraints when suggesting that the NTO does not have the 'ability' to consult the industry

... in terms of formally buying the industry in, the challenge with that, or if you like, the weakness is that we don't have the ability to do ... a series of iterations of go out and consult with the industry and then

come back and redo it and go out and consult. And so ... it doesn't sort of formally get built in and I don't know that it's realistic that it does..."

An additional perceived cost of a more consultative approach was that the result would have been less effective. More cooperation would have meant the need for compromises. In the words of an industry association leader at the time:

So I think the strength was that there was a small, a tight group of people responsible for coming up with the answer versus trying to do it by committee which would have just ... I think ... we would have ended up with sort of quite a compromised result.

A senior manager from the NTO agrees:

...the fact of the matter is that there are many, many stakeholders and you can consult completely and designing a horse you would get a camel....and if you want evidence of that, just take a look at National Tourism Organisation campaigns around the world and I would argue a lot of those are a function of extensive consultation processes ... hey still leave the industry alienated, it still creates a lot of frustration with industry and with government and the results are appalling ...

There was also a perception that a more cooperative process would have meant consultation only with the bigger commercial players in the industry, and that this would have given the website a bias towards large organisations. One tour operator recalled:

... initially there was some indication that they were going to start offering a shopping-bag type...process online, which would have been significantly out of line for a national tourism organisation to do that. Tourism New Zealand ... has to partner internationally with large tourism companies ... So ... Air New Zealand works closely with Tourism New Zealand and as a result they have a lot of influence over them...Tourism Holdings in certain markets around the world, has the dominant plant operator infra-structure and market. So they work closely with Tourism New Zealand and as a result they have a lot of influence with Tourism New Zealand in certain markets ... If Tourism New Zealand was to move to a...some sort of shopping basket type of facility online, I think there would be a real risk that there would be a heavy bias towards the larger businesses. And I don't think that's Tourism New Zealand's role....

The evidence from this case supports Gulati and Singh's (1997) suggestion that anticipated coordination costs are a major consideration for management which, in turn, affects their choice of the form that inter-organisational cooperation takes.

6.3.3 The existing network's impact on structure of cooperation

No new or separate cooperation agreement or structure was created for the development of the purenz website. The NTO did not perceive the need for cooperation from other stakeholders until after the development and the need for a database of product suppliers became apparent. Established relationships and mechanisms within the tourism network were then used to involve industry members. According to a research participant from a major airline, there were "...informal catch-ups every now and then...more often than not, they were initiated by us..." Another participant's response mentions formal TNZ Board meetings but also emphasizes the importance of the informal nature of the cooperation mechanisms:

... through the formal board meetings but also in the informal times
... if we're travelling somewhere and so we spend a lot of time
together informally, a lot of time talking.

The interaction with industry members only increased towards the end of Stage 1 of the purenz development. This was primarily motivated on the part of the NTO by the need to get industry members to register on the website database. At this point the NTO used a number of mechanisms to communicate widely with the industry such as roadshows, seminars, trade shows and events, "...that take place through the course of the year ... besides the use of written and e-mail..." Other comments highlight how organisations like industry associations and RTOs were used as intermediaries for further grass roots communication. An industry association leader recalls:

... obviously, you know, the usual communications, newsletters, so on and so forth, I mean, our industry likes face-to-face contact, ... TNZ did really well from a...collateral point of view in newsletters etcetera but no, our industry sometimes doesn't read these things, they get deleted, they disappear, so you do need a face-to-face contact and the roadshows were a great way of doing that. And again they also relied on intermediaries like the RTO's to provide the mechanisms for that, the venues...to draw the audience and to also sell it on their behalf because TNZ, being very Wellington-focused, in New Zealand, don't have close contact with the industry on an ongoing basis. Whereas the RTO's have that grass-roots linkage. So one of the strategies, I don't know again, whether it was designed to do it that way but it worked

very well, is to...you had to convert the Regional Tourism Organisations so that they, who had ongoing contact with the grass-roots people, could, you know, be your supporter.

An NTO manager suggested that they had considerable communication support from key industry association and players:

I mean, there was a lot of industry discussion and...at seminars etcetera. TRENZ, our big forum in June, May/June each year is a way that we communicate a lot of what we're doing. And...that was obviously probably a key vehicle to get a wide cross-section of the industry...informed about it...obviously any companies that go overseas to any of our events ... were pretty, you know, briefed on it both obviously in New Zealand and overseas as to what we were doing.... so...yeah, I mean there's ... I think we also had the support of other associations such as ITOC and ... New Zealand Tourism Industry Association, Air New Zealand etcetera ... that they all sort of carried the message as well.

TNZ management began from a premise that they did not need to consult the tourism industry or other stakeholders about this tactical destination promotion project. The decision to include a database in the website was the catalyst to TNZ launching a coordinated communication campaign targeted at organisations within the NZ tourism industry to elicit their registration on the database. The relative ease, with which TNZ elicited the cooperation of the NZ tourism industry members, was largely due to the existing tourism network structure within which they operate. This network had existing shared understandings of roles and interdependencies; established participation mechanisms and existing channels of communication which were called upon when TNZ needed more interaction and buy in from industry operators. No new cooperation agreement or structure was required. The tourism network's established relationships and communication channels proved sufficient for the level and type of cooperation that the NTO desired for this project.

6.4 Evaluating the impact of purenz on the tourism network

Any destination marketing has some impact on the entire tourism network. This section evaluates the contribution of the purenz website from the perspective of its contribution to individual tourism business growth, to the overall tourism industry, and to its other stakeholders.

6.4.1 Contribution to individual business growth

The research participants whose organisations are registered on the website were asked ‘On a scale of 1-5, how successful has the site been in terms of meeting your firm’s original objectives in getting involved in the process purenz development?’ Most respondents had difficulty answering this question. A large tour operator’s response was, “I really can’t answer that because how much business we’ve got because of the site, I really couldn’t say”. An interviewee from an RTO responded, “Don’t know if we track it - we’re just here because it is one more channel.”

The responses of the twelve who did give a rating in answering this question ranged from 1.5 to 4.5 with a mean of 3.4. A clear pattern emerged in that the participants who gave the lower ratings were from large commercial organisations. One large airline manager who gave a low rating of 1.5 had the following to say “....let me tell you, they aren’t one of the top referral sites. We do monitor and check...”

Another large tour operator gave it a rating of 3 because of the low level of business they get from this site compared to other sources:

... I don’t think it’s quite the catalyst that everyone thought it would be to start with ... I think that as the electronic age has matured and companies have learnt how to master that technology and learn how to use it to their advantage ... the purenz site has become less relevant and...we definitely fit into that category ... the traffic that we get from our presence on purenz doesn’t even figure in our Top 10 now. And if we look at those that go on to make bookings; it doesn’t even fit in our Top 20...Tourism New Zealand would probably tell you it’s our content and we’d tell you it’s the way they’ve structured their website and the relevance of their website in the world.

On the other hand, a high rating of 4.5 was given by a participant from a support service organisation which has no offshore marketing budget of its own, “...I can’t tell you the exact figure, but I can tell you that it’s right up there as one of the key gateways into our site....Top five . “ Another support service gave a rating of 4 as their organisation is now being given increasing prominence on the website. It seems logical that the additional exposure through the purenz website had proportionately more value for those organisations with small or nil overseas marketing budgets.

Towards the end of the interview, research participants were asked ‘On a scale of 1-5, how would you rate the contribution of the website to NZ tourism?’ Again, the highest rating of 5 was only given by small businesses or support services with minimal or no overseas marketing budgets. The website was seen by many interviewees as contributing the most to smaller organisations within the industry and providing them with an opportunity to be part of the overall global promotional campaign. From the point of view of a TNZ manager:

I guess it’s given opportunities ... for the New Zealand industry to be able to list on the site and be part of the campaign ... it’s the key way ... well it’s one of the ways they can be part of the global campaign and ... I don’t know if that’s cooperation in terms of development, but it’s given them access to the campaign.

An industry association leader agrees that the website gave the small operators access to participate and benefit from the overall promotional campaign and emphasizes that taking advantage of this opportunity involved no costs for these businesses:

... it gives people the ability to get their product listed ... within the context of the New Zealand...within the context of the 100% Pure positioning ... And it doesn’t cost them anything.

In addition to the free listing and international exposure, it appears that many small businesses are using the site as an information resource and for creation of complete tour packages for their clients. A support services manager who regularly meets industry managers from the variety of tourism sectors reports that:

One of the things they [business people on overseas promotional trips] find with that, they can go to the international market and say here is an experience in the Hawke’s Bay, it includes the accommodation, the travel to the winery, a restaurant at night, the trip on a little dingy out to Cape Kidnappers and the whole lot’s going to cost you \$X,Y,Z. Great marketing ... A complete package...

A small tour operator specialising in the Chinese tourist market found the site useful for her business because “...whenever we want information, we go there and then we can find something we want.”

In the words of the following public sector interviewee, the ‘100% pure’ campaign and website development’s contribution to NZ tourism has been in terms of business growth for individual businesses:

I don’t see the New Zealand tourism ... the operators ... I don’t see them to be doing anything like the business they’re doing today, if it hadn’t of been for that website ... but I meet client after client, who has said, it’s just been wonderful that website, it’s done so much for me since I got involved and got to the top of this list.

The participants responses suggest that the contribution of the purenz website to individual businesses has varied with smaller businesses, or businesses with limited overseas marketing budgets, perceiving it to be of greater value. The larger businesses in the industry actively marketing their own organisations overseas perceive it to be of lesser value.

6.4.2 Contribution to the NZ tourism industry

Research participants were asked during the interview, ‘On a scale of 1-5, how do you rate the contribution of the website to the NZ tourism industry?’ In response, the majority of interviewees gave a rating of 4 or 5. The development of a purenz site which is more than an ‘electronic brochure’ ultimately required input and cooperation from industry members. One of the interesting findings of this study is that, in turn, this development has led to improved web design performance within the tourism industry. Many interviewees focused on the ‘demonstration’ effect that the website had on industry members. In the words of a large hotel chain executive:

... it sets a benchmark ... I think it’s encouraged businesses in the tourism industry to work with their own websites more ... link to the pure New Zealand site and other sites more and just be active I guess in working with it.

An industry association leader emphasized the effect that the purenz website had had on both the public and private sector as a catalyst for greater investment in internet technology:

It’s a fact of life, the internet’s there and purenz.com has done an incredibly good job, I mean, it’s won many awards, it’s regarded as one of the best NTO websites in the world, so it’s been very, very important to that. I think it’s helped raise the game, raised the awareness of the value of the internet to other businesses in New Zealand ... I know as an RTO, that, you know, it made us all invest

more money in our regional websites. I think it's made commercial businesses invest more in their websites and it's made us co-operate amongst websites ... inter-link and interact a lot more than we used to.

In both these quotes, the internet is perceived as enabling greater linkages and interaction with other organisations. The overall '100% pure' campaign is also perceived by many as having contributed to the unity and cohesiveness of the NZ tourism industry. According to one long time observer of the industry:

I think it's given everybody a focal point and a sense of, this is what we're about. So, it's ... it's been quite important. Like, in the past when there was different campaigns for different markets...there was probably less overt understanding of what the brand proposition was ...and therefore there were less opportunities for people to give life to that in the kind of visitor experience they offered. So I think there's a much higher level of sort of common understanding of what we stand for as a visitor destination.

Another leading tour operator suggested that there is more industry access to information collected by the NTO through a 'spinoff' of the purenz site:

I think the best example of, you know, how things have changed is, Tourism New Zealand does a lot of research, collects a lot of data about the tourism industry. In '98 I think it was, they pulled all that in-house, said it's all our information, that classic ... I'm gonna protect my position by controlling all the information. And if you want it, you have to pay for it. Most tourism businesses employ less than two people; they can't afford to pay for that sort of stuff. In 2000 or 2001...the Ministry said this is ridiculous, this is public information, it's public money that's been paid ... to collect it...we're going to open it right up and they've opened it right up now and now as a spinoff of purenz you've got the statistical website etcetera....And so, that's a maturing of their attitude towards the ... industry . the Minister is right, the Ministry is right, it's public money being used to collect this information therefore it has to be publicly available.

It is quite possible that had the development process of the purenz website involved more industry participants, the contribution to the industry would have been greater. Milne, Mason and Hasse (2004) emphasize that participation by a 'community' of stakeholders in a project such as a 'web-raising' not only results in an effective and unique website but equally important is that the shared process helps forge notions of communal trust and reciprocity. While their work focuses on community/micro-scale developments, there may clearly be implications for a broader scale of analysis. The development of purenz was approached from a tactical perspective and the website was

seen as only a promotion tool. In contrast a more strategic approach was used in Alberta, Canada to develop a destination marketing information system (DMIS). This three step process involved the industry from the beginning to identify their research and intelligence needs and then subsequently to work out solutions which would deliver quality information to meet those needs at an affordable cost (Ritchie & Ritchie, 2002).

6.4.3 Contribution to other stakeholders

When asked the question ‘ How do you rate the contribution of the website to other stakeholders’, the ratings of the interviewees were spread pretty across the 1-5 scale (Figure 6.3) with a mean of 3. In addition to those within the tourism industry, the impact of destination marketing efforts on a wide variety of others was well understood by many (though not all) of the research participants. Department of Conservation (DOC), the indigenous Maori people and New Zealand Trade and Enterprise (NZTE) were identified in particular as stakeholders who had benefited from the ‘100% pure’ campaign.

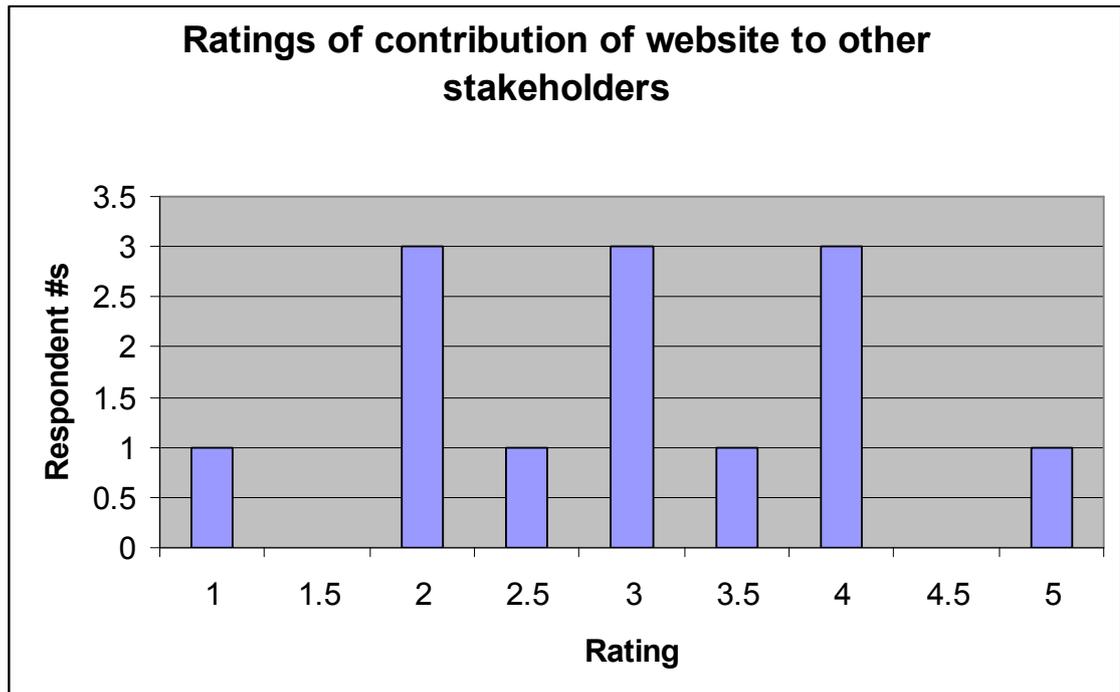
One TNZ interviewee summarized the contribution of the campaign to other stakeholders as providing a base for their marketing activities, in the form of an internationally recognized “face” or brand:

Whereas most of those other agencies don’t have the ability, or they don’t have the marketing... an international marketing budget, so tourism became kind of the, the face ... of New Zealand generally and I think that has helped all of them in terms of trade prospects, in terms of Maori tourism and it’s helped that as well.

According to an NTO manager, TNZ has coordinated with DOC to manage visitation to national parks in a more sustainable manner:

I think we definitely helped the Department of Conservation by promoting what they had to offer within the National Parks and trying to guide people at what time of year they should visit and what precautions they need to take and promoting those things that people might not be aware of so much and maybe lifting some of the pressure on the key things that get visited.

Figure 6.3: Ratings of contribution of website to other stakeholders



A Board member echoed this view and also had some comments on how this had created opportunities for Maori:

... it's basically given them a platform in which to work off...the Department of Conservation and the whole clean, green image and looking after the environment, sustainability ... It fits extremely well with trade as well because it puts out a perception there that, you know, the clean, the green, the pure, you know, so people really do enjoy doing business with us ... Maori, it fits in there as well and how Maori can actually plug into the back end of all this whole clean, green...they can start telling their stories, about the land... So, if its worked right, and you think about it, you can actually use it advantageously for a lot of different other industries. A real cross-section, yeah.

The '100% pure' destination marketing campaign contribution to other stakeholders was to establish a brand and positioning for New Zealand in overseas markets. This base was seen as contributing to the increased the efficiency and / or efficacy of these stakeholders overseas marketing activities. The campaign was perceived as also contributing to the national commitment to protecting the environment and indigenous culture.

Some participants' indicated that the website's level of contribution to other

stakeholders could have been greater on all of the above fronts. Two NTO officials suggested that the contribution to Maori was something that could be developed further:

We're trying ... I think we've gone some way to try and lift the profile of Maori tourism operators...

I do know, you talk about Maori, I mean; it's an area that I am interested in. I think there's been a huge growth in the amount of Maori tourism product that's available now compared to what was available five years ago. And I think there is opportunity for us to do more to improve the demand for that product because I am convinced that it totally delivers in terms of satisfaction and in the experience of New Zealand. And we have elements of it in everything that we do and...but I think we can do ... we can do that better.

An NTO manager who has considerable dealings with the industry, suggested that the '100% pure' brand, "...ties together sort of the whole governments' view of our brand internationally." A tour operator felt this branding had the potential of being leveraged by a number of government organisations if not hampered by territorial politics:

... brilliant. I think it shouldn't be restricted to just tourism ... I know the politics why it's not being applied more widely ... I mean there's a saying in Wellington, "out of Wellington, out of control" ... and there are various government departments who fiercely defend their turf ... and at the moment, Tourism New Zealand came up with the concept, they have 100% ownership and control over the concept ... where it goes and how it evolves is their baby. If they were to let it loose...to Trade New Zealand ... various other government organisations, they would ultimately lose control of that ... it would morph into something that was designed by committee. So they've got a reason ... why they fiercely defend their ownership of it.

A previously high profile industry leader also highlights the unrealized potential of the contribution that this brand campaign could have for other stakeholders:

I think that Trade and Enterprise have ... they're still sort of vestiges of the New Zealand Way stuff around but they've got their New Zealand New Thinking as their kind of country brand ... so I don't see that other stakeholders at that level have really bought in to it particularly ... There are some obvious areas where there could be connections that haven't yet been exploited... the whole thing around bio-security and the 100% Pure brand, there are some clear connections there in terms of what we do and don't expect visitors to bring in to this country either in a known or unknown way ... I don't get a sense that it has particularly connected with what a lot of Regional Tourism Organisations are doing... I haven't been aware of

a lot of promotion where I've seen that leveraged. And as I say, I don't think that other stakeholders ... I don't see evidence that beyond perhaps doing some co-operative advertising with Tourism New Zealand, that ... that other dimensions to the brand are brought to life.

One participant from the private sector, who rated the contribution to other stakeholders as low, suggested that it was these stakeholders who needed to be more proactive to realize the full potential of this campaign:

... I think I would say probably, maybe, only a scale of two ... if you don't step up to the mark, and jump on to the bandwagon ... it's not going to happen for you and a lot of those industries haven't done that ... I mean, even Maori for instance, only in really now, are they coming up with some really interactive products, promoting themselves, showcasing what they're all about. When I first moved to New Zealand, the only Maori thing we saw was at Rotorua. And that was so tourism-orientated. And now, you know, you can go and stay on ... maraes, and you can do things like that, which was never really done. So I think they've stepped up to the mark but I think a lot of the other ... like, the Department of Conservation and all, I think they haven't really stepped up to the mark and realized actually what it's doing and that they could actually benefit from it.

In summary, the '100% pure' campaign and the development of the supporting website are perceived by the research participants to have had an impact on individual business growth, especially of small businesses and other stakeholders with limited or no marketing budgets. The campaign and website are seen as having had an impact on the NZ tourism industry in terms of providing a benchmark on the use of Internet technology for marketing purposes. The increased use of technology has contributed to greater interaction and sharing of knowledge within the industry. The campaign has made some contribution to other stakeholders. However, it seems that the contribution of this destination marketing project to stakeholders could have been greater. The website's contribution to tourism stakeholders was a by-product rather than an integrated objective or consideration within the original development process of the purenz website.

Chapter Seven: Conclusions and Future Research Agenda

The key questions which guided this exploratory research were: what role does cooperation play in the marketing of a tourism destination? What form does this cooperation take? What are the factors which affect the process of cooperation in the destination marketing context. This chapter presents the conclusions in response to these questions as found from the in-depth analysis of this case and discusses their implications for inter-organisational cooperation in destination marketing. The chapter suggests how the conclusions contribute toward the development of a theory for inter-organisational cooperation in destination marketing and discusses their relevance and possible application in this context. The chapter concludes with a discussion of the future direction of this research and its contribution to theory, case study methodology and practice.

7.1 The role of cooperation in NZ destination marketing

New Zealand has had an NTO since 1901 in various forms. Over the years, this NTO has been primarily responsible for destination marketing. At various times in its history, it has been responsible for development of the tourism product, overseas and domestic promotion of tourism, sales and booking of tourism services, tourism research and even owned and managed various tourism related services (Collier, 2003; Pearce, 1992). The current NTO (TNZ) has evolved into a more corporate structure governed by a Board whose members are largely from the NZ tourism private sector and its main focus is now on overseas promotion of New Zealand as a tourism destination (Hall & Kearsley, 2001).

At the end of the 1990s, a highly controversial decision was taken by the NTO to move from a multi-domestic marketing approach to a global branding and positioning strategy for the country (Morgan et al., 2003). The purenz website was originally intended to be a cost efficient tool for providing in depth information on New Zealand as a tourism destination in a fashion consistent with the new positioning strategy. The '100% pure' global advertising campaign was to generate awareness and interest in visiting New Zealand, with consumers then going to the website for more information on the destination.

The NTO decided on the design and features of the website in collaboration with Shift, the agency given the responsibility for the technical development of the site. The initial site was launched at the end of 1999 (Stage 1) and in 2002, there was a major redevelopment of the site content and design (Stage 2). Since then, the site has continued to be modified and developed further. The purenz website is considered a success in terms of the numbers of visitors to the site, the online user survey satisfaction levels and also the number of awards that it has won and for its perceived contribution to the growth in international visitor arrivals from 2000 onwards.

The role that cooperation played in the first stage of the development of the purenz website was limited. There was evidence of coordination between NTO departments and supplier agencies to ensure consistency with the overall '100% pure' brand strategy but the input of a wider network of tourism stakeholders was not sought. At the time that the website development began, the tourism network was highly fragmented and politicised. The NZ network has a large number of vastly different stakeholders in terms of size, nature of business, public and private ownership and geographical spread (Collier, 2003). The value that these stakeholders could add to this technical and innovative project in 1999 was seen as minimal. In addition, the relationships between the leaders of central organisations within the NZ tourism network were strained and the leadership of the NTO in destination marketing was being challenged.

TNZ was given a very short period by its political masters in which to launch the whole '100% pure' global campaign which included the development of the purenz website as a supporting promotional tool. On the other hand, TNZ was given a large enough budget to be able to develop and launch the advertising campaign and the website on its own. At the same time, there were major changes in the leadership of TNZ in 1999. The new leaders were experienced marketing professionals but new to the tourism industry. They saw the development of the website as a tactical destination promotion project and its strategic significance and impact on other tourism stakeholders was only realised at a later stage. Thus NTO and national tourism network related factors minimized the role of cooperation at this stage.

At Stage 2 of the website development, the role of cooperation increased with more two-way interaction between TNZ and other industry members. After the initial

development, the need for product and service suppliers to register on the website emerged. At this stage, intensive efforts were made by TNZ to communicate the website strategy in order to get tourism operators to register on its database. In this process of interaction, TNZ management demonstrated flexibility in terms of taking on board feedback from stakeholders and gradually incorporating these into the continuing development of the website. The increase in cooperation was attributed to the growth in tourism from 1999 onwards; changes in the NTO leaders' approach and an improvement in network relationships.

The development of the Tourism Strategy 2010, begun shortly after the launch of the '100% pure' campaign, contributed considerably to the changes in the network climate. The development of Strategy 2010 was a consultative process involving stakeholders from both the industry and wider community. The development process led to a greater understanding of the workflow and resource interdependencies within the industry as well as different stakeholders' perspectives. This, combined with the successful launch of the '100% pure' campaign, and the growth in tourism increased the willingness in the industry to accept TNZ leadership in destination marketing. Also, by Stage 2 of the purenz development, the new leaders of TNZ had an increased understanding of the tourism network in terms of its interdependencies and also the importance of relationships in this network.

This case study indicates that the role that cooperation plays in destination marketing is decided by the leadership of the central organisation which is given the responsibility for destination marketing. These leaders decide what role cooperation will play in the destination marketing of that nation. The leaders appear to decide this on the basis of their assessment of the need for cooperation; their interpretation of the scope of their destination marketing responsibility; and their assessment of the costs of cooperation within the context of the existing characteristics of the national tourism network.

7.2 Factors which affect cooperation in destination marketing

The key factors which emerge from this case study as having an impact on the level and process of cooperation are:

- shared vision / strategy

- the shared understanding of the term ‘destination marketing’
- managing diverse expectations of cooperation in destination marketing
- the clarity of central organisations’ roles and responsibilities
- communication with all stakeholders
- professional leadership with people skills

The new NTO leaders initially saw their role as one of overseas destination promotion and the development of the purenz website began as a tactical project. In this study, most of the research participants interpreted the term destination marketing as referring to functional destination promotion activities. Even though many of the interviewees had a theoretical understanding that marketing’s scope was much broader, they had also fallen into the pattern of using the term ‘destination marketing’ as it was most commonly understood and used within the industry.

How the term destination marketing is interpreted has implications for the scope of the NTO’s role as the key organisation responsible for ‘destination marketing’. For example, if the NTO is only responsible for overseas promotion then its performance can be measured in terms of increase in audience awareness / attitudes and, indirectly, visitor numbers growth. If the NTO is responsible for achieving sustainable destination marketing objectives and customer satisfaction with their NZ visit, the NTO’s role broadens and requires a more strategic focus. In the latter scenario, the need for inter-organisational cooperation and also the need for integration of destination marketing and management become more readily apparent.

A shared vision or cohesion within the tourism industry emerged as an important facilitator of cooperation in NZ destination marketing. In this case the shared vision emerged through a separate development process of the Tourism Strategy 2010. At senior levels, stakeholder involvement led to an increased understanding of the views of others and greater unified support of the end document.

The Strategy 2010 provided a ‘shared vision’ about what type of tourism was desired (e.g. sustainable and yield driven) and some broad principles (e.g. Maori participation and public / private partnerships) to guide how this type of growth could be achieved.

The NTO leadership participated in the formulation of the Strategy and the findings of this study suggest that the Strategy has influenced the NTO's subsequent approach to stakeholder feedback and its decisions on the ongoing development of the '100%pure' campaign and the purenz website. It would seem that participation by destination marketing leaders' in formulating a 'shared vision', and the documentation of this vision/strategy provides a reference point for setting strategic marketing objectives and selecting appropriate strategies for achieving these objectives.

In this research, the understanding of cooperation, and what it involves, differed among stakeholders. TNZ sees itself as responsible for taking the leadership in destination marketing and defines cooperation as the rest of the industry organisations aligning their efforts to the TNZ strategy. Non-key stakeholders expect the NTO to take leadership in designing destination marketing strategies that will benefit the industry operators while keeping them informed of their activities. The non-key stakeholders from within the industry responded to the intensive communication efforts of TNZ because their response involved no costs to them while delivering some clear benefit to their organisation. This was in line with these stakeholders' understanding and expectations of cooperation in destination marketing.

In contrast, key stakeholders' expectations of cooperation are that they will be consulted in setting destination marketing objectives, planning strategies and contribute resources to achieve the joint objectives. The key stakeholders are defined as those being able to contribute financially or in other ways because of their role or size in NZ destination marketing. These stakeholders also responded to calls for registration where appropriate but the evidence indicated that they could have contributed more in other ways in terms of aligning themselves with the TNZ '100% pure' strategy. It is possible that this less than optimum support from key stakeholders resulted from their different understanding and expectations of cooperation in destination marketing. This study suggests that an assumption cannot be made that all stakeholders have a uniform understanding and expectations of cooperation in the destination marketing context.

Ladkin and Bertramini (2002) found clarity of organisational roles and responsibilities to be important in their Cusco, Peru collaborative tourism planning case study. Dredge (2006, 2006a) found this factor to be equally important in her analysis of the problems

associated with public-private policy cooperation at Lake Macquarie in Australia and again in the Redlands Tourism case. The NZ tourism industry has a large number of businesses who, in turn, have multiple sector and industry associations to represent their interests. There are also a number of centrally-funded government organisations, as well as locally-funded regional organisations, involved in tourism. Prior to 1999, there seems to have been considerable confusion and discord created by the tussle between TIA and TNZ as to who would take the leadership in destination marketing. With the 1999 change in many industry leaders and the later success of the '100% pure campaign', TNZ re-established its leadership in this area. With so many players having a stake in destination marketing, the clarity of roles and responsibilities of each organisation has an effect on inter-organisational cooperation in this context as well as the tourism planning and policy area.

In line with previous studies (Bjork & Virtanen, 2003; Selin & Myers, 1998), this study also found that communication is a key factor in achieving cooperation. Once the need for industry buy-in was recognised, TNZ launched an intense communications effort aimed at the industry through a wide array of network communication channels. In this case study, the NTO needed industry operators to cooperate by registering on their website database. Very good participation was achieved as the organisations' perceived the benefit of additional exposure for their product / service and this additional exposure involved no costs for the participants. However, the findings from this study suggest that one-way communication to inform stakeholders may be insufficient to achieve higher levels of cooperation. There is a need to create two-way channels of communication between the NTO and stakeholders if greater involvement of stakeholders is desired. Greater involvement of a more diverse range of stakeholders may necessitate proactive strategies for creating the conditions which would overcome these stakeholders' current participation constraints (e.g. time and money).

Leadership is a factor which was identified by interviewees as important in facilitating cooperation. The characteristics of leaders which were identified as important in this destination marketing context were professional expertise, team working skills, and flexibility. In this case the fact that the TNZ management were new to the industry and were marketing professionals brought a fresh perspective and new ideas on how to promote the NZ destination overseas. However, the fact that these managers were new

to the industry also meant that they took some time to understand the network interdependencies and in turn the network took longer to accept their leadership.

Most of the factors which identified by this study as affecting cooperation in the destination marketing context have a clear overlap with those emerging from earlier studies of cooperation (Gulati, 1998; Jamal & Getz, 1995; Mutch, 1996; Selin & Beason, 1991; Waddock & Bannister, 1991). Perhaps unique to the destination marketing context, is how the factor 'recognition of interdependence' by all members of the collaboration manifests itself as a need for a shared understanding of the scope and integrated nature of destination marketing management. Another finding from this research is that the understanding and expectations of cooperation in destination marketing are not necessarily the same for all stakeholders. This has implications for the management of the cooperative process in the destination marketing context.

7.3 Network effects on form and process of cooperation in NZ destination marketing

In most cooperative alliances, the literature suggests that considerable effort has to be put into laying the foundations for cooperation (Augustyn and Knowles, 2000; Doz, 1996; Jamal and Getz, 1995; Selin and Chavez, 1995). For example, laying the foundations for an alliance involves selecting the right partners and educating organisational representatives on the values and behaviours of other partner organisations. What this case study reveals is that much of this becomes unnecessary in the destination marketing context because of the existing tourism network structure.

The cooperation at Stage 1 of the purenz development was informal and unstructured. No new agreement or structure was formed for the development of this website and none was needed considering that the development involved virtually no participants outside of the NTO and its agencies. At Stage 2, the need for some input from other stakeholders was felt and the cooperation increased as did the number of participants. However, this increased cooperation was also achieved without a new agreement or structure.

TNZ's organisational constraints, and the tourism network climate at that time, had an impact on their setting a minimal emphasis on cooperative processes/mechanisms. In the context of that time, the costs of any alternative approach were seen as too high. TNZ was able to proceed in this informal and unstructured fashion largely because of its funding from the NZ government. At the same time, the minimal level of industry input that TNZ did need was achieved through the existing network structure of the industry. The NZ network already had a variety of linkages and communication channels for reaching its wide membership such as sector associations, trade forums, scheduled road shows and publications. In addition, other central organisations within the network already recognized the workflow and resource interdependencies within the industry and understood the importance of cooperation in destination marketing. These central organisations came to the support of TNZ in its efforts to reach and persuade tourism product providers to register on their database.

This study suggests that the existing national tourism network structure, and level of shared understanding of the interdependencies among its members, can reduce the time and effort involved in laying the foundations for inter-organisational cooperation in destination marketing. The initial base for cooperation can be provided by the network structure of the industry. There will also be certain shared understandings and existing linkages within the network which can be leveraged when cooperation in destination marketing is needed.

While the network has considerable effect on cooperation in destination marketing, this study also found that destination marketing affects and changes existing network linkages and shared understandings. In this case, the purenz website now provides tourism suppliers additional access to overseas customers at little additional cost. It has led to increasing recognition of the value and use of the Internet by the tourism industry and it has increased the potential for closer linkages with a wider range of tourism stakeholders. This suggests that any research into cooperative alliances in destination marketing needs to take into account the network effects on the alliance.

7.4 Towards a theory of cooperation in destination marketing

This study supports the contention that the tourism network is not static and its characteristics keep changing (Halinen et al., 1999; Madhavan et al., 1998). The findings from this research suggest that there needs to be a periodic and ongoing analysis of the tourism network characteristics (Table 7.1) before making decisions regarding cooperation in destination marketing. The network analysis needs to assess the current strength of embedded relationships. It requires consideration of the structure for communication and other linkages between network organisations. It has to take into account the shared understandings within the network relating to the extent of interdependency within the network; the roles and responsibilities of organisations and the scope of destination marketing. The analysis also needs to uncover to what extent there is a uniform understanding and expectations of the process of cooperation in destination marketing.

Table 7.1: Tourism network characteristics influencing cooperation in destination marketing

-
- An existing web of embedded relationships
 - An existing structure for communication and other linkages between network organisations
 - An existing level of shared understandings of the
 - interdependencies within the network.
 - scope of destination marketing
 - roles and responsibilities of organisations within the network.
 - cooperative process
-

Future research into cooperation in destination marketing needs to include a network analysis as this could have a considerable moderating effect on the phases of the collaborative process as suggested by Gray (1985)

This study also suggests there can be different levels of cooperation desired in destination marketing projects depending on the strategic or tactical nature of the NTO's objectives and thus the input required from stakeholders. Five different levels of cooperation in destination marketing emerge which are labelled: *passive acceptance*, *support*, *alignment*, *contribution* and *pooling* (Table 7.2). Each level of cooperation is defined on the basis of the input or contribution desired from the participating

stakeholders. The level of cooperation needed is a strategic choice to be made by management based on their assessment of the existing network climate; organisational constraints, and the cost-benefit analysis of the value of cooperation in a particular context.

Table 7.2: Different levels of cooperation in destination marketing

Level	Label	Input desired from stakeholders
5	Pooling	Pooling of ideas and information towards destination marketing objectives and strategy formulation
4	Contribution	Contribution of resources and skills in implementing destination marketing strategies
3	Alignment	Alignment of marketing strategies with NTO strategy <ul style="list-style-type: none"> • Promotional strategies and spend in coordination with NTO • Product /service quality aligned with NTO destination marketing strategy • Coordination with NTO in building distribution chain relationships • Pricing strategies in line with destination positioning
2	Support	Support of tourism destination vision / strategy
1	Passive acceptance	No input desired from other stakeholders

The five levels of cooperation are illustrated through application to this case study. The fairly politicised climate and discordant state of relationships between certain central organisations within the network when the development began in 1999 seems to have influenced TNZ's decision to develop the global campaign and the purenz website with minimal input from other organisations in the tourism industry. A major factor which contributed to this 'go it alone' decision is that the original role of this website was limited to an 'electronic brochure' and therefore the need for input from other stakeholders was not anticipated. In addition, TNZ was given a large enough budget by the government to be able to develop both the campaign and the website independently without having to seek financial or skill contributions from other stakeholders. On the other hand, the costs of a more cooperative approach were seen to be high in terms of

the time it would take and the possibility of a less effective and less impartial result. Thus at Stage 1 of the website development, TNZ did not seek input from stakeholders and probably hoped for *passive acceptance* from stakeholders.

By Stage 2 of the purenz portal development, TNZ needed a basic level of cooperation from industry stakeholders. Firstly, the NTO was seeking *support* from industry operators in terms of their registration on the website database. TNZ offered the registration free of cost and launched an intense communications effort aimed at the industry through a wide array of existing network communication channels. TNZ achieved considerable success in terms of *support* and participation in the website database.

At this second stage of the purenz development, TNZ also sought *alignment* of stakeholders' marketing activities with their '100% pure' global campaign. They were not as successful in achieving this level of cooperation from stakeholders. Most research participants showed little awareness of specific actions (beyond registering on the website database) through which they could align with TNZ to benefit the industry and/or their organisations.

In this case, TNZ never sought *contribution* from stakeholders in terms of resources and skills except at a tactical level in terms of hosting media and travel agent familiarisation tours. Key stakeholders with the ability to contribute resources and/or skills for destination marketing expected they would be consulted and have a say in formulating marketing goals and strategies. The major stakeholders were ready to contribute resources and skill but expected to be part of the decision-making process and not just involved at the implementation stage.

The *pooling* level of cooperation is only indirectly evident in this case. Pooling of ideas was not intentionally sought by TNZ. However, it is evident from the case that the feedback from the industry at Stage 2 was taken on board by the TNZ management and helped broaden the '100% pure' strategy and led to modifications to the purenz website. A couple of NTO managers at the operational level suggested that the industry suggestions had given them ideas or led to improvements. Strategic managers at TNZ

emphasized the changes to the strategy in response to feedback but did not give any indication that the feedback was helpful or added value to the strategy.

The pooling level of cooperation is based on the literature that suggests that there is a trend that a broader range of tourism stakeholders are seeking involvement and can add value in terms of knowledge, insights and capabilities (Ritchie, 1993; Bramwell & Sharman, 1999). In this research, there were participants who would have liked to be more involved and who had considerable knowledge, insights and capabilities. This study found that constraints to greater involvement by stakeholders were: resources and time; lack of opportunity; and a perception that their contribution would not be of value.

Future research into cooperation in destination marketing needs to be clear about the level of cooperation being studied as this could have a considerable moderating effect in determining the measures to be used for evaluating how well cooperation takes place

7.5 Managerial implications

The role of cooperation in tourism is often treated as a normative concept (Tosun, 2000) or a desired ideology (Taylor, 1995). This research suggests that cooperation in destination marketing has to be approached as a strategic choice rather than an ideology. A strategy has to have a purpose and this purpose or goal needs to be shared by all whose cooperation is sought. This shared vision does not just happen but requires certain processes and actions on the part of destination marketing management. Although cooperation in destination marketing is sought from organisations, the organisations are represented by people whose understanding and expectation of the cooperative process and its outcomes can differ. These differing expectations cannot be ignored and must be taken into account. Unless these expectations are understood and met, the desired levels of cooperation will not be achieved. There are costs involved in the cooperative process and these have to be considered in deciding on the level of cooperation necessary for achieving destination objectives (both short term and long term). Whether this investment and effort is worth the returns promised has to be assessed in the context of each tourism network.

The NTO can approach cooperation in destination marketing as an input and/or an output. The level of cooperation and interaction in current marketing activities will have an output in terms of the 'relational capital' (Saxena, 2003; Wang & Fesenmaier, 2007) that generates future cooperation and shared understandings in the tourism network. NTO leadership can vary in terms of what they see as the value of cooperation with stakeholders and even their understanding of what cooperation means. The perspective taken by the NTO has an impact on their approach to stakeholder participation. It also has an impact on whether all stakeholders be treated as equally important participants in destination marketing or whether there will be different approaches for key and non-key stakeholders. The issue of balance of power among stakeholders has been identified in previous research as having a key effect on satisfaction with cooperative relationships (Mutch, 1996; Waddock & Bannister, 1991).

The role that a cooperative strategy can play in destination marketing will vary considerably depending on the state of relationships within the tourism network and the NTO management's assessment of the value of cooperation as compared to its costs. The NTO has to be clear about why it desires cooperation and what specifically is the input required from other stakeholders. Any choice of cooperative strategy will need to be based on an analysis of the existing network characteristics (Table 7.2).

The findings from this study suggest that the analysis of whether cooperation is needed and what level of cooperation (*passive acceptance, support, alignment, contribution or pooling*) is needed will be more accurate if management takes a strategic and relationship approach to destination marketing projects. This would involve seeing the marketing role as incomplete without focussing on the creation and delivery of value to customers in addition to communication of the value. In addition, it requires marketing to manage customer relationships to benefit not only their organisation but also to benefit stakeholders (American Marketing Association, n.d.) An understanding of what cooperation involves and how it manifests itself can vary among stakeholders. It is important, therefore, to determine stakeholder expectations of cooperation. It has to be remembered that there may well be costs incurred if stakeholders' expectations of a cooperative process are not met (Bramwell & Sharman, 1999).

A cooperative strategy requires investment (Bramwell & Lane, 2000) both in terms of time and money in internal marketing. How high this investment is will depend on the existing network structure and climate. Management will need to assess the benefits of cooperation in relation to the costs (time, complexity, financial) of the type of cooperative strategy which would be appropriate in each situation. Figure 7.1 suggests the corresponding investment and actions on the part of the NTO needed for each type of cooperation based on a synthesis of the findings from this case study and the literature on cooperation.

The *passive acceptance* level of cooperation is based on an assessment that no input is required from other tourism stakeholders and therefore involves no investment in achieving cooperation. The *support* level of cooperation requires the NTO to communicate to stakeholders and explain the rationale behind its strategy. In order to achieve the *alignment* level of cooperation, the NTO also needs to clearly communicate the benefits of alignment for other stakeholders and the actions through which they can operationalise this alignment. The *contribution* level of cooperation requires setting up channels for a two-way consultative process of communication between the NTO and stakeholders. The stakeholders participate from the beginning in the decision making for both the destination marketing project and the role and form of the cooperative process. The *pooling* level of cooperation requires the NTO to actively seek wider stakeholder participation through conveying to all stakeholders the value of their contribution and actively creating opportunities for these stakeholders to contribute through minimizing their resource and time constraints. Any investments made to achieve the different levels of cooperation are likely to have an output which will affect future tourism network relationships and shared understandings.

The informal and unstructured form of cooperation in destination marketing is highly dependent on a tourism network which has existing relationships and channels of communication that can provide support for the basic levels of cooperation. If such a network does not exist, formal agreements and new structures may be necessary.

Figure 7.1: Type of cooperation desired from stakeholders in destination marketing and corresponding investment / action required by NTOs

Type of cooperation desired from stakeholders	Corresponding investment /action required by NTO
<i>Pooling</i> of ideas and information towards formulation of destination marketing objectives and strategy	<ul style="list-style-type: none"> • Create strategies and incentives to minimise costs of participation for stakeholders • Communicate value of stakeholders' contribution to NTO / industry
<i>Contribution</i> of resources and skills to developing and implementing destination marketing projects	Two way consultative communication with stakeholders to work out <ul style="list-style-type: none"> • Mechanisms for contribution • Action plans for both strategic and tactical levels • Control responsibilities and mechanisms
<i>Alignment</i> of marketing strategies with NTO strategy <ul style="list-style-type: none"> • Promotional strategies and spend in coordination with NTO • Product /service quality aligned with NTO destination marketing strategy • Coordination with NTO in building distribution chain relationships • Pricing strategies in line with destination positioning 	<ul style="list-style-type: none"> • Communicate strategy • Communicate the benefits for the individual organisation / for industry • Explain specific actions through which individual organisations can contribute and work with NTO
<i>Support</i> of vision / strategy	<ul style="list-style-type: none"> • Communicate vision /strategy • Explain the rationale behind the vision / strategy • Explain the consultation process which led to the vision / strategy
<i>Passive acceptance</i>	<ul style="list-style-type: none"> • Minimal
Base of tourism network characteristics	

→ Output of cooperation affecting future tourism network characteristics

The NTO can facilitate cooperation in two main ways. These are through its communication and its management. The communication needs to ensure that the

- overall vision and strategy are shared with all stakeholders
- NTO's understanding of its destination marketing role is shared
- the benefits of cooperation for individual organisations, the tourism industry and wider stakeholders are clear
- stakeholders are clear what action/ input is required from them
- stakeholders are clear about the channels through which they can communicate with the NTO

In terms of management characteristics, this study suggests that the NZ tourism industry members expect NTO leaders to be marketing professionals who also have an understanding of tourism network structure and its interdependencies. The leaders are expected to have team building skills and to be open and flexible about taking on board stakeholder input. This professionalism and approach to stakeholders has to be reflected in the interaction of stakeholders with the NTO at all levels.

7.6 Future research direction

The strength of the case study methodology adopted in this thesis is that it allows the researcher to obtain in-depth data to answer the questions being researched. However, the key limitation of the case study approach is that the answers found are limited to the context in which the data is collected and cannot be generalised to other settings without additional support being gathered. Further studies are needed to confirm, refute or modify the key findings outlined above.

This study suggests that the role cooperation plays in destination marketing is decided by NTO leaders who are influenced by the existing tourism network characteristics and organisational constraints. Further research is needed to see if the role of cooperation in other tourism network settings is determined by more parties than just the NTO. This is especially true of countries in which the NTO may not have as dominant a role in destination marketing as in the NZ context.

This study shows that the creation of a new agreement or structure for cooperation between organisations is not a major need in NZ destination marketing. The existing tourism network's relationships and structure provide the framework or 'scaffolding' for at least the *support* level of cooperation desired from industry operators. It remains to be seen if this would be true in tourism networks with a different structure and characteristics either at national or sub-national scales.

The findings from this case study suggest that cooperation in destination marketing is perceived as important by NZ participants because of the interdependencies of the multiple suppliers of the tourism product and the limited resources available within the tourism industry. There is no evidence that cooperation might be considered important because it 'adds value' in terms of building the knowledge and capabilities of the stakeholders (Bramwell & Sharman, 1999). This may not necessarily be the case in other tourism networks and is worthy of further exploration.

TNZ was responsible for destination marketing which was mainly seen as destination promotion. The development of the purenz site was begun as a tactical project which was part of the overall '100% pure' promotion strategy. The full implications of the promotion strategy for other aspects of the destination's marketing mix and its impact on other stakeholders were realised after the launch. The development of a more strategic perspective has led to TNZ putting more emphasis on cooperation with stakeholders in developing new products, improving product quality, communication and delivery. However, the expansion of the TNZ role into areas beyond overseas promotion has met with resistance from some stakeholders. The results of this research suggest that the broader the shared interpretation of the scope of destination marketing (as encompassing more than promotion) among stakeholders, the more likely that the NTO would face less resistance to its taking leadership on other areas of marketing besides promotion but this remains to be tested through future research.

A key finding from this case study is that cooperation is not uniform. The understanding of cooperation and what it involves differed among stakeholders. As a result, from group to group the expectations of a cooperative process in destination marketing also differed. In this case the understandings of the NTO and non-key stakeholders were similar but those of key stakeholders were quite different. Further

research is needed to determine if there are differences in the understanding and expectations of cooperation among stakeholders of other tourism networks. There may be no differences or the variations may be grouped on dimensions other than that of key and non-key stakeholders. In this study, the smaller/ less proactive stakeholders were more satisfied with the cooperative processes of TNZ than were key stakeholders with their greater financial resources or roles in the tourism industry. The key stakeholders had the potential to be more supportive and aligned with the TNZ promotion. It is possible that their lower input was due to their expectations of consultation and participation in the decision making not being met. It seems likely that achieving the desired inputs from stakeholders depends on meeting the participants' expectations of a cooperative process but this needs further confirmation. There is also scope for investigating the implications of different expectations of cooperation on the balance of power issues in inter-organisational cooperation.

This research found that the tourism network changes over a period of time. This research found that the NZ tourism network prior to 1999 was very different from the network as described by the interviewees after 2003. There is scope for a longitudinal study to investigate the changing characteristics of a network and how it affects and changes the level of cooperation in destination marketing.

This study suggests that different levels of cooperation will require different varying investment (both in terms of time and money) in internal marketing. In this case, although registration on the purenz site was free and there was intense investment in promoting the opportunity to industry suppliers, a large number of the suppliers did not register on the site. The reasons for this non-participation need to be explored and may provide additional insights into the motives for participation / non participation in cooperative processes related to destination marketing..

7.7 The value of the research

This thesis has explored the role and process of inter-organisational cooperation in destination marketing and has made contributions to theory, practice and research methodology.

The study contributes to the ongoing development of case study methodology through its use of systematic combining (Dubois and Gadde's, 2002) in the analysis of the data. The continual comparison of data and theory in the research process, and the use of both inductive and deductive reasoning, resulted in a comprehensive and in depth analysis of data to achieve understanding. For those researchers who aim to adopt the case study methodology for theory development this thesis may be of guidance.

On the theoretical front this research aimed to contribute to the ongoing development of theory for understanding cooperation in tourism from a strategic destination marketing perspective. It also sought to examine the relevance of previous strategic alliance research (largely focussed on studies of the manufacturing and technology intensive sectors) to tourism, a service industry.

This study adds to the rather sparse empirical research in the area of strategic marketing in tourism by providing an understanding of the backstage elements of destination marketing decision making processes.. It provides support from the NZ context, that in a 'weak and fragmented' tourism industry, the, "...NTO will have no choice but to take the leading role in putting its destination on the international map and playing a major role in promoting its destinations' products" (Middleton, 1988, p.215). It confirms that there are still difficulties in broadening the role of the NTO into a more strategic responsibility for marketing than just the promotional aspect. The findings also confirm that destination marketing and destination management are still seen as separate processes in the NZ tourism industry (Jamal and Getz, 1995; Buhalis, 2000; Ritchie & Crouch, 2003).

The focus of previous research into cooperation in the form of strategic alliances has largely been based on dyadic alliances (Beamish, 1998; Lorange & Roos, 1992; Paap, 1990). Key issues to emerge from these earlier studies of strategic alliances are motives for formation; the partner selection process; trust and communication and control / conflict resolution mechanisms (Beamish, 1998). While all of these issues are reflected in this case, they emerge as relatively less significant in the destination marketing context than in the more commonly studied dyadic alliances in manufacturing and technology sectors. Gulati (1998) suggested that the social networks in which firms are embedded are likely to have a considerable influence on key issues for the study of

alliances and that this is an important area for further research. The research findings confirm that the tourism network has an important impact on decisions regarding the role, form and process of cooperation in destination marketing.

This thesis contributes to the ongoing development of a theoretical framework for the study of cooperation in destination marketing. It is argued that there are five different levels of cooperation in destination marketing (passive acceptance, support, alignment, contribution and pooling). The level of cooperation considered necessary is a strategic choice to be made by the destination marketing management in each specific context.

The choice of which level of cooperation to pursue in specific destination marketing scenarios is affected by the existing characteristics of the tourism network; the NTO leaders' perception of the need for and value of cooperation in destination marketing and also by the extent of shared understanding of the scope of destination marketing management among tourism stakeholders.

This research also makes a practical contribution to tourism marketing and development in New Zealand and other parts of the world. The managerial implications of this research provide a platform for more informed decision making by destination marketing management in determining the need for cooperation; the form or structure of cooperation; the desired outcomes from cooperation and the mechanisms for achieving the same. In so doing the research can be of real value to nations and destinations that are attempting to enhance the performance of their tourism industries

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Appendix A: Initial Interview protocol

APPENDIX A

Interview Questions

(This will be the core set of question areas. The emphasis and content will evolve according to the person interviewed.)

<p><u>1 Section 1 – Background of the individual</u></p>
<ul style="list-style-type: none">• Tell me about yourself <p>E.g. how you got into the industry, cultural /educational background</p>
<ul style="list-style-type: none">• Were you involved in the development of the purenz portal?• (If involved) Tell me about your involvement in development of the purenz portal <p><i>Eg your role, what time period, who you interacted with, if it was a positive experience for you...</i></p>
<ul style="list-style-type: none">• (If not involved) What do you know about how the purenz site was developed and how the people involved were selected? <p>2b. Would you have liked to be involved? Why?</p>
<p><u>Section 2 – Background of the firm</u></p>
<ul style="list-style-type: none">• Could you provide me some basic information re the nature (eg which sector, private/public) and size (employee #s /\$ turnover) of the business• On a scale of 1-5, (one being low and 5 high) how dependent would you say is your business on international tourists?
<ul style="list-style-type: none">• Apart from your involvement in development of the purenz portal, were others in your firm involved in this process? Over what time period?• 6. Why did your firm get involved? benefits?
<p><u>Section 3 – Process of site development</u></p>
<ul style="list-style-type: none">• What do you recall of the process for developing this website...how did the idea start and then what happened to make it a reality?• What were the objectives for developing it?

- Who were the leaders of the process?
- Who were the participants...how were they selected?
- How were the decisions made...key ones/ tactical ones?
- Who implemented the decisions.... any reporting back...to whom?
- Where did the funding come from then? now?
- What do you think were the strengths of the process used to develop this site?
- What were the weaknesses of the process used?

Section 4 - Cooperation

- On a scale of 1-5, (one being low and 5 high) how important do you think was the role of cooperation between stakeholders in this process?
- In your opinion, on a scale of 1-5, what level of cooperation was achieved in this process?
- How was this cooperation structured (e.g. joint venture vs informal conversations)?
- On a scale of 1-5, (one being low and 5 high) how important was the impact of this structure on the level of cooperation achieved?
- What do you think were the facilitators (e.g. environment, people, leadership) of cooperation?
- What were the hindrances (e.g. environment, people, leadership, time) in achieving cooperation?
- Do you think the level of cooperation has changed over time? e.g. development stage to implementation to current stage
- (If not covered by earlier answers) do you think the network (e.g. interdependence of firms; past & ongoing relationships of stakeholders on other fronts) nature of the

<p>tourism industry had any impact on the cooperation achieved?</p>
<p>Section 5 – Conflict management</p>
<ul style="list-style-type: none"> • Was there any conflict of opinions? • Any examples of conflicts that you can recall? • Why do you think the conflict arose? • How was the conflict resolved? • Were you satisfied with how it was resolved? Do you think others were?
<p><u>Section 6 – Success of site</u></p>
<ul style="list-style-type: none"> • Is the www.purenz.com site a successful result? Why? Why not? • On a scale of 1-5, (one being low and 5 high) how successful has the site been in terms of meeting its original objectives? • On a scale of 1-5, how successful has the site been in terms of meeting your firm's original objectives in getting involved in the process? • On a scale of 1-5, what do you think has been the contribution of the website to NZ tourism? • On a scale of 1-5, what do you think has been the contribution of the website to the NZ tourism industry? • On a scale of 1-5, what do you think has been the contribution of the website to other stakeholders (e.g. environmental groups, Maori, other govt. departments like trade, immigration, etc)
<ul style="list-style-type: none"> • Could a better result have been achieved – how? • (If a number of answers) Which of those do you think you would rank as the most important, 2nd and 3rd most important.
<p>Section 7 - Current situation / future</p>

- How well do you think this site fits in with the Tourism Strategy 2010? (e.g. sustainability, yield driven, Maori participation, public/private partnership)
- What do you see as the role of this site in the future...how should it evolve?
- Would you like to see the management process change? If so how?
- Would you like to see the level of industry involvement change? If so, how?
- Any other general comments or issues that you would like to raise in connection with the development of the www.purenz.com site or with regard to cooperation in the tourism industry?

Appendix B: Example of letter requesting an interview

APPENDIX B

Doctoral Research

The Role and Impact of Strategic Alliances and Networks on Destination Marketing: the development of www.purenz.com

Dear xxxx ,

I am currently doing research into role and impact of alliances in the marketing of New Zealand as a tourism destination. My focus is on marketing the destination as a whole, rather than on any individual hotel, airline or tour.

The key research questions for this study are: What role do strategic alliances play in the marketing of New Zealand as a tourism destination? What form do these alliances take? What impact does the process of cooperation have on destination marketing efforts? The methodology involves an in depth case study of the development of the www.purenz.com Website.

The 'snowball' sampling technique is being used to select a representative (from large / small companies and from all tourism sectors) and manageable sample of 50 industry members involved in the process of making the portal a reality and another sample of those not involved in the process. Each participant is being asked to refer the researcher to other participants who were or are involved in the process of developing and managing the NZ portal. So far, this technique has worked very well and the response from industry has been very positive.

Your participation is requested for this research project. There is no questionnaire - rather I am hoping that I can have an interview with you which will require about an hour of your time. The interview will seek your views on the process of developing the www.purenz.com portal and its end result.

I want to stress that participation is entirely voluntary and whatever you say will be confidential. You will have the right to withdraw your participation at any time without giving reasons prior to the completion of the data collection stage of my research. The interview will be recorded on an audiotape. This will be transcribed and returned to you for any changes or to sign off as a true record of the interview. Data will be coded and due care will be taken in all papers and the final report written on the basis of this data that there is no possibility that an individual can be identified from what is reported.

Your participation in this research will be very valuable and will contribute to a better understanding of the role and impact of cooperation in the tourism industry, and how it affects destination marketing management. The aim is to provide NZ industry with insights which will help in evaluating and improving its own efforts in this area. As

Buhalis* states, “Perhaps the most important challenge for destination marketing.... is to bring all individual partners together to cooperate rather than compete and to pool resources towards developing an integrated marketing mix and delivery system...”

Access to the PhD dissertation which is expected to be the initial outcome of this research, will be available through the AUT library. I would also welcome your contacting me personally for access to the dissertation or any other comments or questions you may have after reading the same.

I do hope that you will be willing to participate in this project. I will be in touch again shortly to provide you with more details about the study and to arrange a possible meeting at your premises.

Yours sincerely

Sushma Bhat
Doctoral Student - Tourism
Faculty of Business
Auckland University of Technology
Private Bag 92006, Auckland 1020
Tel: (09) 917 9999 ext. 5819
Fax: (09) 917 9975
E-mail: sushma.bhat@aut.ac.nz

* Buhalis, D. (2000). Marketing the Competitive Destination of the Future. *Tourism Management*, 21, p.104.

Appendix C: Copy of Participant Information Sheet

APPENDIX C

Participant Information Sheet

Project Title

The Role and Impact of Strategic Alliances and Networks on Destination Marketing: the development of www.purenz.com

What is the purpose of the study?

The study will focus on the role and impact of alliances in the marketing of New Zealand as a tourism destination. The focus is on marketing a country as a whole, rather than on any individual hotel, airline or tour.

The destination product as a whole is a composite of the products and services provided by different sectors within the tourism network. As Buhalis* states, “Perhaps the most important challenge for destination marketing.... is to bring all individual partners together to cooperate rather than compete and to pool resources towards developing an integrated marketing mix and delivery system...”

The key research questions for this study are: What role do strategic alliances play in the marketing of New Zealand as a tourism destination? What form do these alliances take? What impact does the process of cooperation have on destination marketing efforts?

Invitation to participate

Your participation is requested for this research project. The participation will take the form of an interview, which will require approximately an hour of your time. The interview will seek your views on the process of developing the www.purenz.com website and its end result.

The interview will be recorded on an audiotape. The researcher will transcribe it and return to each participant to ensure it is a true record of the interview.

Participation is entirely voluntary and you will have the right to withdraw from participation at any time without giving reasons. The information that you provide can also be withdrawn at any time prior to completion of data collection.

How were you chosen to be part of the study?

The research process began with detailed secondary research in order to understand the current structures / forms of cooperation in the NZ tourism industry and to identify some initial people / organisations involved in the development of the portal.

* Buhalis, D. (2000). Marketing the Competitive Destination of the Future. *Tourism Management*, 21, p.104.

The 'snowball' sampling technique is being used to select a representative (from large / small companies and from all tourism sectors) / manageable sample of 50 industry members involved in the process of making the portal a reality and another sample of those not involved in the process. Each participant is being asked to refer the researcher to other participants who were or are involved in the process of developing and managing the NZ portal.

What happens in the study?

Respondents involved in the development of the pureNZ website will be interviewed to explore the extent of cooperation involved in the project and how the issues related to this were managed during the development process. Respondents not involved in the actual development of the pureNZ website will be interviewed to explore their perceptions of the process and the end result.

What are the benefits?

The participants will be contributing towards academic research, which, in turn, will contribute to understanding the role and impact of cooperation in the tourism industry, and how it affects destination marketing management. The aim is to provide NZ industry members with a framework for evaluating and improving their own efforts in this area.

Access to the PhD dissertation which is expected to be the outcome of this research, will be available through the AUT library. Participants are also welcome to contact the researcher for access to the dissertation.

How is your privacy protected?

Every care will be taken to ensure that any risk of breach of confidentiality arrangements is minimised. The raw data collected in the form of field notes and audio tapes will be stored for, at least six years in a locked cabinet with access limited to the researcher and as per the strict guidelines of AUT Ethics Committee.

Any publications based on this research will be written so that an individual cannot be identified as the source of any specific information or viewpoint. However, it may be possible to identify certain groups within the industry, for example, large travel agents or the accommodation providers, etc.

Costs of Participating

Most participants will be asked to give one hour of their time. In some cases, this may increase if a follow up interview is required.

Participant Concerns

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor: Dr. Simon Milne, Professor of Tourism and Associate Dean

(Research), Faculty of Business, AUT, Private Bag 02005, Auckland 1020. Telephone (09) 917 9999 ext 8777. E- mail simon.milne@aut.ac.nz
Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEK, Madeline Banda, madeline.banda@aut.ac.nz ,917 9999 ext 8044.
Approved by the Auckland University of Technology Ethics Committee on
17 June 2003
AUTEK Reference number 03/29

Appendix D: Participant's consent sheet

APPENDIX D

Participation Consent

I, _____ **consent to be interviewed and participate in the research project entitled** “The Role and Impact of Strategic Alliances and Networks on Destination Marketing: the development of www.purenz.com. I understand that this research is being done by Sushma Bhat as part of her doctoral studies under the supervision of Prof. Simon Milne at AUT.

I have been given a copy of the Participant Information Sheet with AUT contact details, in case, at any stage, I have concerns about this research. I am aware that I can withdraw my participation at any time without having to give a reason. I also understand that I can withdraw any information that I provide prior to completion of data gathering without giving a reason or being disadvantaged in any way.

I have agreed that the interview can be audio taped on the basis that the tapes and any notes made will be kept secure and that the information I provide is used in such a way that it cannot to be identified with me as an individual.

Signature: _____

Name (please print): _____

Date: _____

**Appendix E – Example from the initial analysis of the
'cooperation' category**

APPENDIX E

Improvement in cooperation?	
Yes	Because
ITO26	we've all realised that we're all playing one small part in a much bigger picture.
ITO26	<ul style="list-style-type: none"> • “Over time, um, that fractious relationship between the Tourism Industry Association and Tourism New Zealand has dampened down ..., I think Tourism New Zealand is now sort of gone from being a wayward teenager that didn't really know what personality and where they fitted in society, um, now into a young adult who's quite confident in their own abilities and quite confident in their own, um, position within the industry...
ITO26	<ul style="list-style-type: none"> • “.... I think the big plus of Tourism New Zealand at the moment is that it knows when to leave an issue, it knows when to support it, it knows when to just watch it or observe it. Um, that, um, ...that, some years back, wasn't the case and when they were trying to lead every single issue, it had a major negative impact on both the way the industry interacted with them and the way they perceived it.”
ISS18	<p>“...they originally set the site up believing that it had to be very generic, very top-line, about New Zealand and then they did some research and realised that in fact, public using the site were more savvy than they had given them credit for ..., and that in fact, the site was being used further down the decision making process, than they had anticipated ... so they had to completely re-look at it and put a lot more tools and a lot more links in, getting back to your alliances, than they had originally thought where it was all just going to be ...”</p>
	<p style="text-align: center;"><i>Industry understanding interdependency</i></p> <p style="text-align: center;"><i>NTO more confident of its role</i></p>
	<p style="text-align: center;"><i>NTO realised they needed industry participation/input</i></p>

stNT28	<p>“Um, the developing strategy later on, um, in, sort of the last three or four years, um...the key, it’s very much a team of people...of George’s executive work and regional managers, um, and thinking, working, developing and being...and then working with the Board and saying, look, well these are our thoughts and what do you think? And that’s an annual process...”</p> <p>“Um, in the early days I would agree with you. But what I’ve seen recently is an alignment of sort of experiences and strategies below that by operators to align themselves with the promise. Now, it should be... perhaps should be the other way around, now, let’s reflect what we’ve got,.....and in some respects we’re...we’re 100% Pure and that was being delivered...but now it’s even more important to, that’s what’s been promised, well, we need to align ourselves with that, with...in terms of the delivery and I think George is actually quite hot on that one, you know,</p>	<p>NTO executive and Board working as a team</p> <p>NTO focus shifting from promotion to product quality which needs more operators’ cooperation</p>
oNT33	<p>“...has to do with keeping them informed um, and obviously the other thing which I haven’t mentioned is Strategy 2010 and that was a collaborative effort..”</p>	<p>Industry collaboration in developing Strategy 2010</p>
oNT33	<p>“Um, I think the value of tourism’s been realised. And, I think the New Zealand public generally um, the New Zealand population understands tourism better than they did five or six years ago... You’ve got more small tourism businesses than we’ve ever had.....I think what tourism’s done in New Zealand and in some regions it’s actually reopened them and kind of re-energised them in such a way,</p>	<p>General understanding of value of tourism to economy has increased</p>
sGt34	<p>Yes and improved considerably.</p>	
oNT38	<p>“Yes, I think it’s got much better. Um, just in terms of people understanding what their roles are within certain activities, so, for instance, um...when you look at what co-operation.....would have been previously for the travel trade which was getting handouts from Tourism New Zealand, they’ve</p>	<p>Industry understanding of NTO’s changed role</p>

	<p>understood now that co-operation is a different thing, it's actually accessing research from Tourism New Zealand or advice on product development, for example, so they've actually got past that benchmark of it just being a money exchange and actually that there is intelligence being offered to them to get them to go and develop their own, do their own thing, which is really good...it has gone on to a mature level..."</p>	
<p>IAL14 (ITO23)</p> <p>(NTO Board member) (IAT35B)</p> <p>stNT19</p> <p>ITO26</p>	<ul style="list-style-type: none"> • "...more formal processes and structured things put in place..." • "I know we get a lot more Tourism New Zealand people coming along to the ITOC conferences and to our meetings as well but I don't know how much consultation actually goes on. I think it's more them updating us on what's happening in the global market than actually things coming from New Zealand going back to them to say, we want more of this Tourism New Zealand and you know, we want more of this and less of the other and...whatever...that doesn't happen • "Yeah, they are, yeah and I think it was a lesson. Interestingly enough, it's something that we sit around the Board table and talk about even now, and that is making sure that um...that there is clear understanding, you know, from the industry, where the Board is actually going, what we're doing, how we're doing it, um, yeah...not so much to have, not so much to have, sort of like, you know, hardcore influence on the direction of where the Board is going,.....but just to have that, you know, open dialogue and communication going with the industry all the time." • "I'm sure that feedback on the website has been folded into ongoing developments because one of the things we've become a lot better at, since 1999, is the process of industry consultation and communication. So there were regular opportunities for feedback and ... either in group sessions or one-on-one sessions..." 	<p>NTO putting in place more structured & formal processes of communication</p>

	<p>earlier to 3 stages of cooperation with the Stage1 having very low consultation and cooperation and then gradually increasing.] And I'd go as far as to say that at a lower level in Tourism New Zealand, that organisation is still at phase two, ok? The senior, I think the senior personnel are very much at phase three but I think that lower down, there's still very much a phase two....And they still don't see themselves as support actors. Um, they still see themselves as the lead actors. ...as you go down the tree in Tourism New Zealand, you definitely change in terms of your interaction with them and the level of co-operation. And I mean, I ... I have e-mails from the executive members of Tourism New Zealand and the tone, the language in them, is very much stage three. And I have e-mails from people further down the food-chain and it's almost stage one....”</p>	
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