

ICTB 2017

CONFERENCE PROCEEDINGS



The International  
**CONFERENCE**  
**ON TOURISM**  
**AND BUSINESS**  
31 August & 1 September 2017



# Scientific Committee

- Prof. Dr. Jonas Larsen (Roskilde University, Denmark)
- Prof. Dr. Peter Burns (University of Bedfordshire, UK)
- Prof. Dr. Christian Laesser (University of St Gallen, Switzerland)
- Dr. Chanin Yoopetch (Mahidol University International College, Thailand)
- Asst. Prof. Dr. Jane Ali-Knight (Edinburgh Napier University, Scotland)
- Prof. Supara Kapasuwan (Mahidol University International College, Thailand)
- Dr. Veera Bhatiaesevi (Mahidol University International College, Thailand)
- Dr. Jesper Dopping (Mahidol University International College, Thailand)
- Prof. Dr. Timo Ohnmacht (Lucerne University of Applied Sciences and Arts, Switzerland)
- Prof. Dr. Julianna Priskin (Lucerne University of Applied Sciences and Arts, Switzerland)
- Prof. Dr. Dorothea Schaffner (Lucerne University of Applied Sciences and Arts, Switzerland)
- Prof. Dr. Gabrielle Wanzenried (Lucerne University of Applied Sciences and Arts, Switzerland)
- Prof. Dr. Patricia Wolf (Lucerne University of Applied Sciences and Arts, Switzerland)
- Prof. Dr. Jürg Stettler (Lucerne University of Applied Sciences and Arts, Switzerland)

# ICTB 2017 Schedule

## 30 AUG 2017. WEDNESDAY

17:12 – 19:05	Evening Cruise on Lake Lucerne (Pier)	Pier: Bridge 1
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## 31 AUG 2017. THURSDAY

08:00 – 09:00	Registration (Coffee/Tea)	Registration desk
09:00 – 09:30	<b>Welcome &amp; Opening ceremony</b> Prof. Dr. Jürg Stettler (HSLU W, Switzerland) Assoc. Prof. Phitaya Charupoonphol (Mahidol University International College, Thailand) Prof. Dr. Timo Ohnmacht (HSLU W, ICTB Conference committee)	Auditorium
09:30 – 10:00	<b>Keynote 1: Tourism, running and events</b> Prof. Dr. Jonas Larsen (Roskilde University, Denmark)	Auditorium
10:00 – 10:45	<b>Keynote 2: Rethinking business models for tourism of the future</b> Prof. Dr. Christian Laesser (University of St.Gallen, Switzerland)	Auditorium
10:45 – 11:00	Coffee/Tea Break	Foyer
11:00 – 13:00 Parallel session 1	<b>Group 1 – Financial performance &amp; Market volatility</b>	Plenum 02
	<b>Group 2 – Hospitality trends: cases &amp; examples</b>	Plenum 03
	<b>Group 3 – Sustainability &amp; Consumer behaviour</b>	Group room 08
	<b>Group 4 – Implementation of sustainable destination planning</b>	Plenum 09
13:00 – 14:00	Lunch	Nectar bar
14:00 – 16:00 Parallel session 2	<b>Group 1 – Sales performance &amp; consumer intentions</b>	Plenum 02
	<b>Group 2 – Climate change &amp; other impacts at destination</b>	Plenum 03
	<b>Group 3 – Advertising, Mobile marketing analysis</b>	Group room 08
16:00 – 16.15	Coffee/Tea Break	Foyer
16:15 – 17:15 Parallel session 3	<b>Group 1 – Environmental &amp; destination development initiative I</b>	Plenum 02
	<b>Group 2 – Environmental &amp; destination development initiative II</b>	Plenum 03
	<b>Group 3 – Sharing economy: cases &amp; examples</b>	Plenum 09
18:30 – Open	Reception & Conference dinner ( <a href="#">See map: here</a> )	Restaurant Bellini Murbacherstrasse 4

# ICTB 2017 Schedule

01 SEP 2017. FRIDAY

08:00 – 08:30	<b>Welcome Coffee/Tea (Welcome Desk)</b>	Registration desk
08:30 – 08:45	<b>Welcome from the Dean of the Lucerne School of Business and Introduction to the Second Day</b> Prof. Dr. Christine Böckelmann (Dean, HSLU W, Switzerland) Prof. Dr. Gordon Millar (HSLU W, Switzerland) Prof. Dr. Julianna Priskin (HSLU W, Switzerland)	Auditorium
08:45 – 09:15	<b>Keynote 3: Climate Change: What business and policy makers need to do</b> Prof. Dr. Peter Burns (University of Bedfordshire, UK)	Auditorium
09:15 – 09:45	<b>Keynote 4: Destination Leaders Programme</b> Asst. Prof. Dr. Jane Ali-Knight (Edinburgh Institute: Festivals, Events & Tourism, Scotland)	Auditorium
09:45 – 10:15	<b>Coffee/Tea Break</b>	Foyer
10:15 – 12:15 Parallel session 4	<b>Group 2 – Tourism product &amp; development</b>	Plenum 03
	<b>Group 3 – Management at destination: Cases &amp; examples</b>	Group room 08
	<b>Group 4 – Tourism business performance: Cases &amp; examples</b>	Plenum 09
12:15 – 13:00	<b>Lunch - Sandwiches</b>	Foyer
13:00 – 13:30	<b>Keynote 5: Business Perspective Under the Disruptive Technology</b> Asst. Prof. Sarayut Nathaphan (Mahidol University International College, Thailand)	Auditorium
13:30 – 14:15	<b>Closing Remarks &amp; Farewell</b> Prof. Dr. Timo Ohnmacht (HSLU W, ICTB Conference committee) <b>(incl. Best Paper Award for Ph.D. Students)</b> Prof. Dr. Christine Böckelmann (Dean, HSLU W, Switzerland) <b>Outlook of 2019</b> Assoc. Prof. Phitaya Charupoonphol (Dean, Mahidol University International College, Thailand) & Dr. Pisut Yuwanond (Mahidol University International College, Thailand)	Auditorium
At 14:30	<b>Meeting of all guided tour participants</b>	Auditorium
15:00 – 17:00	<b>Guided City Tour: Lucerne (<a href="#">See: Lucerne guide</a>)</b>	Bourbaki
19:00 – Open	<b>Informal dinner</b> (depending on the participation)	Open

# Program overview

**31 AUG 2017. THURSDAY**

**08:00 – 09:00 Registration (Coffee/Tea)**

**09:00 – 09:30 Welcome & Opening ceremony**

Prof. Dr. Jürg Stettler (HSLU W, Switzerland)

Assoc. Prof. Phitaya Charupoonphol (Mahidol University International College, Thailand)

Prof. Dr. Timo Ohnmacht (HSLU W, ICTB Conference committee)

**09:30 – 10:00 Keynote 1: Tourism, running and events**

Prof. Dr. Jonas Larsen (Roskilde University, Denmark)

**10:00 – 10:45 Keynote 2: Rethinking business models for tourism of the future**

Prof. Dr. Christian Laesser (University of St.Gallen, Switzerland)

**10:45 – 11:00 Coffee/Tea Break**

**11:00 – 13:00 Parallel session 1**

<b>Group 1</b>	<b>Room: Plenum 02</b>	<b>Session: Financial performance &amp; Market volatility</b>
<b>Chair: Gabrielle Wanzenried</b>		
<b>Participant name</b>	<b>Topic</b>	<b>Affiliation</b>
P. Y. Cheng L. Lau	Moderating Effects of Audit Quality on Earnings Quality of Family Firms in Hong Kong	The Open University of Hong Kong, Hong Kong
Woraphon Wattanatorn Sarayut Nathaphan	Revisit the relationship between mutual fund fee and performance - The evidence from bank affiliated funds	Mahidol university international college, Thailand
Kanix Bukkavesa Thanarek Thanakijsoibat	Foreign Exchange Volatility and Emerging Market ETFs Abnormal Return	Mahidol university international college, Thailand
Sirithida Chaivisuttangkun Pornsit Jiraporn	The Effect of Co-opted Board on Firm Value	Mahidol university international college, Thailand

# Program overview

31 AUG 2017. THURSDAY

<b>Group 2</b>	<b>Room: Plenum 03</b>	<b>Session: Hospitality trends: cases &amp; examples</b>
<b>Chair: Jesper Dopping</b>		
<b>Participant name</b>	<b>Topic</b>	<b>Affiliation</b>
Ohnmacht Timo Ponnasureddy Sindhuri	Tourism Mobilities and the Hospitality Industry: From pilgrimage to mass tourism and patterns of encounter between locals and tourists	Lucerne University of Applied Sciences and Arts, Switzerland
Nuanwan Amornpornwivat Supara Kapasuwat	Tourists' Perception on and Intention to Stay at a Capsule Hotel in Bangkok	Mahidol University International College, Thailand
Jürg Stettler Barbara Rosenberg-Taufer Lukas Huck Jürg Schwarz Chanin Yoopetch	Comparing the Satisfaction Level of Hospitality Internationally: the Tourist's Perspective in Switzerland and Thailand	Lucerne University of Applied Sciences and Arts, Switzerland
Lisa Fickel Roland Lyman Anna Wallebohr	Holistic wellness: Appreciation within hoteliers and employees of Swiss wellness hotel	Lucerne University of Applied Sciences and Arts, Switzerland
<b>Group 3</b>	<b>Room: Group room 08</b>	<b>Session: Sustainability &amp; Consumer behaviour</b>
<b>Chair: Dorothea Schaffner</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Rachel Dodds Brittany Jenkins Wayne Smith Robert E. Pitts	Willingness to pay vs. Actual behaviour sustainable procurement at festivals	Ryerson University, Canada
Bich Van Phan Hanqun Song	The effect of customer's knowledge and human factors of a restaurant on customer's authenticity perception	University of Huddersfield, United Kingdom
I Wayan Mertha Ni Made Eka Mahadewi Hanugerah Kristiono Liestiandre Ni Made Tirtawati	Tourist willingness to pay for quality destination of Komodo National park	Bali Tourism Institute, Indonesia
Friederike Vinzenz Werner Wirth Julianna Priskin Sindhuri Ponnasureddy Timo Ohnmacht	Perceived Social-Environmental and Emotional Well-Being as a Benefit of Sustainable Tourism Products and Services	University of Zurich & Lucerne University of Applied Sciences and Arts, Switzerland

# Program overview

31 AUG 2017. THURSDAY

<b>Group 4</b>	<b>Room: Plenum 09</b>	<b>Session: Implementation of sustainable destination planning</b>
<b>Chair: Chanin Yoopetch</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Dewa Ayu Made Lily Dianasari	Tourism and the environment: Study of the Implementation of Green Tourism Concept in Jatiluwih Tourism Village, Tabanan-Bali	Bali Tourism Institute, Indonesia
Shohel MD Nafi	Sustainable Tourism in Saint Martin's Island: Current Issues and Guidelines for Development	PATA Bangladesh Dhaka University, Bangladesh
Catherine McGuinn Andrew Higgins	An investigation into stakeholder perceptions of destination marketing efforts of County Sligo, Ireland.	Institute of Technology Sligo, Ireland
Aleksandra Đukić Branislav Antić	Territorial Planning as a Creative Tool for the Upgrading of Cultural Tourism in Golubac, Serbia	University of Belgrade, Serbia

**13:00 – 14:00 Lunch**

**14:00 – 16:00 Parallel session 2**

<b>Group 1</b>	<b>Room: Plenum 02</b>	<b>Session: Sales performance &amp; consumer intentions</b>
<b>Chair: Jürg Stettler</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Angela Steffen	Look what you could reach! How performance information can increase sales productivity – First draft of an ongoing project	Lucerne University of Applied Sciences and Arts, Switzerland
Fabian Driediger Veera Bhatiasavi	Online Grocery Shopping in Thailand: Consumer Acceptance and Usage Behaviour	Mahidol University International College, Thailand
Monika Kriewald	Changing Term "Individualization"	Ostfalia Hochschule, Germany
Dorothea Schaffner Timo Ohnmacht Christian Weibel Helmut Schad	How to promote green housing? A dynamic approach to understanding residents' decision-making	Lucerne University of Applied Sciences and Arts, Switzerland

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31 AUG 2017. THURSDAY

<b>Group 2</b>	<b>Room: Plenum 03</b>	<b>Session: Climate change &amp; other impacts at destination</b>
<b>Chair: Julianna Priskin</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Chaithawat Siribowonphitak Jinnapas Pathumporn Ranee Esichaikul	Effects of Urban Tourism from Urbanization in Khon Kaen Province, Thailand	Khon Kaen University, Thailand Sukhothai Thammathirat Open University, Thailand
Anna Amacher Hoppler	The development of National Tourist Offices worldwide: An alpine model?	Lucerne University of Applied Sciences and Arts, Switzerland
Philipp Wegelin Thao Vu Thi Widar von Arx	Weather Myths: How Bad is Bad Weather for Day Visits to Outdoor Recreation Destinations?	Lucerne University of Applied Sciences and Arts, Switzerland
Fabian Weber, Barbara Rosenberg Wiebke Unbehaun, Maria Juschten Christiane Brandenburg, Alexandra Jiricka Pürerer, Christina Czachs, Andrea Prutsch, Martina Offenzeller	Perception of the term "Sommerfrische" in times of climate change	Lucerne University of Applied Sciences and Arts, Switzerland

<b>Group 3</b>	<b>Room: Group room 08</b>	<b>Session: Advertising, Mobile marketing analysis</b>
<b>Chair: Ohnmacht Timo</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Thomas Wozniak Dorothea Schaffner Katarina Stanoevska-Slabeva Vera Lenz-Kesekamp	Mobile Marketing: What factors influence the disclosure of personal data	Lucerne University of Applied Sciences and Arts, Switzerland Institute for Media and Communications Management, University of St.Gallen, Switzerland
Jalaleh Soltani Timothy Gibson	Tourism and destination branding; tourism and marketing in Iran	Sheikh Bahaei University Management Faculty, Iran
Reinhard Kunz	Qualitative analysis of English translation issues encountered on Swiss tourism websites	Lucerne University of Applied Sciences and Arts, Switzerland



# Program overview

31 AUG 2017. THURSDAY

16:00 – 16:15 Coffee/Tea Break

16:15 – 17:15 Parallel session 3

<b>Group 1</b>	<b>Room: Plenum 02</b>	<b>Session: Environmental &amp; destination development initiative I</b>
<b>Chair: Jürg Stettler</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Luh Yusni Wiarti	Perceived Social Impact of Hosting an Event in a Destination: A Study Case of Buleleng Bali Dive Festival	Bali Tourism Institute, Indonesia
Roger Sonderegger Giovanni Danielli	Landscape protection and indirect tourism policies: The Swiss Case	Lucerne University of Applied Sciences and Arts, Switzerland University of Applied Sciences and Arts of Western Switzerland, Sierre, Switzerland

<b>Group 2</b>	<b>Room: Plenum 03</b>	<b>Session: Environmental &amp; destination development initiative II</b>
<b>Chair: Chanin Yoopetch</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Manu Broccard Alain Pillet Jérôme Baratelli	Innovation in the concepts of intercultural communication and resistance to changes in responsible organisations.	HES-SO Valais, Switzerland Dean of Faculty, Geneva School of Art and Design, Switzerland
Bilal Yalçın Çağdaş Turan	Creative cities network for marketing touristic products: an analysis on literary cities	Gümüşhane University, Department of Tourism Management, Turkey Maltepe University Vocational School, Turkey

# Program overview

31 AUG 2017. THURSDAY

<b>Group 3</b>	<b>Room: Plenum 09</b>	<b>Session: Sharing economy: cases &amp; examples</b>
<b>Chair: Ohnmacht Timo</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Eliane Bucher Christian Fieseler Christoph Lutz Matthes Fleck	Tales from the Oversharing Economy – The Authenticity Dilemma in Peer-to-Peer Marketplaces	Lucerne University of Applied Sciences and Arts, Switzerland BI - Norwegian Business School Communication and Culture Department, Norway
Dorothea Schaffner Dominik Georgi Susanne Ulrich	Sharing versus booking – Exploring antecedents of usage intentions in the hospitality sector	Lucerne University of Applied Sciences and Arts, Switzerland

18:30 – Open      Reception & Conference dinner at Restaurant Bellini ([See map: here](#))

# Program overview

**01 SEP 2017. FRIDAY**

- 08:00 – 08:30**     **Welcome Coffee/Tea (Welcome Desk)**
- 08:30 – 08:45**     **Welcome from the Dean of the Lucerne School of Business and Introduction to the Second Day**  
Prof. Dr. Christine Böckelmann (Dean, HSLU W, Switzerland)  
Prof. Dr. Gordon Millar (HSLU W, Switzerland)  
Prof. Dr. Julianna Priskin (HSLU W, Switzerland)
- 08:45 – 09:15**     **Keynote 3: Climate Change: What business and policy makers need to do**  
Prof. Dr. Peter Burns (University of Bedfordshire, UK)
- 09:15 – 09:45**     **Keynote 4: Destination Leaders Programme**  
Asst. Prof. Dr. Jane Ali-Knight (Edinburgh Institute: Festivals, Events & Tourism, Scotland)
- 09:45 – 10:15**     **Coffee/Tea Break & Sandwiches**
- 10:15 – 12:15**     **Parallel session 4**

<b>Group 1</b>	<b>Room: Plenum 03</b>	<b>Session: Tourism product &amp; development</b>
<b>Chair: Veera Bhatiaesevi</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Karl Basil Dicen Nantaporn Mingkwan Piyantart Junkrachang Butsayapan Prungkong	The Study of Adventure Tourism Activities and Tourist's Age Group: a Case Study of Chiang Mai	Mae Fah Luang University, Thailand
Yae Fukushige Toshiyuki Maeda	A Case study on medical tourism in Japan using hot-springs resources: From the perspectives of regional revitalization and complementary and alternative	Hannan University, Japan
Jesper Dopping	Wayfinding and dwelling in strategizing: Healthy bodies and entertainment in entrepreneurial companies.	Mahidol University International College, Thailand
Chanin Yoopetch Randall Shannon	Environmental Planning for National Park Management and Sustainable Tourism Development	College of Management, Mahidol University, Thailand

# Program overview

01 SEP 2017. FRIDAY

<b>Group 2</b>	<b>Room: Group room 08</b>	<b>Session: Management at destination: cases &amp; examples</b>
<b>Chair: Supara Kapasuwan</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Luh Yusni Wiarti Dewa Ayu Made Lily Dianasari Ida Bagus Putra Negarayana Anom Hery Suasapha	Labuan Bajo: A Quality Tourist Destination in Indonesia? An Exploratory Study on Tourists Perspectives	Bali Tourism Institute, Indonesia
Autthapon Sirivejjabhandu	Enhancing Stakeholders's Participation in Special Interest Tourism in the Lower Isan Cultural Corridor, Thailand	Sisaket Rajabhat University, Thailand
Frölicher Jonas Widar von Arx Matthias Mahrer	An analysis of long distance cross-border coach services in Switzerland: An overview and a case study	Lucerne University of Applied Sciences and Arts, Switzerland
Prasadini Gamage	Impact of Protean Career Attitude on Career Development, Job Satisfaction and Job Involvement of Executives at Multinational Companies in Sri Lanka	Department of Human Resource Management, University of Kelaniya, Srilanka

<b>Group 3</b>	<b>Room: Plenum 09</b>	<b>Session: Tourism business performance: Cases &amp; examples</b>
<b>Chair: Julianna Priskin</b>		
<b>Participant ID</b>	<b>Topic</b>	<b>Affiliation</b>
Monika Bandi Adrian Künzi	Event Performance Index (EPI) as a holistic tool to support cultural and sports events	University of Bern, Switzerland
Jürg Stettler Hansruedi Müller Egli Alain Anna Wallebohr	Going for Long-term Legacy of Major Sport Events: The FIS Alpine World Ski Championships St. Moritz 2017	Lucerne University of Applied Sciences and Arts, Switzerland University of Bern, Switzerland
Philipp Luetolf Gabrielle Wanzenried	What Determines the Performance of Mountain Ropeway Companies? Empirical Evidence for Switzerland	Lucerne University of Applied Sciences and Arts, Switzerland

# Program overview

## 01 SEP 2017. FRIDAY

- 12:15 – 13:00**      **Lunch - Sandwiches**
- 13:00 – 13:30**      **Keynote 5: Business Perspective Under the Disruptive Technology**  
Asst. Prof. Sarayut Nathaphan, (Mahidol University International College, Thailand)
- 13:30 – 14:15**      **Closing Remarks & Farewell**  
Prof. Dr. Timo Ohnmacht (HSLU W, ICTB Conference committee)  
**(incl. Best Paper Award for Ph.D. Students)**  
Prof. Dr. Christine Böckelmann (Dean, HSLU W, Switzerland)  
**Outlook of 2019**  
Assoc. Prof. Phitaya Charupoonphol (Dean, Mahidol University International College, Thailand) & Dr. Pisut Yuwanond (Mahidol University International College, Thailand)
- From 14:30**      **Meeting of all guided tour participants (Auditorium)**
- 15:00 – 17:00**      **Guided City Tour: Lucerne ([See: Lucerne city guide](#))**
- 19:00 – Open**      **Informal dinner** (depending on the participation)  
For more information, please check at the registration desk.

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# **Enhancing Stakeholders' Participation in Special Interest Tourism in the Lower Isan Cultural Corridor, Thailand**

**Autthapon Sirivejjabhandu**

Sisaket Rajabhat University, Department of Tourism & Hotel, E-mail: misterangkor@hotmail.com

## **Abstract**

The Lower Isan is 1 of 8 tourism development areas, according to the Thailand's Tourism Strategic 2015-2017. The purposes of this study are: (i) to present the potential of the Lower Isan and set-up special interest tourism products (ii) to support stakeholders' self-analysis in the tourism environment and (iii) to enhancing the stakeholders' participation in their tourism. According to recent study, stakeholders concluded that the obstacles of tourism development were uncertain tourism strategy and they need to participate in their tourism development in the aspects as follows: (i) making tourism policy and sharing idea for tourism management (ii) creating an appropriate product and tourism program, (iii) setting up triangular network model between the government sector, local community, and the private sector. Furthermore, all stakeholders agreed that the tourism aspect in the area should be appropriately implemented and niche tourism market should be focused on the quality tourist.

## **Keywords**

Special Interest Tourism, Cultural Corridor.

## **1 Introduction**

On behalf of the Tourism Authority of Thailand (TAT), the grand opening celebration of the "2015 Discover Thainess" campaign has scheduled. The aim of the campaign is to showcase the character of the Thai people and their cultural assets that make Thailand becomes an exotic tourist destination, and enhance stakeholder's participation in tourism management (TAT, 2015). The Lower Isan (south of Thailand's northeast region) is 1 of 8 tourism development areas, according to the Thailand's Tourism Strategic 2015-2017 (Ministry of Tourism and Sports: MOTS, 2015). Actually, the Lower Isan is a not well known area for tourism like the Northern or Southern Thailand, but the potential of the areas around valleys of the Mun Rivers, Khorat Plateau, and Dangrek Range can be diversely promoted the Special Interest Tourism. The Lower Isan seems far less crowded, but no less impressive than other areas to visit diversity of natural and cultural destination. The area has plenty of ancient sanctuaries, rice paddies, as well as mountain ranges covered in dry evergreen forest. Today the Lower Isan is divided into 5 provinces including Nakhon Ratchasima, Buriram, Surin, Sisaket, and Ubon Ratchathani. All provinces were merged with the Mun River from the west to the east. Above-mentioned, this paper will describe the context of the Lower Isan in the following points.

### **1.1 Geography and historical background of the Lower Isan**

The Lower Isan covers 63,500 km<sup>2</sup>; its size approximates to Sri Lanka's and Lithuania's. Rainfall is unpredictable, but mainly concentrates in rainy season from May to September. The cool season is between October to February, and summer runs from March to May with its sudden peak of high temperatures in April. The soil is mostly sandy with substantial salt deposits (Draper, 2013). In addition, the Lower Isan is located between the Khorat Plateau and Dangrek Range; there's no coastline and the area was drained by the Mun River passing through the 5 provinces. The Lower Isan has numerous important prehistoric sites such as cave art in Khao Chan Ngam in Nakhon Ratchasima, and Pha Taem in Ubon Ratchathani. Artifacts and early evidence of rice cultivation were found along the Mun River such as the tools found at Ban Prasat Archaeological Site in Nakhon Ratchasima that inhabited 3,000 years ago and may predate similar tools from Mesopotamia (Walliphodom, 2003). In the 6<sup>th</sup>-13<sup>th</sup> century, the Dvaravati culture has been established, and during the same period the area was affected by the Khmer whose inscriptions between the 12<sup>th</sup> - 18<sup>th</sup> century. The Khmers built abundant sanctuaries, hospitals, and royal roads throughout the Lower Isan (Briggs, 1999). The most significant evidences are at Phimai Historical Park and Phanom Rung Historical Park. Besides, Preah Vihear Temple was also considered to be in Lower Isan, before the International Court of Justice in 1962 ruled that it belonged to Cambodia (Petzet, 2010). After the Khmer Empire lost power in the 18<sup>th</sup> century, Isan was governed by the Lao or Lan Xang Kingdom in the early 19<sup>th</sup> century. Latterly since the late of 19<sup>th</sup> century, the area has become Siam's until now (Stuart-Fox, 1998). Nowadays, this area is multicultural as its population diversity including Tai, Lao, Khmer, Suay, Vietnamese, and other ethnic groups.

### **1.2 Mun River and the Environment**

Mun River begins at the Dong Phrayayen-Khao Yai Forest Complex – UNESCO World Heritage Site, carries approximately 26 cubic kilometers of water per year. It deviously flows to the east through the Khorat Plateau in the Lower Isan for 700 kilometers, and joins the Mekong River in Ubon Ratchathani. Livelihood of more than 10 million populations living in the river basin depends on the richness of riverine ecosystem and natural resources. (Living River Siam Association, 2008). Moreover, the area has an outstanding and diverse culture as it possesses unique identity in terms of language, cuisine, architecture, and way of life (Sudthitham, 2003). To make it more recognizable, this area considered to be 1 of 8 Thailand's tourism development areas by the Thailand's Tourism Strategic 2015-2017 (TAT, 2015).

### **1.3 Participation as a mechanism for Special Interest Tourism development**

Tourism is the sum of the phenomena and links arising from interaction of the governments and local communities (Galston, 1995). It has become a source of income generation for many communities seeking ways to improve their livelihoods. Obviously, tourism and its impacts are multidimensional phenomenon that encompasses economic, social, cultural, environmental, and political forces (Singh et al., 2003). Stakeholders' participation can be seen as a process whereby the local community has a chance to give a voice and have a choice to participate in issues affecting their lives, culture, tradition, knowledge, skill, and create pride in their heritage (Lacy et al., 2002). The goal of participation is to improve communication between stakeholders in the interest of facilitating better decision-making and sustainable development (Nampila, 2005). The stakeholder plays an important role in fostering local community support for tourism development and may enhance its long-term sustainability as a broad basis for tourism planning (Hall et al., 2005). Stakeholder's participation also is the mechanism for active local community involvement in partnership working and decision making (Chapman & Kirk, 2001). It should be noted that participation often means the involvement of people or local community with the government; however, this study emphasized the triangular participation e.g., government, local community, and private sector. Furthermore, this study aims to analyze about using the Special



Interest Tourism. This refers to Niche Tourism practices and products centering on target groups whose motivation for travel is driven by highly specific interests, based on particular areas or activities, and setting them apart from mass tourism.

## 2 Objectives of the Study

The significance of the problem arises from the effects of intended goal of the the Thailand's Tourism Strategic 2015-2017 in the Lower Isan. In so doing, this study focuses on what special interest tourism can do to enhance the stakeholders' participation. The objectives of the study are as follow: (i) To present the potential and set-up tourism products special interest (ii) To support stakeholders' self-analysis in the tourism environment (iii) To enhance the stakeholders' participation in their tourism

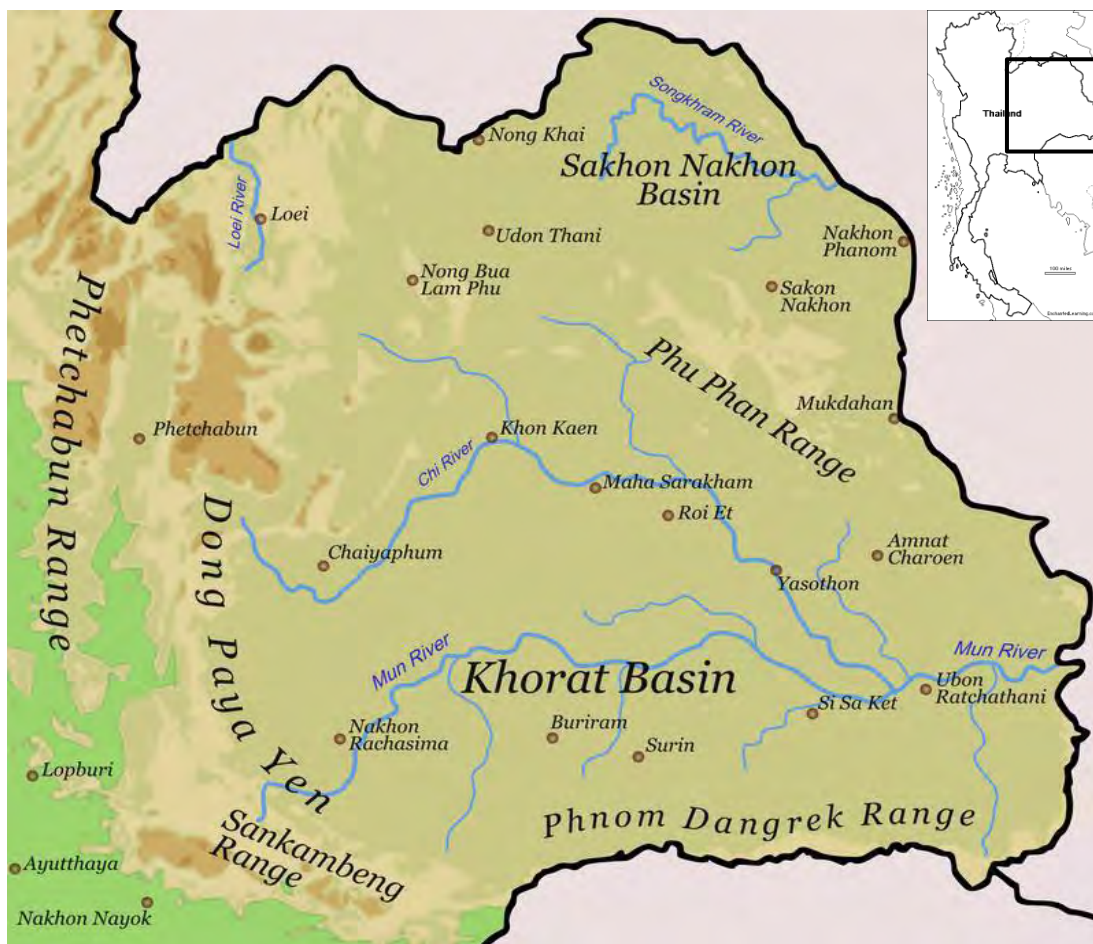


Fig. 1: Cities, Mountains and Rivers of Isan (Wikipedia, 2008)

## 3 Methodology

The study was conducted through qualitative approach. The field study covered 500 kilometers from west-east Lower Isan, and the data were collected by in-depth interview and focus group discussion with various stakeholders e.g., Sub-district Administrative Organization (SAO), TAT local office, the Province Office of Tourism and Sports (POTS), community representative, tour operator, and the organization involved in each province.

### **3.1 Data Collection Methods**

This study makes use of the knowledge and experience derived from fieldwork. The primary data were conducted from the key informants while the secondary data were collected from relevant documents and previous studies. The scope of the study was selecting only 5 provinces in “The Lower Isan Civilization Tourism Development Area” that was specified by the Thailand’s Tourism Strategic 2015-2017, including Nakhon Ratchasima, Buriram, Surin, Sisaket, and Ubon Ratchathani. The population of this study is the triangular stakeholders: the government, local community, and private sector involving with tourism in the area. The research sample was selected through purposive sampling, including 50 individuals that are 13 representatives from TAT, POTS, and Educational Institutes (Rajabhat University), 27 from SAO and local community, and 10 tour operators or the private sectors involved. A semi-structured individual interview was essentially applied with the key informants by following the guidelines for an interview, developed based on the concept of sustainable tourism development. Furthermore, focus group discussion was also used in gathering data as it is considered as one of the effective techniques for qualitative approach.

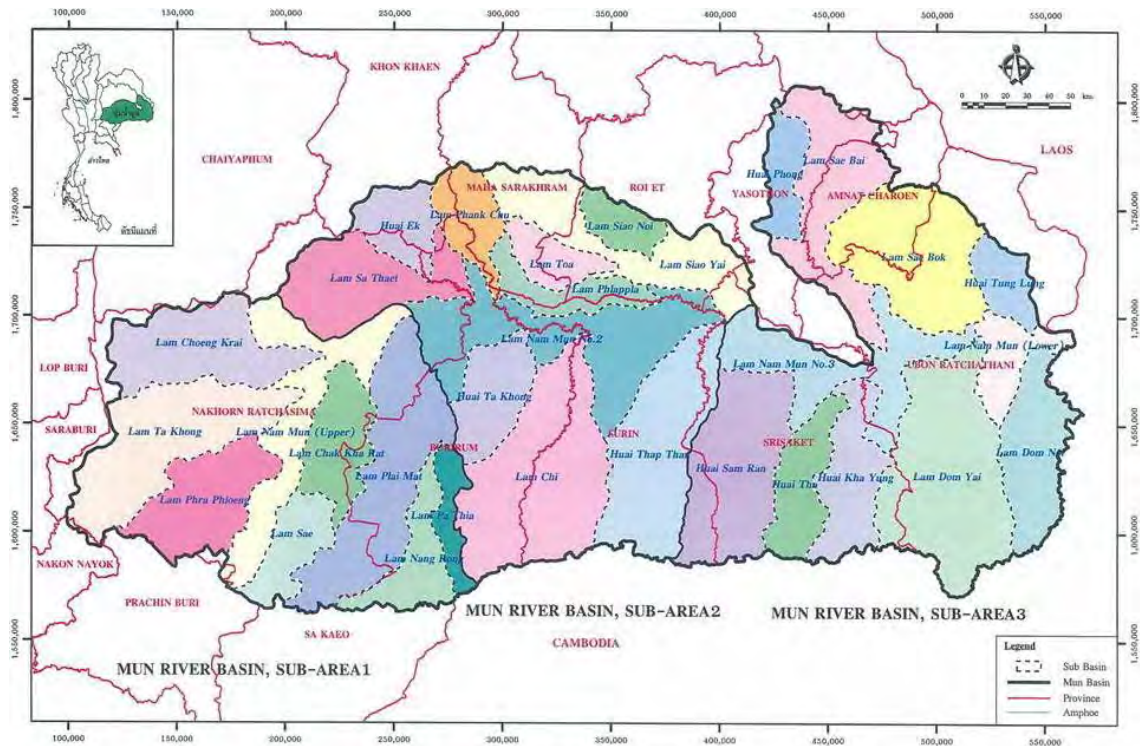
### **3.2 Data Analysis and Interpretation**

The primary data including a review of several studies in the area of the study were collected, and the secondary data, supplemented with primary data, was obtained through interviews and focus group discussion. Then the data was examined by triangulation process and was categorized by issue. After that, the data in each issue was analyzed by examining and interpreting through content analysis; inductive reasoning was used based on the theoretical framework for the conclusion.

## **4 Result**

### **4.1 Potential of tourism in the Lower Isan**

The Lower Isan has 5 provinces sharing utilization of the Mun River. The Lower Isan also has major attractions such as 1 World Heritage “Dong Phrayayen-Khao Yai Forest Complex” and 1 UNESCO tentative list “Phimai, its Cultural Route and the Associated Temples of Phanom Rung and Muangtam” 7 national parks, and 2 historical parks. Every province had similar precious inherited tradition and very famous festivals, such as Candle Festival that marks the beginning of Buddhist Lent, and Kang Reua (long-tails boat racing in the Mun River). The highlight of the Lower Isan nowadays is its prehistoric settlements, diversity of ethnic traditions, sacred sites and cultural landscapes along the Mun River. The ancient remains that are lined along the river, particularly Khmer Cultural Route, were also one of the highlights. The area now has abundant cultural heritage, so local culture is a worthy resource to promote as it allows for Special Interest Tourism development in locality. Conforming to the Thailand’s Tourism Strategic 2015-2017, the antiquity and historical aspects of the area were revealed. Consequently, this section sheds light on the existence and potential of Special Interest Tourism as follows.



**Fig. 2: The Lower Isan and Mun River Basin (Network of Asian River Basin Organization, 2012)**

The Lower Isan is another important area specified by the Thailand’s tourism strategic and has high potential for tourism. However, it has not been well-developed yet. The study of Special Interest Tourism will help better understand the potential of tourism in various aspects. Attractions in the area are involved natural environment, historical evidence, authentic culture, ways of life, and religious beliefs. The findings from observation, interview, and focus group discussion revealed that there are 3 major types of Special Interest Tourism and their tourism products including:

#### **4.1.1 River-based tourism**

The river flows along the river source in Khon Buri, Nakhon Ratchasima, to the estuary in Khong Chiam, Ubon Ratchathani, from west to east through approximately 700 kilometers. Along the riverside, there are abundant tourism assets, including natural resource, lush tropical rain forests, geopark, rapids, rare wildlife, and spectacular features of the landscape which can be found along the riverbank. It is recorded that there are 256 species of animals; one of them inscribed on the The IUCN (International Union for Conservation of Nature) Red List of Threatened Species. Besides, there are many protected areas e.g., national park, wildlife sanctuary, and forest park expansion along the west to east of the river.

#### **4.1.2 Khmer Cultural Route**

Khmer Cultural Route is located between Mun River Basin and Dangrek Range. The historical evidence revealed that there are many ruins situated on the plateau. In the ancient time of the Khmer Empire, travellers and pious pilgrims took this route which connected Phimai to Angkor (Cambodia) and Vat Phou (Laos), and had disposal temples along over the route. The evidence of this cultural route was Phimai, its Cultural Route and the Associated Temples of Phanom Rung, and Muangtam-a tentative list, which is an inventory of those properties in which a country intends to consider for nomination to the World Heritage.

### 4.1.3 Rail Tourism

Visiting the Lower Isan by rail offers a dramatic journey through Khorat Plateau that captures the heart of the land of civilization. Belonging to the State Railway of Thailand (SRT), with approximately 400 kilometers of track passed around 60 stations from Klang Dong Station, Nakhon Ratchasima, to Ubon Ratchathani Station, there are 20 trains running every day. This makes it convenient in travel as the railway is well connected with the most exotic places in the Lower Isan. Thus, transporting by train is also ideal short trips as it provides point to point destination between provinces. Besides, Rail Tourism has scheduled by Thailand’s Tourism Strategic 2015-2017, the Ministry of Tourism and Sports (MOTS) emphasizing to promote as alternative destination.

In reference to the focus group discussion, the outstanding tourism resources were selected and summarized respectively by province: (1) Nakhon Ratchasima, (2) Buriram, (3) Surin, (4) Sisaket, and (5) Ubon Ratchathani, in the following table.

**Table1: List of Special Interest Tourism Resources**

<b>River-based Tourism Resource</b>	<b>Khmer Cultural Route</b>
(1) Dong Phrayayen - Khao Yai Forest Complex	(1) Phimai Historical Park
(2) Satuk Long-boat Racing Festival*	(2) Phanom Rung Historical Park
(3) Wang Talu (Elephant Village)	(3) Group of Prasat Ta Moen
(4) Nang Ngao Beach	(4) Ancient Ruin within Khao Phra Wihan National Park
(5) Kaeng Tana National Park & Two Color River	(5) Prasat Nong Thonglang
<b>Tourism Resources with rail transportation</b>	<b>Station</b>
(1) Mammoth Museum	(1) Tha Chang
(2) Isan Kite Festival*	(2) Huai Rat
(3) Baan Ar-Lue Homestay (Gui Village)	(3) Samrong Thap
(4) Prasat Sa Kamphaeng Yai	(4) Uthumpornphisai
(5) Wat Pah Nanachat	(5) Bung Wai

\*seasonal

Tourism resources in the Lower Isan shown in the table above indicated 6 Special Interest Tourism types which are Ecotourism, Paleontological Tourism, Spiritual Tourism, Historical Tourism, Cultural Tourism, and Community-based Tourism. All of tourism types mentioned was a potential that should be developed. To develop sustainable tourism in the area efficiently, corporation with various stakeholders is essential in getting self-analysis in the tourism environment for understanding about the existing of tourism management in the area.

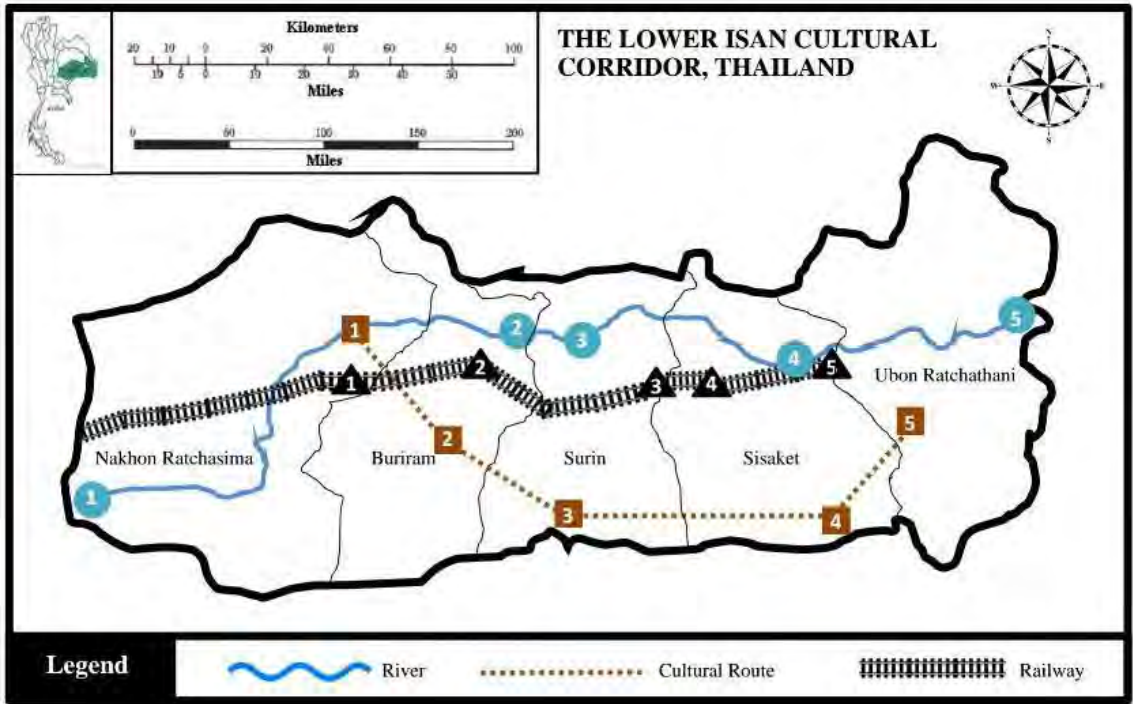


Fig. 3: Tourism Resources Mapping in the Lower Isan Cultural Corridor



Fig. 4: Tourism resources along the Mun River Basin

## **4.2 Stakeholder’s self-analysis on the tourism environment**

Tourism in the Lower Isan is becoming popular as Special Interest Tourism. According to recent studies, it is noted that although the overall performance of tourism is impressive, sustainability of several environment factors are still concerned and needs to be considered and improved. Based on the focus group discussion, this part summarized SWOT analysis in many points including, strengths, weaknesses, opportunities, and threats, respectively in the following.

### **4.2.1 Strengths**

The area was well-known for the UNESCO World Heritage Sites both in natural and cultural aspects and has a long history more than 3,000 years ago. Due to it shares the border with Cambodia, Laos, and Vietnam, this area is called gateway to Indochina or some part of the Greater Mekong Sub-region (GMS). Because of the diversity of ethnic groups and traditions, several festive and traditional events have been held every month. The famous one is “Hit Sip Song Khong Sip Si”, a gorgeous custom of a typical Isan culture ripened and inherited from the ancestors, and it also is the beginning of the Isan twelve-month tradition. The mountain ranges located in the south of the area have abundant protected areas like green belt, extending and sloping from the west to east, that make it to be a scenic landscape and natural attraction. Additionally, it is a place to explore the richness of the unexplored destinations especially sea of the mist that covers the areas of 3 countries at the Emerald Triangle (Cambodia, Laos, and Thailand). The area is very safe destinations as it has no disaster, strong storm, and earthquake like Northern and Southern Thailand. For transportation mode, the area has accessed to various transport systems such as railways, national highways, and airways; the expansion of low-cost airlines make this area easy to travel to and bound to another tourism province e.i., Bangkok, Chiang Mai, Phuket, etc. There is a wide variety of accommodations and homestays with a wide range of prices, and it also has several well-established regional tour operators for domestic as an inbound and outbound linkage to another World Heritage Sites in the neighboring countries e.g., Southern Laos (Vat Phou), Northern Cambodia (Angkor), Central Vietnam (Hue, Myson, and Phong Nha-Ke Bang).

### **4.2.2 Weaknesses**

Although the railway (northeast line) and highway (no.24) are passes through the area but underdeveloped and out-of-date public ground transport systems cause of habitually delay. There is disjunction in tourism coordination between the national tourism organization (NTO), local inhabitants, and private sector. The primary attraction in the area is not determined for carrying capacity while secondary attraction is undertrained in human resource. However both tourist attraction were lack of tourism interpretation and tourism program to connectivity within 5 provinces, limited product develop, inadequate dissemination of information, and directionless in niche marketing.

### **4.2.3 Opportunities**

The Lower Isan is going on for the development of double-track train from Bangkok to Ubon Ratchathani. The Thai government has declared the “2015 Discover Thainess” campaign and has specified the area in central Mun River in Buriram and Surin of the Lower Isan to be 1 of the 12 hidden gems to experience Thainess under the concept of discovering the land where ancient Khmer and modern Thai civilizations meet. Besides, this area were selected to be 1 of 8 tourism development areas by the Thailand’s Tourism Strategic 2015-2017 with the aims of making “Lower Isan” to be a globally recognizable brand, increasing the popularity of the Mun River, and improving connectivity between gateway cities (Nakhon Ratchasima, and Ubonrtachathani) and secondary destinations (Buriram, Surin, and Sisaket).

#### **4.2.4 Threats**

It goes without saying that the crisis of world economy is affecting overseas tourism. While, Thailand's major problem for tourism atmosphere is political instability- Thailand's political issues have affected the ensuring of travelers because they are afraid of protesters. Another main impact is having lower potential of tourism competitiveness within ASEAN countries as it is concerns with number of tourists. Moreover, the global warming effects cause a problem as well since the weather in the Lower Isan is hotter; the average temperature is around 30-35 degree Celsius all year round.

Because of the critical tourism environment mentioned above, the stakeholders have been initiated a participation and adopted the knowledge of Philosophy of Sufficiency Economy by His Majesty King Bhumibol Adulyadej in their tourism development in the area. The philosophy consists of 3 components including moderation, reasonableness, and a self-immunity system; these helps come up an idea for stakeholder to built up their well-balanced tourism management leading to the enhance of sustainable tourism. The participation processes are as follows:

#### **4.3 Enhancing the stakeholder's participation in the tourism management**

In general, stakeholders agree that sustainability or sustainable tourism can be achieved if stakeholders have equal opportunity to get involved in decision making and tourism resources managing. This part presents about the stakeholders that have realized through tourism and have contributed to participate in the area. According to Thailand's Tourism Strategic 2015-2017, Ministry of Tourism and Sports is the central authority to establish the tourism policy. TAT local office has a role in promoting and marketing tourism while SAO is the budget support and verifies readiness of their tourism products in collaboration with the local inhabitants. In addition to the government sector, the private sector e.g. tour operator, tour guide, mass media, and NGOs also plays a part in inviting tourist to the area. Regarding to the focus group discussion, 2 generally accepted categories of stakeholders were defined as follows: (1) "Primary stakeholders" means those persons and groups that have a legal contractual relationship to the tourism development scheme. The primary stakeholders can be categorized into 2 groups: experts and suppliers. Experts are groups of people that are involved in planning, allocating budget for up-grading facilities and infrastructure, creating some additional financial and non-financial benefits from tourism to the local community involved. Suppliers are ones who contribute tourism product and hospitality in the destination. The experts include government bodies e.g. TAT local office, POTS, and Educational Institutions (Rajabhat University in 5 provinces). All of organizations mentioned performs the survey in both primary and secondary attractions, creates new activities as Special Interest Tourism, and trains local guides that are fluent in the story of tourism and be a leader in recreation activities during the trip. Suppliers, such as SAO, village chief and local inhabitants, who involve in the operation of tourism activities, such as ecotourism, cultural tourism, and community-based tourism, are those who know best about their own area and how to develop their resources for their own benefit. (2) Secondary stakeholders refer to those who influence and/or who are influenced by the scheme, but not regularly engage in transaction of the scheme and may not be essential for project survival (e.g. media, tour operator/tour guide, NGOs, and the private sector involved).

According to the focus group discussion, both stakeholders enhanced and participated in Special Interest Tourism development by prescribing the strategy. 5 strategies consist of (1) participation in top-down and bottom-up policy-making, (2) improvement of various rules and regulations to enhance the provincial's potential for accommodating more tourist arrivals, (3) development of tourism destination applied with the Sufficiency Economy and the 12<sup>th</sup> National

Economic and Social Development Plan, 2017-2021, (4) Creating new products and tourism programs based on the social capital and providing an authentic experience to the tourists, and (5) setting up public-private collaboration among primary and secondary stakeholders in the 5 provinces and inviting another related public sector to be a part of tourism alliance. Therefore, tourism enterprises should firmly consider and undertake social responsibility in pursuit of profit maximization. The 5 strategies mentioned above bring to the understanding about how to enhance stakeholder's participation and set up their tourism development paradigm, showed in the following figure.

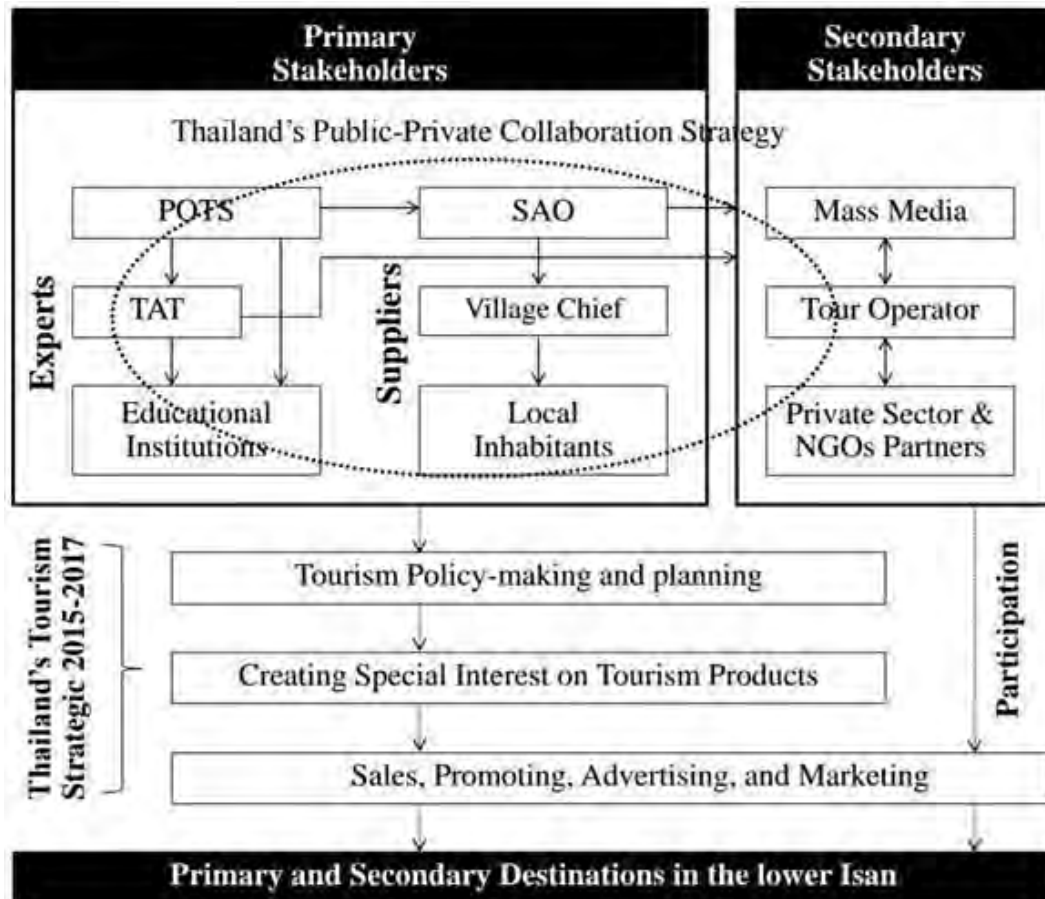


Fig. 5: Tourism Paradigm in the Isan Cultural Corridor

## 5 Conclusion

This study examined stakeholder's participation in the Special Interest Tourism development in terms of decision-making process in the context of the Lower Isan settings. The results reveal that stakeholders' participation is essential for making decisions. The roles of Experts are drafting the policy for the tourism, and finding suitable activities to promote tourism with neighboring countries. To ensure the sustainability of tourism management, it is necessary to build and maintain relationship among suppliers. In fact, tourism scheme are mostly planned and managed by the SAO, and local community who live closely with tourism objects. Well relationship between both primary and secondary stakeholders will help raise awareness and understanding of the sense of place. Meanwhile, the educational institutions take responsibility to provide education and training to the local community. However, there is private sector which is secondary stakeholder e.g. media, tour operator/tour guide, NGOs, and the other organization involved that plays an important role in supporting, promoting, and marketing in the tourism system. This triangle participation, consisting of



the government, local community, and private sector, is called “public-private collaboration strategy” that Thailand’s government emphasizes. According to the Thailand tourism strategic 2015-2017, there are 3 major objectives including policy making, creating new tourism product, and promoting primary and secondary destinations to be well-known. Each destination has its own characteristics; thus, the stakeholders should realize how the uniqueness and characteristics of the destination should be developed by active role of stakeholders. When the public-private collaboration is performed, the planning team and a facilitator succeed in developing; a win-win situation is needed. Specific plan of tourism in the Lower Isan and its implementation need guidelines for sustainable planning. To ensure the successful delivery of the specific plan, SAO should adopt the mentioned implementation plan under the municipal planning regulation.

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# **An investigation into stakeholder perceptions of destination marketing efforts of County Sligo, Ireland.**

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## **Abstract**

The aim of this paper is to identify what are the perceptions of the key stakeholder groups of tourism businesses about marketing efforts to promote County Sligo as a tourist destination. How the Destination Marketing efforts should be organised, managed and supported forms the basis of the research.

A mixed method approach was used in this study involving a literature review of the topic being investigated. This is supported by empirical evidence in the form of both qualitative and quantitative research.

## **Keywords**

destination marketing, collaboration, stakeholder engagement, destination marketing officer

## **1. Introduction**

As the tourism market in Ireland enjoys record breaking numbers in 2016 with an estimated 8.2 million overseas visitors which is an increase of 11.6% on the previous year it is relevant to explore 'tourism' as a mechanism for regional development (Fáilte Ireland, 2016). Destinations are now adopting tourism as a strategy to pursue sustainable economic development to become more competitive and develop a destination that delivers on the visitors' expectations while simultaneously providing beneficial social impacts on its residents (Paskaleva-Shapira, 2007). At national level, the Irish Tourism Authorities have focused on major strategies that focus the country into four zones. The Western coastline is the 'Wild Atlantic Way' initiative. This approach has facilitated an enhanced interest among stakeholders to engage in tourism marketing of destinations. This is particularly interesting at local level. There is robust

interest in the literature on regional destination marketing, but there is an enhanced opportunity to investigate destinations at a more localised level.

Irish destinations are seeking ways to increase their market share as destinations attempt to gain a more competitive edge over rival destinations. To maintain their competitiveness, destinations need to adjust and develop instead of depending on previous conventional marketing methods (d' Angella and Go, 2009).

Public bodies both at a local and at national level have important roles in collaborative arrangements. The private sector acting on a voluntary basis may have a high level of willingness to take on such a task but may lack the resources available to successfully implement such a strategy. Wang, Hutchinson, Okumus and Naipaul (2013) refer to the lack of adequate resources for collaboration. Through destination marketing Irish destinations are attempting to attract more visitors to their destination. The structure, dynamics and governance of these endeavours represent a rich basis for enquiry. But just who is responsible for marketing their destination to potential visitors?

Traditionally Fáilte Ireland and Tourism Ireland had the role of promoting Ireland as a tourist destination. At a local level, the question surrounds just who is responsible for promoting individual counties. In a County Sligo context, public bodies like the County Council, collaborative initiatives such as Sligo Tourism and the local business representative organisation the Chamber of Commerce have all engaged in some form of promotional activity for County Sligo. Increasingly in recent years' local destinations have become more active and less reliant on government bodies to carry out this promotional role. Collaboration may now be viewed as a mechanism to achieve success (Fyall and Garrod, 2005).

This paper attempts to analyse from the perspective of tourism businesses in County Sligo just who they perceive to be responsible for marketing County Sligo to potential visitors.

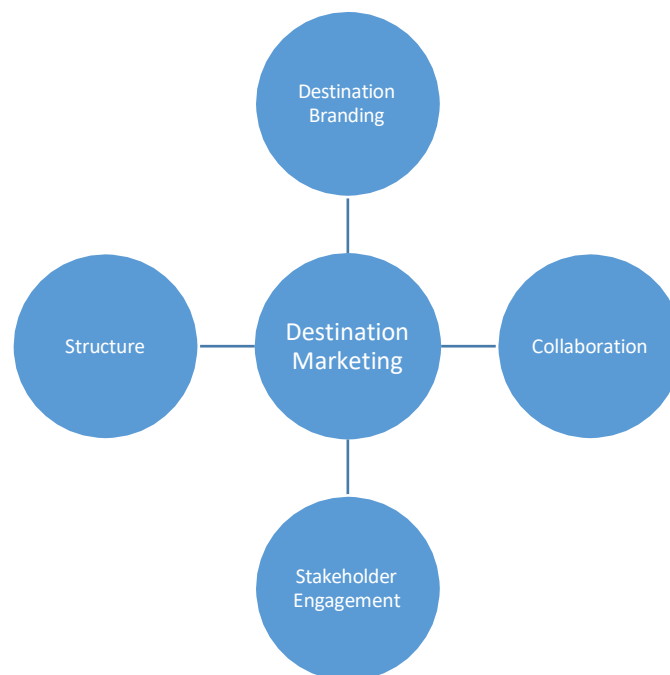
## **2. Destination marketing**

There is increased interest in destination marketing and promotion (Swain and Mishra, 2012; Haugland, Grønseth and Aarstad, 2011; Kimbu, 2011). The earliest definitions of a destination consists of the traditional view of a destination in geographical terms i.e. – town, region or country (Buhalis, cited in Kastenholz and Pinto, 2011). It is widely agreed that a destination consists of many attractions, amenities, services and products and therefore a destination encompasses many stakeholders. Destination marketers must somehow create and manage a compelling and focused market position for their multi-attributed place, in multiple geographical markets, in a dynamic macro environment” (Pike, 2016, p. 1).

Destination marketing in many instances involves the use of promotional activities and occurs both on the supply and demand side (Kastenholz and Pinto, 2011). Pratt, McCabe, Cortes-Jimenez and Blake (2010, p. 179) articulate “*tourism destination marketing is one of the most influential means of*

*increasing numbers of visitors to a destination and maintaining stays within a destination*". Michailidou, Vlachokostas, and Moussiopoulos (2016, p. 1) recognise that "tourism is a key driving force for socio-economic progress. It accounts for 5% of direct global Gross Domestic Product (GDP) offering 235 million jobs worldwide". Not surprisingly over the years, a key topic within sustained interest in destination marketing research includes investigation into destination development (Cooper et al, 1998; Howie, 2003; Prideaux and Cooper, 2002). Destination marketing can be implemented as a strategy by destinations to pursue sustainable regional development through tourism. Increased revenue from tourists can affect positively on a regions economic, social and environmental development.

Baker and Cameron (2008, p. 93) articulate critical success factors in destination marketing that includes; *Strategic orientation, Destination identity and image, Stakeholder involvement and Implementation, monitoring and review*. These factors provide a basis to develop in more detail an insight into what is perceived to be important for successful destination marketing at a local level. As noted by Lumsden (1997) Destination marketing is inherently collaborative and involves planned cooperation, coordination and linkages. Destinations are constantly in a state of evolution and development. Because of this change, there is a need to continue to market themselves to potential visitors. Through destination marketing local authorities can pursue opportunities for positive regional development.



**Figure 1. Components of Destination Marketing**

Herein the literature shows the somewhat complex interplay of various components that are necessary for successful destination marketing to occur. These include destination branding, collaboration, stakeholder engagement and structure are illustrated in Figure 1. Each of these will now be discussed further.

### 3. Destination Branding

Branding a long-established pillar of marketing (Aaker 1991 & 2005) can be used more extensively in tourism theory and practice. Holloway and Robinson, (1995) in relation to brand definition refer to the use of name, sign symbol or design to distinguish products from competitors. Campelo, Aitken and Gnoth (2011) refer to the importance of brands as a powerful communication device. Place branding relates to countries, regions, cities and towns. Hakala, Lemmetyinen, and Kantola (2013) examine country image as a nation-branding tool. At a basic level destination branding sets out to achieve one simple goal-to differentiate your destination from rival destinations, to attract potential visitors, residents and investors. According to Rashid and Ghose (2015, p. 5) “the brand of a product or service needs to have its own unique identity that makes it stand out and be recognizable”. An effective brand is easily recognisable and should tell the story of the good, service or organisation in question.

What a resident interprets as a place identity, maybe in contrast to the tourist destination identity. Is the branding for all stakeholders or the tourist? Kerr (2006) postulates that destination brands focus on tourists, while place branding targets all groups. Gertner (2011) acknowledges that as a research domain, place branding has rapidly evolved. Research into destination branding, might benefit if residents sense of places is identified. Zenker, Braun and Petersen (2017, p. 17) observe, “the special role of residents in the place branding process-not only as a target group, but also as part of place”.

Cai (2002) explores cooperative destination branding, a theme reflective of the collaboration imperative. Balakrishnan (2009, p. 613) refers to the five components of the destination branding process; these are 1. Vision and stakeholder management; 2. Target customer and product portfolio matching; 3. Positioning and differentiation 4. Communication strategies; 5. Feedback and response management strategies. More specifically Pike (2016, p. 189) maintains that there are five steps involved in the development of destination brand identity. These include; 1. the appointment of a brand champion; 2. The identification of the brand community; 3. A destination audit to identify sources of competitive advantage; 4. an analysis of brand image; 5. The production of a brand charter for stakeholders. Key concepts in branding are reflected in destination brand literature for example destination image and destination personality is referred to by Hosany, Ekinici and Uysal (2006). Henderson (2000) cautions against a loss of ‘authenticity’ in the marketing of tourism destinations.

Given the critical need for collaboration for successful destination marketing and branding the role of stakeholders is also featured in branding research. It is clear that brand research in the context of destinations is a mix of traditional brand domains such as; personality, identity and image, strategy, internal branding and brand equity. While all these are relevant to destinations what is most interesting in the context of developing a place brand is-co-operation, stakeholders and ownership. Given the collaborative nature of destinations-these dimensions may be instrumental to success.

## **4. Collaboration**

The focus of this paper is to assess what the local tourism business community perceives destination marketing efforts to be. Collaboration is a key theme in the literature (Kotler, Haider and Rein, 1993; Fyall, Garrod and Wang, 2012; Naipaul, Wang and Okumus, 2009; Wang, 2008; Wang, Hutchinson, Okumus, and Naipul, 2013). Interestingly Hall (1999) refers to collaboration, partnership and public policy, while (Selin and Beason, 1991 and d' A ngella and Go, 2009) refer to the importance of collaboration as a key factor for destination competitiveness.

The aim of place marketing is to improve a destinations profile and public perception amongst both visitors and residents (Page and Hardyman, 1996). The most important aspect of destination marketing is delivering on generated expectations (Ashworth and Kavaratzis, 2009) and the failure of a destination to fulfil these expectations of visitors due to misrepresentation could have a negative impact on the destinations brand (Braun, 2012). This is important to achieve sustained success over time, your destinations brand must be viewed positively by potential visitors ahead of what a rival destination has to offer (Harrison-Walker, 2012). A possible solution to enhance the quality of experience for everyone involves the direct involvement of all stakeholders and the coordination and management of all destination marketing activities (Ashworth and Kavaratzis, 2009; Burns, 1983; Page and Hardyman, 1996). The involvement of the entire community is fundamental for destination marketing to occur (Murphy, cited in Heath and Wall 1992).

Businesses have recently accepted that by collaborating with who were once their competitors they can potentially achieve increased success by working together (Fyall and Garrod, 2005). Chaston (1999) highlights the key role of collaboration for both new and existing markets. Hagedoorn (1993) discusses motives for taking a collaborative approach.

Palmer and Bejou (1995) assert that collaboration is a result of a number of organizations joining to share resources over a period in order to gain a competitive advantage within the market. Kavaratzis and Ashworth (2007, p. 24) state that 'cooperation between the parties involved and consistency in actions can prove to be the most critical success factor'. The collaboration process involves many stakeholders from many different sectors within the tourism industry so any collaborative initiative requires some level of management.

## **5. Stakeholder Engagement**

There must first be motivation to collaborate amongst stakeholders (Palmer and Bejou, 1995) and planners should initially seek out stakeholders that have a willingness to adopt a collaborative strategy (Sauter and Leisen, 1999). As collaborative initiatives depend on a certain level of trust and willingness to work together amongst stakeholders, any members with ulterior motives within the initiative will inevitably lead to disparity amongst stakeholders (Wang and Xiang, 2007). It is important to engage with as many stakeholders as possible that may be affected by any proposed tourism development (Jamal and Getz, 1995). Lally, O'Donovan and Quinlan (2015) believe structure, membership, activities and benefits, and challenges can affect stakeholder engagement.

Palmer and Bejou, (1995) assert stakeholders must recognise that the potential benefits of collaboration. Once a certain level of trust has been established between stakeholders the perceived benefits of

collaboration become more prominent within stakeholders own assessments and as a result of gained trust there then emerges a more willingness to collaborate on a long term basis (d' A ngella and Go, 2009).

## **6. Structure**

In this section, the issue of structure will be addressed with reference to interrelated issues. These are leadership, governance and the role of the destination marketing officer (DMO). In effect to develop an appropriate and effective structure, these areas may be pre-requisites to be examined. According to Baker (2007), a strong, passionate, energetic and committed leader is required to guide initiatives. Collaborative initiatives need a champion from either the public or private sector to encourage and stimulate collaboration among stakeholders Palmer and Bejou (1995).

Although difference of opinion may exist amongst stakeholders it is the responsibility of the leader of the initiative to maintain stakeholder relationships based on an agreed set of objectives and strategic approach which will strengthen the collaboration process (Sauter and Leisen, 1999).

Furthermore, governance is also emerging as essential (Cizel, Ajanovic and Cakar, 2016; Volgger, and Pechlaner, 2014). Collaborative initiatives can best achieve their objectives if they work together within a formal structure (Pearce, 1989). However, Naipal, Wang and Okumus (2009) found collaborative initiatives to be operating at a more casual basis. Some form of structure could be established to provide governance and leadership ensuring the viability of collaborative initiatives (Wang, Hutchinson, Okumus, and Naipul, 2013).

The importance of the role of a DMO is documented in the literature (Bornhorst, Ritchie, and Sheehan, 2010; Fyall and Garrod, 2005). It is the responsibility of the DMO to enhance the tourism development and management of a destination through the guidance of stakeholder's collaborative efforts (d' A ngella and Go, 2009; Dwyer and Kim, 2003).

Within a collaborative initiative in order to achieve a required level of performance to be considered a success it is the role of the DMO manage stakeholder engagements (d' A ngella and Go, 2009). In order for a destination marketing collaboration project to succeed there must be a strong DMO who acts to unify all stakeholders of the project and ensure stakeholders do not split from the project in order to form a separate group (Fyall and Garrod, 2005).

Parallel to this is the prominence of governance in academic investigation (Cizel, Ajanovic and Cakar, 2016; Halkier; 2014; Wang, 2013; Zhnag and Zhu, 2014). Local authorities have a role in building regional sustainable development and one way they can achieve this is through destination marketing.

## **7. Methodology**

The methodological approach taken is threefold. A mixed-methods design not uncommon in tourism destination research (Palmer and Bejou, 1995) will consist of in-depth interviews and the use of a

questionnaire. First, a comprehensive literature review will inform this research. Second, qualitative research and thirdly quantitative research will be the basis for empirical research.

The use of questionnaires is widely used in tourism (Donnelly & Vaske, 1997; Gomezelja and Mihalic, 2008; Paker and Vural, 2016) The ‘Marketing Sligo’ questionnaire aimed to capture the perceptions of how County Sligo is currently being marketed and suggestions as to how the development of County Sligo as a successful tourist destination can be best achieved. Tourism product providers were asked to complete the ‘Marketing Sligo’ questionnaire. Due to the nature of the questionnaire purposive sampling was used for this survey with names of tourism product providers selected from an industry list available on the discoverireland.ie website. The methodology used was an online survey, using the online survey platform SurveyMonkey.com. 233 tourism product providers was listed on the discoverireland.ie website. In February, the tourism providers listed on the database was sent an email containing a link to the online survey. A subsequent reminder email was sent to all contacts in March. A total of 51 responses were received to the online survey – a response rate of 22%.

The survey findings are supported by a series of semi-structured In-depth interviews with representatives’ collaborative destination-marketing initiatives from County Sligo. The purpose of the in-depth interviews is to gain further insight and a deeper understanding of the challenges faced by key stakeholders involved in current collaborative destination-marketing initiatives. The use of interviews is well documented in tourism studies (Cox, Gyrd-Jones and Gardiner, 2014; Datzira-Masip and Poluzzi, 2014; Pearce, 2015).

Study outcomes should provide the basis to build knowledge to enhance understanding of localised destination marketing based on key stakeholder insight and practice.

## **8. Research Findings**

This chapter provides insight into the destination marketing efforts, collaboration, destination branding and funding in County Sligo.

### **1.1 Questionnaire**

Questionnaires were conducted with tourism businesses and operators from around the county. The following are the results of the questionnaire.

#### **1.1.1 County Sligo’s Unique Selling Point**

Questionnaire respondents were asked to identify what they believed to be County Sligo’s unique selling point (USP). After analysing the responses, key emerging categories included Adventure, Scenery, Yeats, Archaeology, Culture, Location, Wild Atlantic Way, People, Variety on offer and the Experience. “Scenery” was the most mentioned category as being County Sligo’s USP followed by Adventure and Yeats. Culture, Location and The Wild Atlantic Way were also mentioned along with Variety on offer and the Experience. Comments included:



*“Multi-adventure destination - outdoor haven for all activities, all within close proximity to each other”*  
*“Stunning scenery”*  
*“It’s diverse and vibrant culture”*

It is evident from the results of this question that tourism product providers in County Sligo believe that Scenery is County Sligo’s USP. This is consistent with the literature that addresses the need for careful ecological consideration (Ruzzier et al, 2015; Alves, Ballester, Rigall-I-Torrent, Ferreira and Benavente (2017).

### 1.1.2 Rating County Sligo’s marketing efforts to attract potential visitors

Questionnaire respondents were asked how they would rate the current marketing efforts being undertaken to attract potential visitors to County Sligo? The results are shown in table 1:

**Table 1:**

Very Poor	Poor	Below	Average	Above	Good	Very	Total
3.92%	17.65%	27.45%	35.29%	9.8%	3.92%	1.96%	51
2		14	18	5	2	1	

The majority of respondents feel that current marketing efforts to attract potential visitors to County Sligo are average with 35.29% selecting average as their answer. It is also evident from the responses that there is a much more negative response than positive to current marketing efforts with below average 27.45%, poor 17.65% and very poor 3.92% combining for a total of 49.02%. While a total of 15.68% answered the question positively with above average 9.8%, good 3.92% and very good 1.96%.

### 1.1.3 How to better market County Sligo as a destination

Participants were asked what they would suggest could be done to better market County Sligo. It is very apparent that the tourism product providers are looking for County Sligo to increase its promotional and advertising activities not just in Ireland but also in Europe and the USA. There has also been calls for one organisation to be solely in charge of promoting County Sligo while there is also interest in the establishment of a networking group for all tourism businesses in County Sligo.

*“More T.V. advertising in Ireland and abroad”*  
*“Invest in advertising it properly through major media channels. I am not from Sligo and I knew little to nothing of its culture, scenery or heritage before I moved here”.*  
*“By having a coordinated effort encompassing the entire county”*

*“Dedicated tourist promotion officers working full time to promote all facets of tourism in Sligo”*

These comments are indicative of potential for structural improvement to market County Sligo as a Destination Brand.

#### **1.1.4 Marketing County Sligo to potential international visitors**

Participants were asked two questions concerning marketing County Sligo to potential international visitors.

**1) *What organisation do they think IS currently responsible for marketing County Sligo specifically to potential INTERNATIONAL visitors?***

41% of respondents indicated that they felt Fáilte Ireland is currently responsible for marketing County Sligo specifically to potential international visitors’ while 31% indicated that they felt it was Tourism Irelands role. Only 4% felt it was the current role of the County Council while 6% indicated that it was the role of Sligo Tourism and 2% indicated a specialised marketing consultant agency. 16% of respondents answered ‘Other’ and on further analysis of the answers in this category 12% of the 16% refer to a collaborative approach in their answers.

**2) *What organisation do they think SHOULD be responsible for marketing County Sligo specifically to potential INTERNATIONAL visitors?***

18% of respondents felt that Fáilte Ireland should be responsible for marketing County Sligo specifically to potential international visitors. 24% of respondents indicated that they felt it was the role of Tourism Ireland. Sligo County Council saw little increase up to 6% while 6% selected the Chamber of Commerce and 16% choose Sligo Tourism. Most significantly, 20% of respondents’ answered specialised marketing consultant agency. While 14% of respondents answered ‘Other’ 10% of the respondents, refer to a collaborative approach.

#### **1.2 Marketing County Sligo to potential domestic visitors**

Participants were asked two questions concerning marketing County Sligo to potential domestic visitors.

**1) *What organisation do they think IS currently responsible for marketing County Sligo specifically to potential DOMESTIC visitors?***

52% of respondents indicated that they felt Fáilte Ireland is currently responsible for marketing County Sligo specifically to potential domestic visitors’ while 18% indicated that they felt it was Tourism Irelands role. Only 2% felt it was the current role of the County Council while 24% indicated that it was the role of Sligo Tourism and 0% indicated both the Chamber of Commerce and a specialised marketing consultant agency. 4 % of respondents answered ‘Other’.

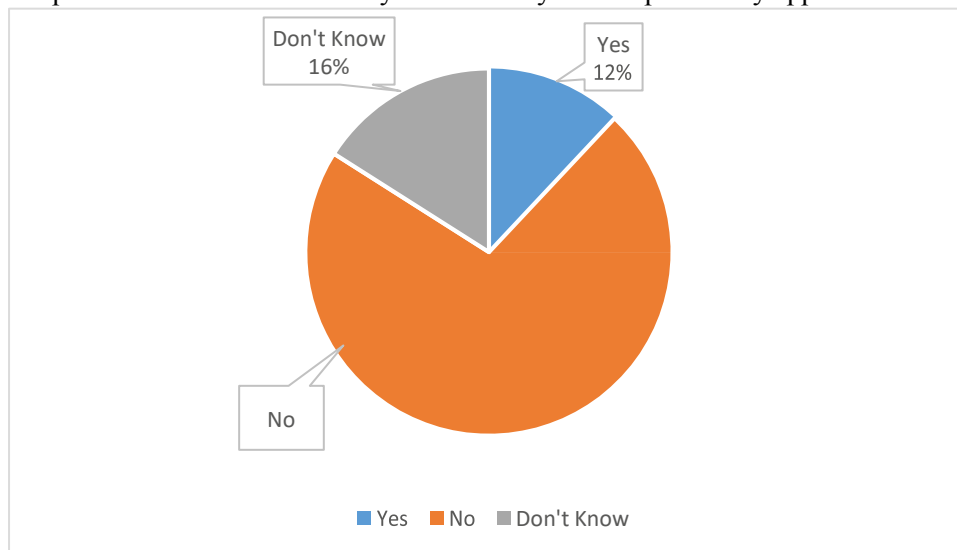
**2) What organisation do they think SHOULD be responsible for marketing County Sligo specifically to potential DOMESTIC visitors?**

20% of respondents felt it that Fáilte Ireland should be responsible for marketing County Sligo specifically to potential domestic visitors'. 6% of respondents indicated that they felt it was the role of Tourism Ireland. Sligo County Council saw an increase from 2% up to 10% while the Chamber of Commerce saw an increase from 0% to 12% and Sligo Tourism remained to same at 24%. A specialised marketing consultant agency was chosen by 10% of respondents which is up from 0% on the previous question. While 18% of respondents chose 'Other' up from 4% on the previous question. On further analysis of the answers in this category 16% refer to a collaborative approach.

Overall it is quite clear that respondents feel that both Fáilte Ireland and Tourism Ireland should not be responsible for marketing County Sligo specifically to potential domestic visitors' and that it should be orchestrated from a local level with all the local bodies playing a bigger role with regards to marketing County Sligo to the domestic market. In the literature, the call of Pearce (2015) for structural effectiveness needs to be considered. The fragmented response may indicate that such structural development in County Sligo may be pre-emergent.

**1.2.1 Destination Marketing Officer in County Sligo**

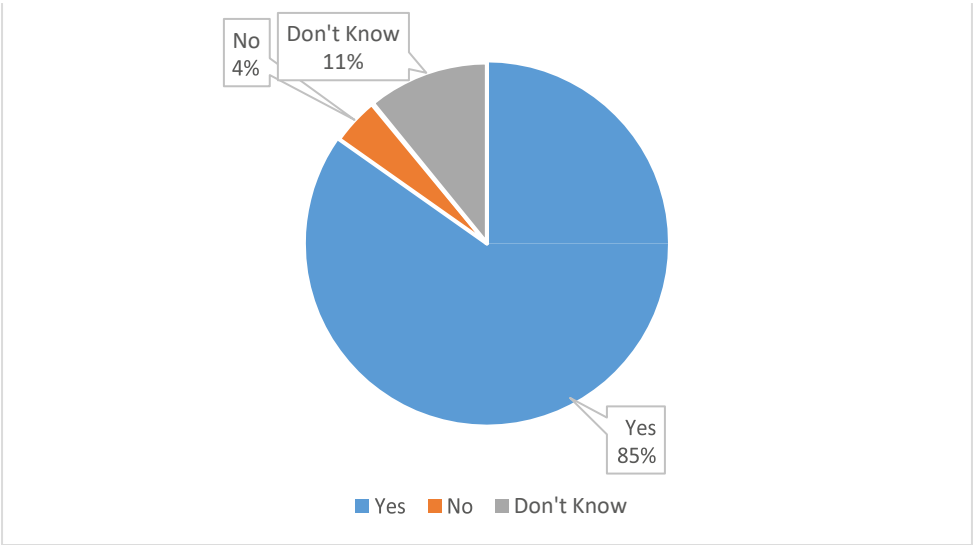
Respondents were asked are they aware of any DMO specifically appointed to market County Sligo?



**Figure 2: Awareness of DMO in County Sligo**

12% indicated 'Yes' and 72% indicated 'No' while 16% said they 'Don't Know'. The results are displayed in figure 2.

Respondents were asked in a follow up question if they would support the appointment of a DMO for County Sligo?



**Figure 3: Support for the appointment of a DMO**

Under 85% indicated ‘Yes’ and over 4% indicated ‘No’ while under 11% said they ‘Don’t Know’. The results are displayed in figure 3.

Respondents were then asked from which organisation should a DMO for County Sligo be based? 26% of respondents indicated that a DMO should be based in Sligo Tourism. 14% indicated they felt the DMO should be based out of Fáilte Ireland while 4% of respondents said Tourism Ireland, 16% chose the County Council, 10% chose the Chamber of Commerce and 12% selected a specialised marketing consultant. 20% of respondents answered ‘Other’ and upon further analysis of these answers there was no emergent theme from the answers with answers varying from: “New blood - preferably successful in own field” to “I don’t care but we need them on place asap”.

### 1.3 Target audience for marketing County Sligo

Participants were asked to rank (from 1-5) which target group (containing tourists, investors, current residents, potential residents or a combination of all of the previous mentioned) should be prioritised with regards to marketing County Sligo. The weighted average out of 5 from the results show that ‘Tourists’ ranked the highest with 4.22 while ‘Investors’ was next at 3.38 while ‘Current Residents’ ranked 2.54 and ‘Potential Residents’ scored the lowest with 2.16. A combination of all the categories ranked 3<sup>rd</sup> overall with 2.7. This indicates that marketing and branding efforts should primarily target tourists.

Participants were asked what challenges and opportunities were there for marketing County Sligo as a tourist destination. Key challenges that were highlighted included Brexit, Funding, Political and Competition from other destinations while participants identified opportunities around the areas of the Wild Atlantic Way, Sligo’s Food offering, developing the W.B. Yeats offering, utilising social media more and the promotion of coastal destinations around the county e.g. Mullaghmore.

This is interesting as throughout the literature, there is discussion on branding to various stakeholders. The reasoning for this might be based on what Michailidou, Vlachokostas, and Moussiopoulos (2016)

write about as the socio-economic benefits. As documented in the literature brand community plays a key role (Banerjee, S. and Banerjee, 2015; Breivik and Thorbjørnsen, 2008). In the Sligo context, what merits further investigation is place branding versus destination branding. Nonetheless this response shows strong support for destination branding aimed at tourists.

**1.3.1 The collaborative imperative**

Respondents were asked in relation to marketing County Sligo as a destination, how important do they feel collaboration among stakeholders will be? You can see the results in the table 2:

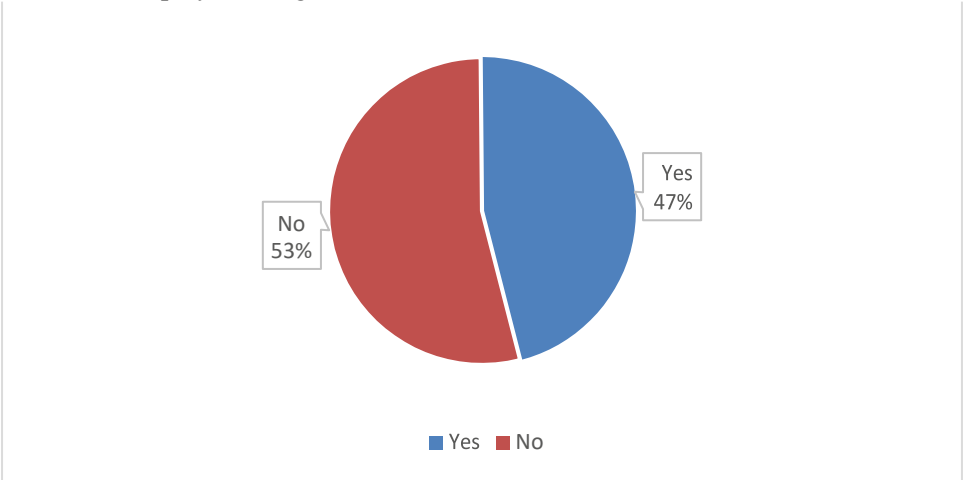
Very Unimportant	Unimportant	Neutral	Important	Very Important	Total
17.65%	0%	1.96%	29.41%	50.98%	51
9	0	1	15	26	

**Table 2: The importance of collaboration among stakeholders**

The majority of respondents felt that in relation to marketing County Sligo as a destination, collaboration amongst stakeholders will be ‘very important’ with 51% of respondents selecting this answer. 29.41% participants felt collaboration will be ‘important’ with only 2% selecting ‘neutral’. 17.65% of respondents chose ‘very unimportant’ while 0% selected ‘unimportant’. It is evident from the responses that participants felt the importance of collaboration with over 80% responding that it was either ‘important’ or ‘very important’. This finding largely supports what is articulated throughout the literature, the importance of collaboration (Fyall, A. and Garrod, 2005 & 2012; Jamal and Getz, 1995; Kastenholz and Pinto, 2011; Wang, Hutchinson, Okumus and Naipaul, 2013).

**1.4 Branding County Sligo**

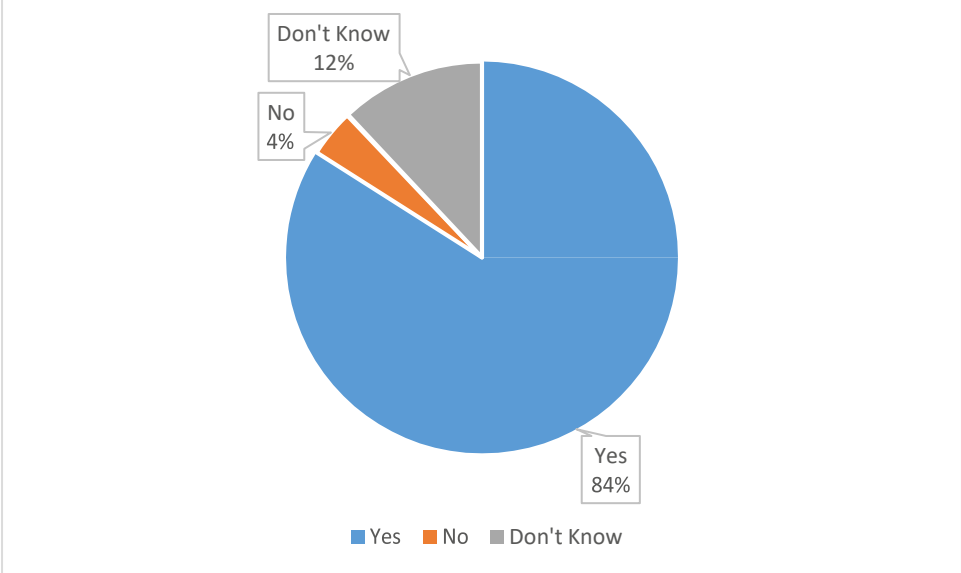
Participants were asked were they aware of any current destination marketing County Sligo brand? The results are displayed in figure 5:



**Figure 5: Awareness of any current destination marketing County Sligo brand?**

53% of respondents answered ‘No’ while 47% of respondents answered ‘Yes’. Whatever efforts were made up to now, it is not satisfactory that 54% are not aware of a destination County Sligo brand. The 46% of respondents who answered ‘Yes’ were asked could they identify the County Sligo brand and respondents identified both the ‘Sets Your Spirit Free’ and the ‘Sligo Food Trail’ brands as recognizable County Sligo brands.

Participants were then asked if they would support the development of a County Sligo brand? The results are displayed in figure 6.



**Figure 6: Do you support the development of a County Sligo brand?**

84% of participants responded ‘Yes’ with 4 % indicating ‘No’ and 12% choosing ‘Don’t Know’. This finding is very positive, but indicates that a lot of work has yet to be carried out.

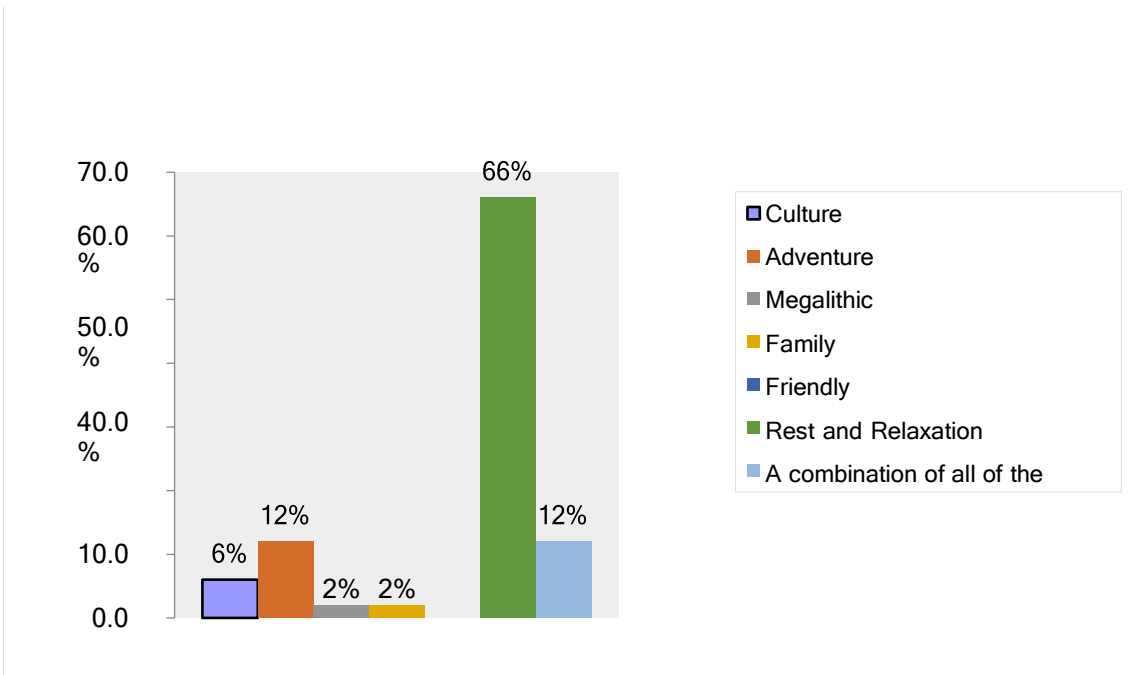
Participants were asked what personality a County Sligo brand would consist of. The key personalities the respondents identified as being part of a County Sligo brand include Exciting, Spirited, Adventurous and Friendly. Respondents also identified additional characteristics including relaxed, mystical, authentic, inspiring, creative, surprising, charming and wild.

Respondents identified the Private sector, Sligo Tourism and Fáilte Ireland as key stakeholders of a County Sligo brand while also identifying Fáilte Ireland, Sligo Tourism and the County Council as organisations that can help build a County Sligo brand.

Participants were asked what they felt were critical success factors for building a successful brand. Respondents identified Collaboration, Cooperation and Funding as critical success factors for the building of a successful brand.

Participants were then asked what would be the key components of a County Sligo brand. Respondents had a choice between culture, adventure, megalithic, family friendly, rest and relaxation, a combination of all of the above or other. 66% of respondents indicated that a County Sligo brand should consist of a combination of all of the above categories, with 12% selecting adventure. 6% selected culture while 2% chose megalithic and 2% also selected family friendly. 0% of participants selected rest and relaxation. 12% selected other and upon further analysis of the answers within the category 2% indicated scenery

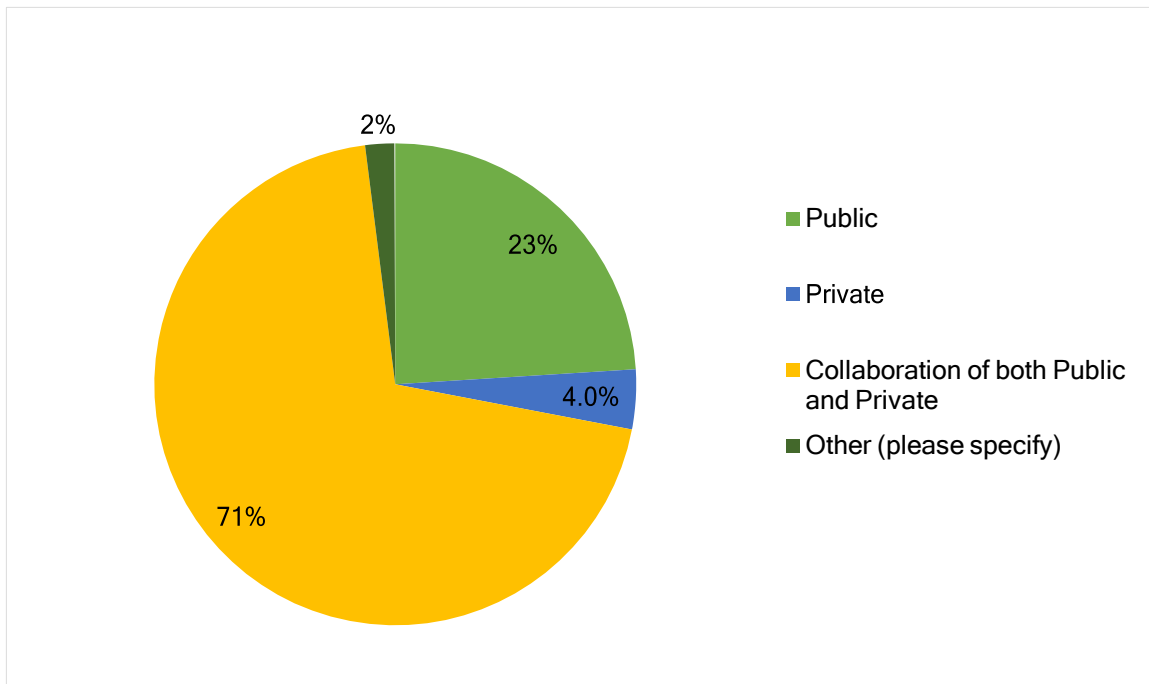
while adventure was mentioned another 4% and a combination also mentioned by another 6% as a key component. The results can be seen in figure 7.



**Figure 7: Key components of a County Sligo brand**

This finding shows a lack of clarity with regard to brand definition. While many chose the combination of key factors, from a branding perspective, it would be useful to examine this in more detail. A concern about County Sligo branding could be the lack of clarity about brand meaning. In the literature, Rashid and Ghose (2015, p. 5) advises “the brand of a product or service needs to have its own unique identity that makes it stand out and be recognisable”. The development of a unique County Sligo brand needs to carefully consider this advice, if a brand lacks clear definition, then problems may occur at a basic level. The findings would suggest that brand parameters, in the County Sligo context are at an early developmental stage. Future research should address issues of brand image (Hankinson, 2004), identity (Kennedy and Guzmán, 2016; Konecnik and Go, 2007) and personality (Pereira, de Jesus and Schutz, 2014; Murphy, Benckdorff and Moscardo, 2007).

Participants were then asked how they thought a County Sligo marketing initiative should be funded? The results can be seen in figure 8.



**Figure 8: Funding a County Sligo marketing initiative**

71% of participants indicated that they felt that a County Sligo marketing initiative should be funded through collaboration of both Public and Private funding. 23% of respondents indicated that any such initiative should be funded by public funding while 4% felt it should be funded from the private sector. 2% selected 'other' and on further analyses of the answers it was suggested that it be funded through the appropriate Government Department.

Respondents were asked if they were aware of other successful collaborative initiatives and respondents identified Galway, Westport, Kerry, Kinsale, Loop Head and Donegal as successful collaborative initiatives. Upon identifying these destinations respondents were asked what makes them successful. Respondents identified Collaboration, Cooperation, Leadership and Energy as factors contributing to these destinations successful collaborative initiatives. This shows that stakeholders recognise that there is a resource need to develop a County Sligo destination brand.

## 8.2 Interviews

The use of qualitative research in destination marketing is widely adapted (Cizel, Ajanovic and Cakar, 2016; Wang, Hutchinson, Okumus and Naipaul, 2013). The purpose of the in-depth interviews is to allow researchers to gain insight into current collaborative initiatives being employed in Sligo. The initiatives range from voluntary initiatives to public/private collaborations.

The participants felt that each of their collaborative initiatives was born out of necessity and that public bodies were not doing sufficient work within each initiatives area. The initiatives were supported by most businesses in their geographic location and funding for these initiatives were primarily a collaboration of public and private with one initiative being completely privately run. Each initiative had somebody take on a leaderships role with all identifying the leadership role as evolving organically except one initiative that specifically hired a person for the role. Individual roles were assigned within each initiative to individuals who had both an interest and a specific skill that matched each role.



The participants showed a strong understanding that was in line with the literature surrounding the benefits of collaboration. All participants agreed that collaboration was both ‘essential’ and ‘vital’ to the potential success of each of their destinations marketing efforts. Participants acknowledged that in order to get such initiatives off the ground a lot of time had to be committed and trust earned to persuade stakeholders to support the initiative.

Participants identified two key skills required within a collaborative initiative and these included Networking and Management. These were identified as two key skills primarily because tasks within the initiative had to be managed amongst individuals and to manage expectations of members supporting the initiative members need to be kept informed.

Respondents considered their ongoing initiatives to be successful and measure this not just through footfall but a combination of footfall, bednights and an overall increased level of awareness. Respondents also identified a willingness to work together and a shared desire as factors to each initiatives success. Some negative drawbacks included stimulating wider member’s engagement within the initiative and the constant struggle surrounding funding.

In order to maintain continued success, the initiatives identified some key areas of interest primarily surrounding the size of the working group of individuals involved. Respondents agreed that keeping the individual working group small was vital and that groups could be more productive and achieve the successful completion of tasks within smaller groups. Respondents also identified that there must be a willingness for businesses to work together and maintain their focus over time.

The collaborative initiatives highlighted similar challenges they faced in procuring important resources such as human and financial within their respective collaborative arrangements. Issues that had arisen during each collaborative marketing initiative included additional challenges such as time, group dynamics, communication and purpose.

Participants felt that with the correct structure in place that these challenges could be overcome. Because such arrangements are conducted on a voluntary level time constraints were a big issue amongst private businesses. It is felt by participants that such collaborative destination marketing initiatives be structured in a way that local public bodies lead and support is provided by private businesses.

Such collaborative arrangements must be structured to allow stakeholders the opportunity to be involved with the process. A clear set of goals and objectives must be agreed upon from the outset to ensure all stakeholders understand what the intention of the collaborative agreement is. This will help any potential future obstacles surrounding possible political leveraging and voices of discontent from misguided stakeholders. Participants highlighted the need for the identification of the right calibre of people with the correct skill set and an appetite for change to be approached to contribute to such initiatives.

The collaborative arrangements were very much task driven and everyone had a role to play. Contrary to what is identified in the literature surrounding leadership of such collaborative initiatives, participants determine that a horizontal structure is most favourable within collaborative arrangements with one participant commenting that ‘traditional iconic leadership is not appropriate in collaboration projects’.

In order to keep all stakeholders informed it is important in establishing lines of communication between all stakeholders while maintaining transparency and accountability through regular reviews of results involving all stakeholders. They believe that collaboration initiatives have a tendency to be cyclical and go through phases of highs and lows but they all agree that collaboration will play a highly significant role in the future development of County Sligo as a successful tourist destination.

## **9. Conclusions**

The literature identified a gap in the knowledge of destination marketing at localised level. This is of particular interest to locations such as the North West of Ireland that could benefit from further sustainable tourism. Along with what has already been identified in the literature, the researchers identified four components of destination marketing, which include destination branding, collaboration, stakeholder engagement and structure.

The results of the quantitative research indicate that while unhappy with the current efforts of marketing County Sligo there is support from stakeholders for the development of a destination marketing strategy. There is perhaps some concern over the current structure of County Sligo marketing efforts. The main criticisms identified in this paper from stakeholders revolve around three main points. First, that responsibility for marketing County Sligo especially to potential domestic visitors' should no longer be the responsibility of the national tourism bodies and that it should be orchestrated from a local level with all the local bodies playing a bigger role in marketing efforts. Secondly, that County Sligo appoint a DMO and thirdly that the position of DMO for County Sligo operate out of the current collaborative tourism initiative.

There is also a clear willingness from stakeholders to collaborate and provide funding towards any County Sligo marketing initiative. Previous marketing and branding efforts do not appear to have had a fundamental impact on development of destination County Sligo brand. From a research perspective, County Sligo does represent a rich area for investigation. The positive support to build a brand has much potential to succeed given the environmental, cultural and social heritage of the area. A challenge that needs to be addressed is what is the clearly defined USP of the brand? In terms of structure and governance, a discussion needs to take place to harness the tourism potential of the area. Ultimately, this requires leadership.

The research identified four possible critical success factors of collaborative initiatives, which include coordination, willingness, leadership and structure. Although previously identified in the literature, what emerges from the qualitative insight is the potential for a lot more enquiry into both leadership and structure. Participants emphasised the need for a more horizontal structure of collaborative initiatives. Equally evident was the requirement for leadership and direction from local government bodies in pursuing a long-term collaborative destination marketing strategy.

County Sligo as a destination has not delivered in a consistent and ambitious manner, to the extent that other destinations have. County Sligo as a destination requires investigation of leadership, governance, engagement and stakeholder relationships.

## 10. Research Implications

From these findings to aid developing regions who engage in destination marketing as a vehicle for sustainable development consideration of the following may be useful.

- The creation of a local tourism officer in all county councils whose role will be to develop and implement a long-term tourism strategy for each region. This tourism officer will be tasked with the role of facilitator for collaborative destination marketing initiatives in their region. This office must be fully resourced and the officer must have the required skills to perform the role adequately.
- How a destination brand is defined in the County Sligo context requires much more examination. If a destination is a composite of several factors, there is a risk that a dilution of brand strength potential could occur.
- There is potential to research the role of leadership in the development of a tourist destination brand. Within County Sligo there is currently no clear leader to drive this development forward.
- Inter-regional collaboration requires further investigation.
- Policy development could serve the interests of stakeholders to support and build local destination brands.
- The funding and resource requirement would benefit from further investigation as to ensure the right balance between public and private investment and the delivery of value for money.

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# The Effect of Co-opted Board on Firm Value

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## Abstract

A co-opted director is a director appointed after the incumbent CEO assumed office. Prior research shows that co-opted directors may represent a weakened governance mechanism. Our study investigates the effect of co-opted director on firm value. The results show that co-opted directors are not harmful to firm value. One possible explanation is that co-opted directors improve the CEO's job security, therefore inducing him to adopt policies that improve firm value in the long run.

**Keywords:** co-option, co-opted directors, co-opted board, board of directors, firm value, corporate governance

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Part of this research was written while the first author served as a full-time lecturer at Mahidol University, International College and a Ph.D. candidate at College of Management, Mahidol University, Thailand.

## 1. Introduction

Board of directors is one of the important internal corporate governance mechanisms for monitoring and advising the management to ensure that the interest of shareholders and the success of company performance are achieved (Jensen, 1993; Blair, 1995). The role of board of directors becomes more critical during the financial crisis. Johnson et al. (2000) argued that managerial entrenchment and expropriation can be more severe when the expected return on investment falls. For this reason, the effective monitoring and advising from board of director is necessary.

In order to determine what make monitoring effectiveness of the board, scholars and researchers examine the role of boards in various aspects and their impact on firm performance and other corporate outcomes<sup>1</sup>. However, the empirical results between the board attributes and firm performance are weak and inconclusive (Coles et. al., 2008; Adams et. al., 2010). One potential reason for inconsistency and insignificance of empirical results suggested by Coles, Daniel, and Naveen (2014) is many directors are co-opted.

According to Coles, Daniel, and Naveen (2014), co-option is defined as directors who are appointed after the CEO assumes office. They show that board co-option has the significant effect on the CEO turnover to firm performance, CEO pay levels and firm investment. Moreover, co-opted board also exhibits more explanatory power than does board independence. Consistently, Withisuphakorn and Jiraporn (2017) examine the effect of co- opted board on CEO power. They found that board co-option is a substitute for CEO power, which weakens corporate governance. Another research by Jiraporn and Lee (2016) also show that co-opted board lead to a weaker tendency for firms to pay dividends and, for dividend-paying firms, smaller dividends. They argue that board co-option cause a weakened governance mechanism which allows mangers to retain more free cash flow within the firm, rather than pay it out as dividends.

Amongst the studies of the effect of co-opted board on different corporate outcomes, the extent to which co-opted board impact firm value is a relatively unexplored area in the literature. This is the objective question addressed in this paper and the contribution to the literature, as we are the first to investigate how the co-opted board influences the firm value.

The remainder of the paper is organized as follows. The next section discusses theoretical framework, which is used to develop hypothesis. Section 3 describes data and methodology. Section 4 presents and discusses the results. The final section draws conclusions.

## 2. Theoretical Framework and Hypothesis

Motivated by the agency theory, the effective board monitoring on the management should reduce managerial misbehaviors and ensure that benefits of the firm are protected. Coles, Daniel, and Naveen (2014) suggest that independent board of director is necessary but not

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<sup>1</sup> The board aspects include board size, composition, meetings, CEO and chair duality, and independent directors. For example, Yermack (1996), Anderson and Reeb (2003), Coles, et al. (2008), Hermalin and Weisbach (1998), Bhagat and Black (1999).



sufficient condition for ensuring the board monitoring effectiveness if majority of the directors are co-opted.

Despite independence of the board, the co-opted directors tend to act in favor of CEO, as CEO was involved in their initial appointment. As a result, board co-option can worsen the effectiveness of board monitoring and represent a weak governance mechanism. With less oversight board, manager can gain more power and act in his best interest rather than shareholders'. Among other things, they may design extravagant payment scheme and perks, or overinvestment in unprofitable projects or so called empire building. They may even believe that they can perfectly run the firm when actually they cannot. The extreme case of managerial misbehaviors can also be in the form of fraud or hidden information of the firm performance as reflected in distorted financial statements<sup>2</sup>.

Therefore, it is very important that an effective monitoring exist, to help protect the wealth of shareholders and prevent any managerial discretion to take place. However, co-opted directors, a weak and ineffective board monitoring, may act in favor of managers, resulting in negative effect to the firm value. It can be implied that co-opted board can be harmful to firm value. Thus, it is expected that

**H: All else equal, firm value decreases with co-option.**

### 3. Data and Methodology

#### *Sample*

The data on board of directors are from RiskMetrics. Data on firm value and characteristics are from COMPUSTAT. After combining both databases and excluding financial firms, the final sample consists of 21,824 firm-year observations, with 2,466 unique firms over the period of 1996-2014 (unbalanced panel data).

#### *Data description and measures Co-*

##### *opted directors*

The study follows the definitions and measures on co-option of Coles, Daniel, and Naveen (2014). There are two measures employed in this study, “co-option” and “TW co-option”.

“Co-option” is defined as the number of directors appointed after the CEO assumes office, which is known as co-opted directors. The variable is measured as the ratio of the number of co-opted directors over the board size. The value ranges from 0-1, the higher value indicates greater board co-option.

$$\text{Co-option} = \frac{\# \text{ Co - opted directors}}{\text{Board size}}$$

<sup>2</sup> The forms of mis-behaviors are explained for example by Berle and Means (1932) shifting profit from one company to another in which the manager has more interest; by Hart (1995) overpaying themselves, perquisites, power-enhancing investments, and entrenchment; by Clark (1986) tunneling, incompetent management etc.

“TW co-option” is defined as the tenure-weighted co-option, which considers the influence of co-opted directors on board decision making through their serving time. It is calculated by the sum of the tenure of co-opted directors divided by the total tenure of all directors, where co-opted director dummy is equal to 1 if the director is co-opted, and 0 otherwise. The value ranges from 0-1, with the higher value indicates stronger board co-option.

$$\text{TW Co-option} = \frac{\sum_{i=1}^{\text{board size}} \text{Tenure}_i \times \text{Co-opted Director Dummy}_i}{\sum_{i=1}^{\text{board size}} \text{Tenure}_i}$$

### *Firm Value*

Based on the literatures<sup>3</sup>, the measure of firm value is proxied by Tobin’s Q based on the calculation of Chung and Pruitt (1994). As an alternative, Peters and Taylor’s (2017) Q is also used in the regression to capture the intangible capital that most popular Tobin’s Q measure ignores. Peters and Taylor (2017) claim that their of measure Tobin’s Q is better than other popular Tobin’s Q proxies as it can better account for firm’s investment opportunities.

### *Control variables*

Following the literatures Jiraporn et. al, (2017) and Jiraporn (2017), a large number of control variables that likely influence firm value is included. For firm specific characteristics, the study control for “size” (measured as log of total assets), “leverage” (measured as total debt/total assets), “profitability” (measured as EBIT/total assets), “investments” (measured as capital expenditures/total assets), intangible assets i.e. “R&D” and “Advertising” (as measured by R&D and Advertising/total assets), and “dividend” (as measured by dividend/total assets). Moreover, the paper also controls for the two traditional measures of board effectiveness “board independence” and “board size”. The board independence is the percentage of independent directors on board, whereas the board size represents the total number of directors on board. To control for any time-invariant, the time dummies are included (time fixed-effects).

### *Descriptive Statistics*

Table 1 provides the summary statistics for all the variables in the study. The firm value, proxied by Tobin’s Q, has the average value of 1.92 with the median of 1.47, whereas Peters and Taylor’s (1997) Q has the mean of 1.53 and the median of 0.83. The primary variable of interest, Co-option and tenure-weighted (TW) co-option, have the mean of 0.47 and 0.31 with the median of 0.44 and 0.17, respectively. The average value of Co-option implies that almost half of the board has been co-opted by the CEO. However, the TW co-option representing their influence is lower at 31%. The average board size has ten directors with the average of 72% independent directors. The number of Co-option and Board characteristics are consistent with Coles, Daniel, and Naveen (2014). In terms of firm characteristics, leverage averages

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<sup>3</sup> See, for example, Demsetz and Lehn (1985), Morck, Shleifer, and Vishny (1988), Lang and Stulz (1994), Yermack (1996), and Gompers, Ishii, and Metrick (2003).

22% of total assets and investment averages 5.1% of total assets. On average, the profitability is 9.1% of total assets.

**Table 1. Descriptive Statistics**

Variables	N	Mean	St.Dev	25th	50th	75th
<b><u>Firm Value</u></b>						
Tobin's Q	21,818	1.922	1.555	1.138	1.478	2.151
Tobin & Taylor's (2017) Q	18,989	1.525	8.013	0.482	0.826	1.524
<b><u>Co-option</u></b>						
TW co-option	16,089	0.310	0.329	0.043	0.173	0.494
Co-option	20,935	0.472	0.317	0.200	0.444	0.737
<b><u>Board Characteristics</u></b>						
Board Size	21,824	9.464	2.734	8.000	9.000	11.000
Board Independence	21,824	71.911	16.183	62.500	75.000	85.714
<b><u>Firm Characteristics</u></b>						
Total Assets	21,823	7.841	1.710	6.588	7.658	8.920
Leverage	21,749	0.220	0.181	0.065	0.205	0.331
R&D	21,824	0.026	0.054	0.000	0.000	0.029
Advertising	21,824	0.011	0.034	0.000	0.000	0.005
Profitability	21,615	0.091	0.104	0.044	0.086	0.136
Investments	21,129	0.051	0.055	0.017	0.035	0.066
Dividend	21,791	0.013	0.029	0.000	0.005	0.018

### *Empirical Model*

The hypothesis states that the firm value decreases with co-option. To test this, the baseline empirical model is estimated.

$$Firm\ value_{i,t} = \beta_0 + \beta_1 Cooption_{i,t} + Other\ Controls + time\ dummies + \varepsilon_{i,t}$$

The variable of interest is Co-option, which has two alternative measures “co-option” and “TW co-option”. It is predicted that when there are more co-opted directors on board or the board is highly influenced co-opted directors through tenure level, the board monitoring effectiveness reduce, allowing managerial entrenchment and expropriation. Thus, firm value

should decrease. That is,  $\beta_1$  is expected to be negative.

The estimated models include control variables on firm and board characteristics. Moreover, we include the time dummies to capture any variations in firm value across different time periods. All analyses adopt the robust (cluster) standard errors to take care of heteroskedasticity problem. The study employs fixed-effect models to account for unobservable omitted characteristics. The random-effect models are also estimated for robustness check. They should alleviate the problem of omitted variable bias and typical endogeneity concerns, thus the results from the study can be drawn for a causal inference.

## 4. Results and Discussions

### OLS Regressions

Table 2 contains the OLS regression results. The standard errors are clustered at the firm level. Table 2 reports two specifications each for Tobin's Q and Peters and Taylor's (2017) Q. Model 1 and 3 use the tenure-weighted (TW) co-option as the key explanatory variable, while model 2 and 4 contain Co-option. Model 1 and 2 have Tobin's Q as the dependent variable. The coefficients of co-option and TW co-option are positive and significant at 1% level or better. Surprisingly, it appears that board co-option leads to increasing firm value, as reflected by the significantly higher value in Tobin's Q.

However, it can be argued that Tobin's Q may not capture total firm value as it ignores intangible capital. As a result, Peters and Taylor's (2017) Q is used as another measure for firm value. It is worth noting that based on the summary statistics, Peters and Taylor's (1997) Q may suffer from outliers. As a consequent, the variable is winsorize at the 1<sup>st</sup> and 99<sup>th</sup> percentiles to minimize the influence of outliers. Model 3 and 4 have Peter and Taylor's (2017) Q as the dependent variable. Both co-option and TW co-option exhibit positive and significant coefficients. The results from the OLS are inconsistent with the hypothesis that board co-option should be harmful to firm value.

**Table 2 OLS Regressions**

VARIABLES	(1) Tobin's Q	(2) Tobin's Q	(3) Peters and Taylor's (2017) Q	(4) Peters and Taylor's (2017) Q
TW Co-option	0.198*** (0.0585)		0.376*** (0.0771)	
Co-option		0.181*** (0.0556)		0.350*** (0.0715)
Ln (Total Assets)	0.0394** (0.0163)	0.0419*** (0.0163)	0.0910*** (0.0260)	0.0903*** (0.0262)
Leverage	-0.725*** (0.165)	-0.762*** (0.165)	-1.036*** (0.230)	-1.039*** (0.234)
R&D	10.98*** (0.629)	10.85*** (0.617)	6.278*** (0.573)	6.185*** (0.581)
Advertising	2.730*** (0.746)	3.006*** (0.774)	-0.896 (0.631)	-0.763 (0.677)
Profitability	6.252*** (0.539)	6.285*** (0.542)	6.350*** (0.494)	6.375*** (0.505)
Investments	1.507*** (0.332)	1.435*** (0.325)	-0.827* (0.434)	-0.910** (0.440)
Dividend	4.582*** (1.025)	4.455*** (1.009)	2.167** (1.021)	2.070** (1.015)
Ln (Board Size)	-0.474*** (0.111)	-0.505*** (0.110)	-0.702*** (0.130)	-0.728*** (0.130)
Board Independence	-0.00423*** (0.00156)	-0.00424*** (0.00158)	-0.00810*** (0.00166)	-0.00803*** (0.00167)
Constant	1.944*** (0.261)	1.994*** (0.262)	2.054*** (0.298)	2.084*** (0.297)
Observations	15,388	15,154	14,378	14,161
R-squared	0.297	0.295	0.222	0.222
Time fixed effect	YES	YES	YES	YES

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

It should be noted that the regression analysis includes time dummies to control for any time- invariant. In terms of other control variables, the results across the four models show that board size, board independence, and leverage are significantly and negatively related to firm value. The results are consistent with prior literature (Yermack, 1996; Chintrakarn, Jiraporn, and Kim, 2017; Jiraporn, 2017). Additionally, firm size (ln total assets), profitability, R&D, and dividend display positively and significantly association with firm value. Again the results are in line with the literature (Jiraporn and Lee, 2016). In contrast, the other control variables, in general, do not show consistent relationship across the various models.

The results from the OLS regression may be driven by some unobservable characteristics that may be omitted in the model or endogeneity bias. To address this concern, the fixed effects and random effects analyses are executed. The results are presented in Table 3 and 4.

#### *Fixed-effects Models*

The results from OLS in Table 2 might be driven by unobservable heterogeneity. The fixed- effects model analysis with the time dummies as well as firm fixed-effects is executed to help mitigate the effect of the omitted-variable bias and time-invariant. Table 3 illustrates the results of fixed-effects analysis. Both co-option and TW co-option still carry positive and significant coefficients in both Tobin's Q and Peters and Taylor's (2017) Q as shown in all models.

To estimate the economic magnitude of the effect, Model 1 shows the coefficient of TW co- option of 0.219 and the standard deviation of TW co-option in the sample of 0.329. Thus, a rise in TW co-option by one standard deviation would have improved firm value by 0.072. The median of Tobin's Q in the sample is 1.478. Therefore, a change in Tobin's Q by 0.072 represents 4.87% of the median Tobin's Q. Consequently an increase in tenure weighted (TW) co-option by one standard deviation would have resulted in 4.87% improvement in firm value, an economically meaningful magnitude. The coefficient results of both co-option in alternative measure of firm value, i.e. Peters and Taylor's (2017) Q, are positive and strongly significant, reinforcing the result in Model 1. The results from both OLS and fixed-effect analysis indicate that, inconsistent with H1, co-opted board is not harmful to the firm value. Rather, it is significantly beneficial to the firm value.

These unexpected results can be explained by two reasons. First, co-opted directors represent weak governance that allows incumbent managers to be less likely removed, consequently become less investment myopia (Chintrakarn et al., 2016). Thus, the firm value can be increased through more long-term investment. Another explanation for this inconsistency is that, co-opted board can be beneficial as the power is concentrated in one person, CEO, allowing him/her to exercise the power unambiguously in order to have a consensus command. The consolidated power in CEO reduces the conflicts between CEO and directors, facilitating more timely and effective decision-making, and finally better firm performance (Brickley, Coles, and Jarrell, 1997).

The results on the coefficients of the control variables still obtain similar results on the board characteristics that both board size and board independence display negatively and significantly coefficients. The coefficients on R&D, advertising, and dividend do not remain consistent significant relationship throughout the four models. However, the coefficient on

the investments becomes significant and positive throughout all the specifications. In addition, the explanatory power of fixed-effect models are much greater than the one obtained in the OLS. The R-square values range in between 60%-70%, showing that the fixed-effect regression captures most of the variability in firm value. Therefore, the fixed-effect models confirm that the results are not likely driven by unobservable characteristics that may be omitted in the model.

**Table 3 Fixed-effects Regressions**

VARIABLES	(1) Tobin's Q	(2) Tobin's Q	(3) Peters and Taylor's (2017) Q	(4) Peters and Taylor's (2017) Q
TW Co-option	0.219*** (0.0557)		0.286*** (0.0530)	
Co-option		0.193*** (0.0518)		0.243*** (0.0461)
Ln (Total Assets)	-0.587*** (0.0639)	-0.590*** (0.0643)	-0.208*** (0.0432)	-0.211*** (0.0432)
Leverage	-1.010*** (0.163)	-1.019*** (0.166)	-0.690*** (0.145)	-0.684*** (0.147)
R&D	2.722*** (0.902)	2.953*** (0.923)	-1.424* (0.742)	-1.165 (0.712)
Advertising	0.642 (1.031)	1.375 (1.050)	-1.216 (0.814)	-0.958 (0.914)
Profitability	4.084*** (0.267)	4.008*** (0.272)	4.370*** (0.258)	4.286*** (0.256)
Investments	1.321*** (0.394)	1.400*** (0.407)	0.737** (0.337)	0.789** (0.345)
Dividend	0.870*** (0.300)	0.844*** (0.297)	-0.442 (0.376)	-0.479 (0.387)
Ln (Board Size)	-0.579*** (0.120)	-0.605*** (0.124)	-0.670*** (0.0903)	-0.700*** (0.0904)
Board Independence	-0.00372* (0.00197)	-0.00380* (0.00204)	-0.00343*** (0.00107)	-0.00349*** (0.00108)
Constant	7.371*** (0.726)	7.422*** (0.735)	4.368*** (0.356)	4.430*** (0.359)
Observations	15,388	15,154	14,378	14,161
R-squared	0.612	0.609	0.709	0.712
Time fixed effects	YES	YES	YES	YES
Firm fixed effects	YES	YES	YES	YES

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### *Random-effects Models*

To confirm that the results are robust, we run random-effects regressions in Table 4. Using random-effects analysis can help not only remove omitted variable bias but also make inferences to a larger population outside the dataset. Again, the results are consistent with

positive and significant coefficients on both co-option measures. The control variables on board size and independence remain significant and negative. The results on board characteristics from all analyses show that larger board size and more board independence can inhibit the firm value.

The results on other firm characteristic control variables obtained from random-effects analysis exhibit somewhat differently from the fixed-effects and OLS. The results on R&D becomes significant and positive to the firm value, while the coefficients of the investment only stay positive and significant on Tobin's Q (Model 1 and 2) but not on Peters and Taylor's (2017) Q (Model 3 and 4). However, the results on advertising and dividend are not significant among all analyses i.e. OLS, fixed-effects, random-effects. Finally, the overall results do not support the hypothesis that co-opted board is harmful to the firm value. Rather, it is significantly beneficial to firm value. These unexpected outcomes as aforementioned due to two reasons; the CEO are less likely become myopia on investments and less likely having conflicts of interest with board of directors. Consequently, the optimal investment decision makings can be achieved and thus increasing the firm value.

**Table 4 Random-effects Regressions**

VARIABLES	(1) Tobin's Q	(2) Tobin's Q	(3) Peters and Taylor's (2017) Q	(4) Peters and Taylor's (2017) Q
TW Co-option	0.182*** (0.0573)		0.316*** (0.0693)	
Co-option		0.164*** (0.0521)		0.268*** (0.0622)
Ln (Total Assets)	-0.106*** (0.0204)	-0.0964*** (0.0198)	-0.0765** (0.0325)	-0.0728** (0.0323)
Leverage	-0.945*** (0.172)	-0.977*** (0.174)	-0.852*** (0.200)	-0.854*** (0.204)
R&D	7.012*** (0.709)	6.961*** (0.691)	1.292** (0.636)	1.376** (0.641)
Advertising	1.743** (0.801)	2.314*** (0.821)	-0.851 (0.759)	-0.556 (0.885)
Profitability	4.580*** (0.381)	4.605*** (0.394)	4.664*** (0.349)	4.626*** (0.356)
Investments	1.415*** (0.380)	1.381*** (0.386)	0.268 (0.368)	0.253 (0.378)
Dividend	2.221*** (0.598)	2.226*** (0.599)	0.105 (0.446)	0.0926 (0.451)
Ln (Board Size)	-0.525*** (0.119)	-0.554*** (0.121)	-0.638*** (0.110)	-0.665*** (0.110)
Board Independence	-0.00333* (0.00191)	-0.00337* (0.00194)	-0.00379*** (0.00132)	-0.00380*** (0.00133)
Constant	3.555*** (0.366)	3.546*** (0.365)	3.339*** (0.308)	3.342*** (0.309)
Observations	15,388	15,154	14,378	14,161
Number of firm_id	2,121	2,103	1,957	1,943
Time fixed effects	YES	YES	YES	YES
Firm Random effects	YES	YES	YES	YES

Robust standard errors in parentheses  
\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## 5. Conclusions, Implications, and Future Research

Prior research shows that co-opted directors may exacerbate managerial entrenchment and agency conflicts because they are appointed after the current CEO assumed office. Coles et al. (2014) show that co-opted directors are associated with less effective monitoring. We contribute to the literature in this area by investigating the effect of co-opted directors on firm value. Our results demonstrate that co-opted directors increase firm value significantly. Our results are consistent with the notion that co-opted directors make it more difficult to remove the CEO, hence improving this job security. Secure in the knowledge that he will not be removed so soon, the CEO is more motivated to adopt corporate policies that improve firm value in the long run.

Findings from this study add additional support and valuable extension to the understanding of how firm corporate governance and board monitoring affect the firm value. Although the prior research pointed out the weakened monitoring from co-opted board, the alliance of board to CEO can enhance the advising role of board and job security of CEO. Thus, it reduces the managerial myopia and results in more long-term investments that positively affect firm value. The findings of this research on the benefits of board co-option should provide important implications to many stakeholders. The results should be very useful for regulators and policy makers concerned in setting the regulations and requirements that limit the direct influence of the CEO in board nomination process as well as determining the qualification of the effective board. Furthermore, the findings should be fruitful to financial institutions, rating agencies, and financial analysts who seek to evaluate good governance of a firm by considering the aspect of board co-option along with other governance attributes.

Prior research has placed emphasis on board independence as the dominant measure of board quality. Our results are important as they show that, in addition to board independence, board co-option is another aspect of the board that deserves attention. Future research should explore how board co-option influences corporate policies and outcomes. Moreover, the framework of this study can be extended to different context and settings, i.e. time and industries. For example, the same corporate governance mechanism may not work the same way during the stressful time or may not be necessary at all in financial firms in which other external mechanisms are strong such as regulations.



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# **Environmental Planning for National Park Management and Sustainable Tourism Development**

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## **Abstract**

This study focuses on the environmental planning for Thai National Parks. A qualitative approach with depth interviews was carried out among stakeholders, including local residents, national park officials, and vendors. The results indicated that systematic planning must be developed in order to provide a flexible and complete plan to cope with the fast-changing and demanding environments of the national parks when the tourism industry of Thailand has been growing rapidly with a greater variety of visitors from around the world. The readiness and the adequate number of the national park officials must be improved to keep up with these new challenges. The impact of tourism development on the environment can be at the critical level if the effective environmental plan is not implemented. Directions for future research and recommendations are also provided.

## **Keywords**

National Park Management, Environmental Planning, Sustainability, Tourism Development

## 1. Introduction

The research arose from a question about how environmental plans can be effectively developed in the context of national parks when tourism promotion and development has been increased quickly, not only for domestic, but also international tourists. Thailand is known as one of the leading tourism destinations in Asia with more than 29 million tourists in 2015. The number significantly increased from around 22 million tourists in 2012 (Ministry of Tourism and Sports, 2016). The objective of the research is to provide policy recommendations for environmental conservation policies to support the national parks to better prepare as the fast growth of tourism in Thailand has been continuously expanded into the protected areas. The popularity of the national parks has been well known to various groups of visitors, including new groups of tourists, such as Russian and Chinese. However, the fast-growing numbers of visitors have an impact on the national park management. The changes and enforcements of the regulations are challenges with higher expectations and other factors, including language barriers. Therefore, the national park officers have faced very challenging periods for their operations.

## 2. Literature Review

Fulton, Boschetti, Sporcic, Jones, Little, Dambacher, Gray, Scott, & Gorton (2015) stated that environmental issues are naturally complex and the involvement of stakeholders can be essential to deal with the evolving problems. Continuous engagement of all stakeholders is at the core of effective decision making and strategic implementation (Carlisle, Kunc, Jones & Tiffin, 2013). Policy makers and other stakeholders must interact at different stages, from problem identification, solution creation, implementation and evaluation. Fulton et. al. (2015) also suggests the concept of stakeholder engagement for environmental planning and provides guidelines and models of natural resource management for the benefit of policymakers in solving environmental issues, including in the national park as a tourism destination. In addition, five models, suggested by Fulton et al., (2015), may be chosen by the policymakers as follows; conceptual model, toy (simple) model, industry specific model, shuttle model and whole-of-system model. The regulatory framework for national parks was not designed for tourist management, especially for commercial tourism (Randle & Hoyer, 2016). Therefore, this study aims to explore issues related to plans to improve and to support both conservation policy and tourism management policy.

Regarding the concept of environmental planning and management, Beatley (2000) stated that environmental planning must be focused on long-term monitoring of ecological changes within the ecological system and to develop flexible tactics and clear environmental goals to maintain the quality and quantity of environmental resources. Lahdelma, Salminen & Hokkanen (2000) noted that in environmental planning, there are many different stakeholders involved, from the processes of decision making, implementation and evaluation. One of the most important issues is to deal with conflicting goals of each stakeholder. Furthermore, Rydin & Pennington (2000) stated that environmental planning cannot be successful without the participation of local communities. With the appropriate participation, the conflicts among different groups of stakeholders can be minimized. This is one of the key elements of environmental planning.

In terms of the policy and planning, a regulatory framework needs to be included to support tourism development for national park planning as well as capacity management (Schwartz, Stewart & Backlund, 2012; Lindberg, McCool & Stankey, 1997; Papageorgiou & Brotherton, 1999). In addition, the cooperation between many stakeholders is a key to success for sustainable development. Enhancing public and private partnerships and involving local residents can ensure the effectiveness of the conservation planning (Ly & Xiao, 2016). Bell & Stockdale (2015) noted that national parks in the current trend have served multifunctional purposes, not only for forest protection and conservation, but also for recreation and tourism. However, sustainable development and biodiversity improvements should always be in the core focus of national park management. The national park can serve as a

sustainable tourism destination. Four dimensions of sustainability include environmental, economic, socio-cultural and institutional aspects (Cottrell, Vaske, & Roemer, 2013). Delai and Takahashi (2011) proposed several sustainability measurement systems into four steps as presented in the Table 1. These steps can be adopted as a sustainability process for the national park decision-makers.

Steps	Objective
Step 1. Starting point	-Define sustainability vision and concept -Define sustainability goal of the national park
Step 2. Content	-Establish system at an abstract level -Define the content of each system level -Define measurement time horizon and scope -Define types of data (e.g. qualitative and quantitative)
Step 3. Process	-Define how data will be displayed -Validate data and interface with decision-makers -Define targets with decision-makers -Establish action plans with decision-makers to achieve targets
Step 4. Capacity for continuous assessment	-Assign responsibility of routines to collect, collate, calculate, share and support the assessment process -Assess target achievement -Define corrective actions in case of target's non-achievement -Review indicators, policies, target and actions

*Source: Adapted from Delai and Takahashi (2011)*

**Table 1: Four Steps of Sustainability Measurement Systems**

The importance of local residents and community around the national park is evident in that the residents can create the positive or negative impacts to the park and can also be affected by the activities in and around the parks as well. Ly & Xiao (2016) and Carlisle et al (2013) noted that part of the challenges for the national park management is to serve many purposes, including tourism, conservation, economic benefits and recreation. With the participation of public organizations, such as the national park, local administration and private organizations, national park management can be well planned to meet with the demand of the visitors. Ly & Xiao (2016) proposed using the co-existing management system, highlighting key stakeholders, including provincial people's committee, the park management board and other park management tourism organizations and representatives from the private sector. Furthermore, these levels of stakeholders' involvement can be categorized into government level, national park management level (direct stakeholders) and non national park management level (indirect stakeholders).

### 3. Research Method

In-depth interviews with the informants were conducted at three national parks. Purposive sampling was used to identify the informants. Three major national parks were at the center of the study, including Sai Yok National Park, Erawan National Park and Khuean Srinagarindra National

Park. All three national parks are located in Kanchanaburi province in the western area of Thailand. Data were acquired from stakeholders of the national parks, including the national park officials, local residents, community leaders, vendors, restaurant owners and souvenir shop owners. In total there were 27 interviewees participating and providing data for further analysis. The details of interviewees are shown in Table 2.

Characteristics of Interviewees	Names of National Parks		
	Sai Yok National Park	Erawan National Park	Khuean Srinagarindra National Park
National park officials	3	3	3
Local residents	2	1	1
Community leaders	1	2	2
Vendors	1	1	1
Restaurant owners	1	1	1
Souvenir shop owners	1	1	1
<b>Total</b>	27		

**Table 2: Details of Interviewees and Names of the National Parks**

#### 4. Results

In order to develop the guideline for the environmental plan in the context of national parks, 27 completed interviews with different groups of stakeholders were analyzed. According to Buetow (2010) and Vaismoradi, Turunen & Bondas (2013), thematic analysis provides a common point of reference with a certain level of generality about the concepts or ideas, which are under research investigation. The results from the interviews can be classified into the following themes.

First, the fast-growing popularity of the national parks affects the uncontrollable demand. This first theme represents tourism demand management. One respondent noted that *“Visiting the national park is convenient both for individual tourists and for the tour company. They can do the one-day trip from Bangkok. The parks can be quite crowded, especially during the high season.”* Another respondent, who is an officer for the national park noted that *“The problem can arise when all the signs are in Thai language and the international tourists may just throw away plastic bags or bottles into the waterfall, because they don’t understand the signs. What we have done was to put signs in many languages, like Chinese and Russian so that they can understand about what is prohibited and we can really reduce the waste problems in the parks.”*

Second, the impact on the environment is quite obvious. One local vendor stated that *“When there are more visitors to the parks, it is unavoidable that they may ask for the meat of wild animals and plants that they want to consume. The restaurants near the park may catch these wild animals to meet with the expectation of the visitors”*. For other problems, another local vendor noted that *“There are more waste problems and also air pollution (especially during the long holidays), because most*

people drive their own cars or the tour companies use a lot of big buses, while the roads to the park are quite small. It can cause serious traffic jams.”

Third, cooperation is the key for all stakeholders to work together and achieve their own goals and the shared goals of the national park. One national park official mentioned that *“It is very important that we have partners in different areas, including tour companies, local residents, university professors and also the tourists themselves. We need to cooperate and communicate because problems sometimes happen from misunderstanding or not enough communications.”* One of the community leaders confirmed that *“We have to work as a team because we live near and around the national park; when there are more tourists, the local people can sell more of their products or services. For the local administration, we can help the park in terms of the waste management and control. In addition, we have to make sure that each party can meet their own expectations and goals. For example, local residents can sell more products and have more income, while the national park officials can conserve the natural resources.”*

Fourth, capacity management can directly affect the quality of the environment. One national park official stated that *“At the moment, we can manage the number of the tourists with our people and we always learn about how to be a good host to the tourists and at the same time we need to also educate them - both Thai tourists and foreigners. However, we will need to use a systematic approach to measure the sustainability of the natural resources in the park.”* Another national park official mentioned that *“At our park, we start to have some problems with the capacity management since the number of tourists is increasing every year, especially for the group of foreign tourists. We try to set the quota for visitors per day but it is hard to implement. Also, we need more parking spaces for cars, vans and buses and at the moment we have limited number of staff to keep up with fast-growing amount of work.”*

Lastly, environmental planning must be systematically developed to cope with the new challenges. One national park official confirmed that *“We have plans and regulations for the national park. However, what is more important than just having the plans is about the enforcement of those plans and regulations, because the effective enforcement must be completed with the participation and involvement of all stakeholders. If not, it is impossible to effectively manage the national parks”.* Another national park officer stated that *“We have always measured the environmental impact in terms of both plants and animals, and even though now we do not find serious negative impacts, we need to prepare for the future development, because if the number of visitors have increased like this and more shops are open and more resorts near the parks are continuously and newly built, then we will need to cooperate with these stakeholders to discuss the potential impacts and how to avoid them. The important point is when we reach the quota for tourists, this will have effects on economic aspects of our stakeholders and they need to understand our reasons, because natural resources can be lost and may not be able to recover within a short period of time.”*

To summarize the key points from the results, the Input-Process-Output (IPO) model was used to explain the relationships. Basically, Input-Process-Output (IPO) shows the inputs leading through the processes, then leading to the outcomes (Ilgen, Hollenbeck, Johnson & Jundt, 2005). The model can be used to explain the antecedents, process and consequences of the context of study or environmental planning in this research. In Table 3, the proposed IPO model shows the effective environmental planning for the national parks.

Input	Process	Output
<ul style="list-style-type: none"> <li>National park context and current</li> </ul>	<ul style="list-style-type: none"> <li>Integrating environmental conservation system (a set of regulations controlling the extent and</li> </ul>	<ul style="list-style-type: none"> <li>Effective environmental plan</li> <li>Sustainable national park</li> </ul>

<p>environment</p> <ul style="list-style-type: none"> <li>• Primary and secondary data</li> <li>• Stakeholder involvement and participation</li> <li>• National park guidelines and regulations</li> </ul>	<p>intensity of utilization of natural resources)</p> <ul style="list-style-type: none"> <li>• Sustainability measurement (measurement impact on the environment)</li> <li>• Cooperation with common goals</li> <li>• Capacity management</li> <li>• Visitor and tourist research</li> <li>• Communication channels</li> <li>• Monitoring and controlling mechanisms</li> <li>• Monitoring tourism demand</li> <li>• Leadership and decision making</li> </ul>	<p>development</p> <ul style="list-style-type: none"> <li>• Stakeholder satisfaction</li> <li>• Higher visitor and tourist satisfaction</li> </ul>
<p><i>Feedback and continuous evaluation</i></p>		

**Table 3. Input-Process-Output Model for Effective Environmental Planning for National Park**

Starting from the input, it is crucial to collect relevant data and information from various aspects, such as basic information of the national park environment and the nature of stakeholder involvement and participation in the national park tourism. Regarding the process, many critical activities need to be implemented, including integrating environmental conservation system, capacity management and monitoring tourism demand of the national park. The last part of the model is about the outputs, or the expected goals of the model, including the effective environment plan, sustainable national park development, stakeholder satisfaction and visitor and tourist satisfaction. To better effectively implement the IPO model, the decision makers have to constantly collect feedback and conduct continuous evaluation so that the environmental planning can be executed with the updated information.

## 5. Discussion

The current research applied a qualitative approach to gather information and to formulate the environmental planning. To gather data from local stakeholders and participation, this is also known as the bottom-up planning process (Kruger & Shannon, 2000; Lane & McDonald, 2005).

From the results, environmental planning is the key to achieve the goals of national park management. Regarding the environmental plan for the tourism dimension, it should support to achieve the goals of national parks in terms of growing number of tourists and tourist satisfaction. This is supported by Randle & Hoyer (2016). In addition, a multi-stakeholder approach with full cooperation of all participants can support the development of the parks across all dimensions, including environmental, socio-cultural and economic aspects as noted by Carlisle et al. (2013). Furthermore, a systematic approach for the national park management should be considered for the environmental protection and for national park development to meet with the changing groups and new demand of visitors. This is also supported by Ly & Xiao (2016). Regarding capacity management, limiting the quota per day and supporting the visitor planning for the national park can help reduce the negative impact on the environment as Schwartz et al. (2012) mentioned in their work.

According to growing popularity of tourism in the national parks, different stakeholders have different goals and expectations. Regarding conflicting goals of the stakeholders, it is shown that national park officials are concerned about the increasing number of tourists and the destruction of



natural resources in the parks, while vendors and restaurant and souvenir shop owners preferred to have the greater number of tourists so that their income can rise. On the contrary, with greater numbers of tourists, there is more waste from the consumptions of various products and there are also more vehicles going to the parks, creating pollution, such as air, noise and water pollution. The importance of conflicting goals among stakeholders was mentioned by Lahdelma, Salminen & Hokkanen (2000).

Furthermore, tourist capacity management is one of the major issues in national park tourism. As mentioned by the national park officials, tourists visited the parks during their available time, usually during weekends or holidays, leading to the overcapacity of the parks. To develop the sustainable tourism destination, carrying capacity of the sites must be managed effectively (Lindberg et al., 1997). Some destinations raised the price or entrance fees to reduce the demand and to control the capacity, while others clearly specify the exact number of visitors per day (Papageorgiou & Brotherton, 1999).

## **6. Conclusions and Recommendations**

The current study provided the new evidence of the growth of the national park tourism, presenting the viewpoints of stakeholders towards the tourism development and the implication for sustainability. With data collected from three different national parks, this can offer a higher level of generalization of the findings and also its implications. The objective of the research was achieved and presented with the IPO (input-process-output) model for the national park management and tourism development. The model summarized the main ingredients for developing the environmental planning. With the right inputs and appropriate processes, the goals or expected outcomes can be achieved. The guidelines with the practical recommendation were also highly important, because with the tourism development and new groups of visitors entered the national parks. The park has to deal with different demands, languages and expectations. Therefore, the ongoing and continuous development are required to ensure that the environment conservation and protections are in place and the visitors and tourists are satisfied after their visits. Additionally, an effective environmental plan must be flexible to the changes of various factors, such as the characteristics of tourists, the unpredictable number of tourists and the changes of external environments, such as global warming. Therefore, environmental planners should always revise the factors in the IPO model to ensure that all factors are still relevant.

The recommendations can be provided as follows. As Cottrell et al. (2013) stated, the sustainability indicators for the national parks must be developed and these indicators must be flexibly updated for the future environmental changes. In many cases, economic dimensions in practice may outweigh other dimensions, therefore policy makers need to pay close attention to this issue and be strict to maintain sustainability of natural resources. Due to the increasing number of tourists, setting up the quota of tourists per day can help prevent the negative impact on the environment. Increasing the national park fees can also help managing the number of visitors and at the same time, the increasing fees can be used to support other administrative costs in the parks, such as waste management. Having support from university lecturers, such as helping with researching ways to enhance sustainability and measuring the effects of visitors on the environment, as well as helping translate various languages for signs can help reduce the burden of the national park staff by putting the signs in many languages or handing out the brochures in their own languages.

Future research could explore the implementation of environmental planning of national parks in order to identify the gaps between the proposed models and the actual environmental plans to identify the areas of improvement. In addition, researchers may study the expectations among tourists and their motivations for visiting national parks, perceptions of pricing, and level of knowledge and interest in sustainability. Part of the park experience may involve trying to educate visitors about the importance of protecting the environment and sustainability, or even offer activities in which visitors

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can participate in helping with activities related to nature preservation. Another stream of research which is showing unprecedented growth relates to electronic word of mouth (Cheung & Thadani, 2012), as now consumers can share experiences and reviews with others in real time, which can greatly affect demand. Additionally, it can be highly useful to further study the process of resolving conflicting goals among stakeholders to develop the practical solutions to ensure that the stakeholders can continue to collaborate in environmental planning and to achieve sustainability in the long run.

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# Tourism and the Environment

Study of the Implementation of Green Tourism Concept  
In Jatiluwih Tourism Village, Bali-Indonesia

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## Abstract

This study aimed at analysing the implementation of green tourism concept in the management of Jatiluwih tourism village. The study used mix method paradigm. The study analysed green tourism and the alternative tourism concept. The data collection was conducted by observation, survey and depth interviews. The sampling technique used was random sampling by spreading questionnaires to 100 tourists. The research data was analysed by test of analysis of variant (ANOVA) and qualitative descriptive.

The results of the study showed the implementation of Green Tourism Concept based on the ANOVA test showed that sex, origin, age, occupation, education, income and time to visit, the perception of tourists on the assessment of green tourism component was the same and there was no difference. This was proved by the significance value ( $\alpha$ ) > 0.05. The study concluded that the implementation of green tourism concept creates the sustainability of the environment for the future generation.

## Keywords

Green Tourism Concept, Tourism Village and Jatiluwih-Bali

## 1 Introduction

World Tourism Organization stated that: "Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability" (WTO, 2004). The tourism development that focuses on economic interests without compromising the environmental aspect and the carrying capacity can lead the destination into a decline. Some cases, the environment at destination were damaged by the large volume of visitors. As estimated by World Tourism Organization (WTO) data showed the international tourist arrivals grew by 5 % in 2013 to 1,087 billion and the forecast growth was estimated to achieve a growth between 4% and 4.5% in 2014. The issues of the tourism industry producing the huge amount of waste and other different pollutions have often been highlighted. The lack of proper natural resources management could lead the environment into hazardous (Bohdanowicz, 2005). Nowadays, the awareness of tourism stakeholder especially in Bali is increasing and the concern about the environment in the destination is an interesting discussion.

In 2006 the development of the tourism sector had become commander in the development of the Balinese economy. The development of Tourism sector contributed 63.0% of GRDP so far leaving agricultural sector, which contributed 21.5%. There is a trend that agricultural will be losing while tourism sector increasing. In this case, Bali needs to keep the sustainability of environmental by implementing the sustainability principal. The efforts to implement green economy strategy should be continuously pursued through economic development policies that promote clean and environmentally friendly production in Bali (Dharma Putra, 2010). Principles of tourism are is expected to maintain the

quality of the environment, maintain the culture, empower local communities and provide economic benefits to local communities, regions and governments. One of the issues about tourist activities in Bali is development of ecotourism and green tourism as natural tourist activities that give the impact on the environment.

The village of Jatiluwih is one of the villages in Tabanan Regency Bali Province that has a variety of natural and cultural resources. Jatiluwih has natural resources that make it a high potential as a Rural Tourism or Ecotourism attraction in Bali. Jatiluwih has hills, rice fields with rice terrace that has been recognized by UNESCO as world cultural heritage and has been developed as a community-based ecotourism. The number of tourists who visit both local and international makes Jatiluwih increasingly famous. With the increasing tourist visits, of course environmental sustainability in Jatiluwih will be affected. This is because the area has a limited carrying capacity so that the application of green tourism concept becomes important to be implemented. Implementation of appropriate green tourism concept will provide guidance to the managers of Jatiluwih to achieve sustainable tourism. In addition, tourists also have a role in a sustainable tourist village. If tourists feel comfortable during their visit, they will become repeaters who will also affect the sustainability of the tourist village of Jatiluwih.

## **2 Literature Review**

This study used the concept of green tourism and alternative tourism. Both of these concepts are useful to discuss the development of Jatiluwih from the beginning to become a tourist village. Moreover, Jatiluwih is a tourism village, which is part of the concept of alternative tourism and as a form of resistance mass tourism concept that may exploit the environment in a destination.

### **2.1 Green Tourism Concept**

According to Furggan, et al (2010), Green tourism is used to indicate environmental-friendly tourism but have different focuses and meanings. These terms are used for two purposes: first, to tell customers that the holiday destination they are going to is beautiful. Green tourism or another term related to environmental concern is mostly used to label nature holidays to exotic destinations (Wight, 1994). Second, green tourism claims that it can be used to signal that tourism operations taking place in that area does not harm the environment (Font and Tribe, 2001). In loose terms, a product or service can be said to be green when it is beneficial to the producer and consumer without harming the environment.

Green tourism is important to encourage travel that would help supporting natural and cultural aspects, while encouraging respect and conserving the urban resources and cultural diversity. According to Dodds and Joppe (2001), the green tourism concept can be broken down into four components;

- Environmental responsibility—protecting, conserving, and enhancing nature and the physical environment to ensure the long-term health of the life-sustaining eco-system.
- Local economic vitality—supporting local economies, businesses and communities to ensure economic vitality and sustainability.
- Cultural diversity—respecting and appreciating cultures and cultural diversity so as to ensure the continued wellbeing of local or host cultures.
- Experiential richness—providing enriching and satisfying experiences through active, personal and meaningful participation in, and involvement with, nature, people, places and cultures.

In this study, the concept of green tourism was used to see the management of Jatiluwih tourism village. The application of the concept of green tourism refers to the concept of Dodds and Joppe (2001), which mentions four aspects such as environmental responsibility, local economic vitality, cultural diversity and experiential richness. These four aspects will be adapted to the condition of the tourist village of Jatiluwih that has developed a tourist village. This is also seen from the perception of tourists visiting the village of Jatiluwih.

## 2.2 Alternative Tourism

Alternative tourism is developed in some tourist destinations, in order to prevent the destruction of nature and prevent the negative impacts of mass tourism. There are some definitions of the concept of alternative tourism. Smith (2001) define alternative tourism as an activity of tourism that keeps the environment, saves the ecology and avoids the negative impact of large-scale tourism development that is applied in an area. Based on the concept, the alternative tourism is a tourist attraction that could be visited by tourists who tend to look at the quality of the environment and maintain tourism by avoiding the negative impact of the development.

Alternative tourism is widely defined by Smith and Eadington (1992) as a form of tourism that is consistent with the nature, social, and community by providing the opportunity for interaction and experiences among travellers with communities. This interaction and sharing of experience between tourists and local communities will create a tourism experiences. Alternative tours are also often interpreted as a deliberate form of tourism in small scale. The aspect of environmental concerns both environmental a-biotic, biotic and socio-cultural local community. Alternative tourism is also emerging as a result of saturation of the mass tourism that causes much damage to the social environment, as there is lack of consideration to the sustainability of the attractions. It can be concluded that the alternative tourism is the trend of new forms of tourism that is developed during this time. The focus is the quality of the experience gained by the tourists, the quality of local socio-cultural and environmental quality. This concept is used to analyse the implementations on green tourism concept in Jatiluwih. Number of tourist visiting Jatiluwih increases rapidly, by using this concept it is expected that the understanding on the existing condition in the management of Jatiluwih tourism village especially from tourism perception will be achieved.

## 3 Research Method

Since the tourism is multidiscipline, this research used mixed method approach that combines the quantitative and qualitative method and data. The research design is limited to explain the implementation of green tourism concept in Jatiluwih village qualitatively and used the assessment of tourists to green tourism using a combined analysis both qualitative and quantitative by using ANOVA test. The research was located in the village of Jatiluwih, Tabanan Regency, Bali Province, Indonesia. The location of the study is one of the villages that have been awarded as a World Cultural Heritage of the United Nations Educational, Scientific and Cultural Organization (UNESCO). The natural resources in potential locations such as Jatiluwih village tend be damaged by tourists who visit not fully understand and care about environmental sustainability. This research conducted on June until August 2016.

The data collection was conducted by observation, survey and depth interviews. The sampling technique used was random sampling by spreading questionnaires to 100 respondents who were tourists who visited and enjoyed the village tourism of Jatiluwih. The respondents filled in the questionnaire, in which contained an assessment of the four aspects of green tourism according to Dodds and Joppe (2001), by giving score 1 to 5, which later be analyzed by using Likert scale. Kusmayadi & Sugiarto (2000: 94) stated that this scale is a tool to measure the attitude of the state which will be measured as very positive to very negative levels, to indicate the extent of agreement or disagreement with the statement submitted by the researcher. The measurement results were analysed using a scale of 4,20 – 5,00 (very good), 3,40 – 4,19 (good), 2,60 – 3,39 (good enough), 1,80 – 2,59 (less), 1,00 – 1,79 (very less), which is expected to reveal the perception of tourists to the implementation of green tourism concept in Jatiluwih. It explains the differences of each variable in the respondent profile using ANOVA statistical analysis.

Depth interviews were conducted with the community leaders, managers, employees and local communities. The data was used to support the assessment of tourists on green tourism aspect in Jatiluwih and analyzed by qualitative descriptive to get better interpretation.

## 4 Result and Discussion

### 4.1. Implementation of Green Tourism Concept in the village of Jatiluwih

The result of the study showed the concept of green tourism can be applied into four components, this also according to Dodds and Joppe (2001):

#### 4.1.1. Environmental Responsibility

Jatiluwih village has preserved the entire village of rice field irrigation system called the *Subak*. The main attraction offered by Jatiluwih for the visitors is the once-a-year cropping traditional farming system which includes twice planting period of local rice plant variety (*Bali Paddy*). The responsibility of society to the environment of Jatiluwih village can also be seen how they maintained the cleanliness around tourist attraction that there was almost no trashes from the tourists who visit and do trekking in the attraction.

#### 4.1.2. Local Economic Vitality

To support the local community's economy, management appeals the Jatiluwih villagers to use local people as employees and placed them according to their skill such as an officer of the ticket office, security officers, guide and management. In addition, in order to increase the economy of local communities, management involves the community in village festival which can attract peoples to come. The existence of cafes, restaurants and inns in the village of Jatiluwih can provide job opportunities for local people there as its workforce so as to improve the local economy.

#### 4.1.3. Cultural Diversity

Local culture of Jatiluwih that is still preserved is a farm irrigation system in the form of '*Subak*'. In addition, to retain the culture of *Subak*, the village of Jatiluwih also held the ceremony related to the activities of farmers in the rice paddies of the ceremony before planting rice to post-harvest ceremony. The processing of the rice fields planting in Jatiluwih village also still use traditional way of using cow or buffalo. The culture settlement of Jatiluwih village is a settlement of an agrarian society to maintain a presence in every home community barn. A yield obtained is stored in each barn owned by local community. Other cultures that is still retained is the *Tari Baris* (Baris Dance) or called *Memedi* or *Sang Hyang Memedi*. The dance was performed the day before there was a cremation.

#### 4.1.4. Experiential Richness

Participation of community in the village of Jatiluwih is routinely carried out as the main mutual assistance. Mutual cooperation covers the environment cleanliness and on the repairing irrigation systems. The communities' participation counseling and training have been implemented by the village authorities i.e. English language training for teenager of the village. Jatiluwih village maintains the environmental sustainability of rice farming only on harvested, which happen once a year. It's different from the farming done by society in general. Management of Jatiluwih has plans for waste management in the form of "Garbage Bank" so that the public domestic waste can be managed properly. Community participation is also shown by how the personnel management encourage local people to participate as ticket guards, local security officers (known as Pecalang, janitors, and local guides).

### 4.2. The perception of tourists towards the implementation of green tourism in the village of Jatiluwih

#### 4.2.1. Profile of Respondent

The numbers of respondents in this study were 100. The profile of respondents who had visited the tourism village of Jatiluwih can be seen in Table 1.

According to the table 1, on the the category of gender, male traveler respondents are 56 %, while the female traveler respondents amounted to 44 %. For the profile of respondents by country of origin, it

can be seen that the respondents came from Europe are 59%, Asia 24%, Australia 13%, America and Africa are 2%. In addition, from the table it can be drawn that most of the tourists visiting the tourist attraction Jatiluwih comes from Europe. Furthermore, it can be described that most respondents who visited a tourism village of Jatiluwih are in vulnerable age of 26-35 years with a percentage of 46%. This indicates that the high interest of tourists who are in relatively young age.

From the occupation of respondents, it can be seen that most tourists who visiting tourist attraction in Jatiluwih is a professional (45%), and the others are employee (38%), business (7%), students (6%) and from other occupations (4%). Based on these results, it can be indicated that the interest of the respondents on professional is quite high if it is compared to respondents who have other types of employment. The highest of respondents seen from education level are bachelor (57%) then followed by professional (18%), associate (14%), no degrees (8%) and doctoral (3%).

Most respondents have income on the arrange of US\$ 31.000-40.000/year (31%) and are looking for sources of information about the Jatiluwih from Internet with a percentage of 46% and at least through magazines and television for respectively 7%. It shows that the role of technology and the Internet as a media tool to promote or introduce a product or a tourist attraction classified as good and effective since many foreign tourists used it as a source of information. Seen from the profile of respondents based on the frequency of visits, mostly foreign tourists who have visited the Jatiluwih only once with a percentage of 52%, twice the frequency of 20%, more than three times by 15% and three times by 12%. This result illustrates the majority of tourists visiting tourist attraction Jatiluwih for the first time.

**Table 1. Tourist Profile**

No	Profile Respondent	Category	Percentage (%)
1	Sex	a. Male	56
		b. Female	44
Total			100
2	Origin	a. Europe	59
		b. Asia	24
		c. Australia	13
		d. America	2
		e. Africa	2
Total			100
3	Age	a. ≤ 25	12
		b. 26 - 35	46
		c. 36 - 45	26
		d. ≥ 46	16
Total			100
4	Occupation	a. Business	7
		b. Employee	38
		c. Professional	45
		d. Student	6
		e. Others	4
Total			100
5	Education	a. No Degrees	8
		b. Associate	14
		c. Bachelor	57
		d. Professional	18
		e. Doctoral	3
Total			100
6	Income	a. < US\$30.000	29
		b. 31.000 – 40.000	31
		c. 41.000 – 50.000	29
		d. > 50.000	11
Total			100



7	Source of information	a. Internet	46
		b. Book	15
		c. Brochure	13
		d. Magazine	7
		e. Television	7
		f. Others	12
Total		100	
8	Frequencies of Visit	a. 1 x	52
		b. 2 x	20
		c. 3 x	12
		d. More than 3 x	15
Total		100	

Source: Research Data, 2016

#### 4.2.2. Rating of Tourist Perception

Rating assessment of the implementation of the concept of green tourism in the village of Jatiluwih as the appeal of green tourism includes 4 aspects of Environmental Responsibility, Local Economic Vitality, Culture Diversity, and Experiential Richness. This assessment uses a scale of 5 to 1, which mean of very good (5), good (4), good enough (3), less (2) and very less (1). The traveler ratings to tourist attraction based on the concept of green tourism Jatiluwih as shown in Table 2.

**Table 2. Tourist Perception of the Implementation of Green Tourism Concept InJatiluwih Village**

No	Green Tourism Component	5	4	3	2	1	Total Score	Average	Criteria
1	Environmental Responsibility	40	44	13	2	1	420	4.2	Very good
2	Local Economic Vitality	29	48	19	2	0	398	3.98	Good
3	Culture Diversity	51	35	13	0	0	434	4.34	Very good
4	Experiential Richness	49	43	8	0	0	441	4.41	Very good

Source: Data Processed, 2016

According to the table 2, it can be explained that tourists ratings against the environmental responsibility, cultural richness, diversity and experiential is considered as very good since it has an average value above 4.2 (very good). It is quite obvious that tourists are already enjoying the tourist attraction Jatiluwih by performing trekking, dissatisfied with views of rice fields offered by this fascination and awe of irrigation system have been applied. Conservation of farmland relies on Balinese rice harvest each year so that the red rice provides distinctive characteristics for tourist attraction Jatiluwih. Travelers say that the cleanliness around the tourist attraction was excellent. They did not found any trash around paddy fields, along the trekking path and the restaurant facility visit. Provision bins are separated between organic and inorganic, are in accordance with the standards of cleanliness. In terms of numbers, the trash bin needs to be increased because tourists only see the facility upon entering the trekking path (post-check from the east). The existence of the toilet is also considered quite clean by tourists although sometimes considered less clean by most tourists. It is necessary to get the attention of the government of the management so that all aspects of hygiene can be well-maintained.

The components of cultural diversity and experiential richness are in excellent rating, which is provided based on the local culture in the form of agricultural irrigation system implementation. Regarding on the tourists' opinion about the interesting activities, below is the interview script one of the tourist from the United States on March 5, 2017:

*"I think that it is fantastic scenery. It's breath taking and culture at the sometime. It's amazing all the people that depend on the agriculture work that comes from here".*

Based on the interviews with tourists and the results of the respondents' assessment of all tourists who visit and enjoy the village of Jatiluwih, it is concluded that the appeal offered by Jatiluwih make tourists satisfied with what is presented though still constrained by the condition of the road. On the economic component of vitality, travelers give an average score of 3.98 (good). It can be seen from the efforts of local communities who open cafes, stalls and a restaurant with views of rice fields present in all society activities. Besides of that, it also gives people opportunity to sell souvenirs or typical food even in rural communities in Jatiluwih village as a world cultural heritage thus the community's economy also increases.

#### 4.2.3. ANOVA Test

The Result of ANOVA test of tourist perception toward green tourism implementation in Jatiluwih Village could be seen in Table 3.

Table 3 ANOVA Test

No	Profile	Sign			
		X1	X2	X3	X4
1	Sex	0.330 (ns)	0.388 (ns)	0.423 (ns)	0.990 (ns)
2	Origin	0.503(ns)	0.382(ns)	0.381(ns)	0.058(ns)
3	Age	0.192(ns)	0.504(ns)	0.104(ns)	0.084(ns)
4	Occupation	0.066(ns)	0.178(ns)	0.286(ns)	0.316(ns)
5	Education	0.601 (ns)	0.934(ns)	0.499(ns)	0.311(ns)
6	Income	0.556(ns)	0.937(ns)	0.850(ns)	0.511(ns)
7	Time of visit	0.238(ns)	0.775(ns)	0.273(ns)	0.313(ns)

*Source: Data Processed, 2017*

Based on Table 3, the ANOVA test showed that based on sex, origin, age, occupation, education, income and time to visit, the perception of tourists on the assessment of green tourism component is the same and there is no difference. This is proved by the significance value ( $\alpha$ ) > 0.05.

This means that sex, origin, age, occupation, education and income do not provide a different view of green tourism. This can be caused by the concept of green tourism that is acceptable to all parties, and it will also be the form the existence of a developing tourism village.

## 5 Conclusion

Based on the results of the discussion, this research concluded that:

1. Implementation of Green Tourism Concept at the Tourism Village of Jatiluwih includes four aspects, environmental responsibility, local economic vitality, culture diversity, and experiential richness. From the aspect of environmental responsibility, the local communities maintain agricultural irrigation systems and Bali rice cultivation system, which is one form of conservation of the soil environment and air. For local economic vitality, the governing of Jatiluwih employed local people as employees on all tourist activities. From the aspect of cultural diversity, Jatiluwih communities preserve the local culture, which is ceremonial activity in the fields when farmers began plowing, planting until after the harvest. From the experiential richness aspects, the community is actively participating in the activities of mutual cooperation village.
2. Assessment of tourists perception towards the implementation of the green tourism concept at the tourism village of Jatiluwih, tourists is expressed very well the majority of the components such as environmental responsibility, cultural diversity, experiential richness with score above the rating average of 4.2, while from the local component economic vitality, tourists give good ratings on 3.98. Ratings that are given for the condition of the natural environment of Jatiluwih village is caused by the beauty and authenticity. The implementation of the green tourism concept creates the sustainability of nature and the environment for the future generation. Besides, the local culture in the form of water

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control system with all kinds of activities and ceremonies are still preserved to provide more value to the village tourism of Jatiluwih.

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# Wayfinding and dwelling in strategizing: Healthy bodies and entertainment in entrepreneurial companies.

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## Abstract

This paper takes a practice perspective to analyse how strategies are build and related through financial modelling to both an investor environment and the actual building of a company. The article in particular critically reconceptualise Chia & Holt's concept of wayfinding/strategies with design on the one hand and dwelling as to distinct practices. This is done through a grounded theory reconceptualization, with actual empirical data from a case. In the case study, it is shown that the distinction between the abstract and detached and that which are embedded and concrete is problematic. Instead it is claimed that the strategy and business model is only detached, when it is seen from other modes of existence, as for example the daily practice of relating to costumers and delivering training. Inside its own financial mode of existence, the business model and strategy, in this case in form of an artefact, the excel sheet, is reality. The strategy and business model speaks to another mode of existence, in a way that makes perfect sense, and in which you can invest without seeing or knowing the actual service provided. In the 'implementation' business model is used not only as an after the fact justification for investments and starting a business, but also as a weak plan of action. The business model create awareness for practice when it deviates. It is further argued based on the case that the fitness markets don't exist before the 'desire' in Deluezian sense is assembled through a process of agencement.

## Keywords

Strategy-as-practice, methodological individualism, relationism, desire, markets, fitness industry, entertainment

## 1. Introduction

The failure to implement organizational strategies is a common theme of discussion in many organizations. Leading to a continued game of ‘blame’ between: unforeseen markets, ambiguity in goals that seeks to be obtained, the middle managers etc. This despite that we since Mintzberg (1978), have been aware that a large part of the strategy emerges through the continued organizational practice. 34 years later Vaara & Whittington (2012) in their review of the last twenty years strategy-as-practice research end up calling for more research into the web of practices that strategy making is part of, and how out of this web of practices strategy-making emerges. A prominent contribution inside this tradition is Le & Jarzabkowski (2015) who suggested that a key element in practical strategizing process should be conceptualized through an analysis of *conflicts over tasks and processes*. This focus builds Bourgeois (1980) distinction between processes and content of strategy work. Where the process perspective to a large extent focuses on ‘how’ a specific strategy emerges from the process, discourses etc. which are part of the practice. The content or the what of the actual strategy is here largely defined as the tasks that need to be done. However, even though awareness of conflicts most likely is a key element in most strategy developments, it might lead us astray, because the empirical or implicitly focus on the conflictual differing interpretive schemes or the interpretive flexibility of the strategic objective. That is the conflictual part of: the tasks, how we should distribute tasks, break these tasks down, and how we should establish strategic discussions, who and what we should involve or not involve in the process etc.. Theoretically, that is in this paper considered problematic as we know that a very large part of social practices are tacit, taken for granted, just done, or believed being done by other key players in the field.

In this paper I follow Le & Jarzabkowski (2015) focus on task and process, content and process. However, the question I seek to answer is: *How does content of the task constitute the processes, and at the same time how does strategic process constitute the content of the strategic tasks*. The uncontroversial claim is that process and content are two sides of the same coin, and thereby are mutually constitutive. However, the paper claims that we on one hand know a fair amount about the emergence processes, but almost always without the actual strategic and organizational content. We also know a fair amount of different kinds of strategic content, but almost always without knowing how it emerged.

In order to answer this question, it is claimed that we need to expand the traditional frame of reference. In more traditional frame of reference we typically look at what the content of the strategy as an “institutional fact” forces processes and human actors in the organization to adapt to. Without any real understanding of where the strategic content came from in the first place. From the process perspective typically the human actors or social process are what determines the emergent strategy. Meaning the strategy is a *social* construction. However, the research question in itself implies that there are more actors in the field than just humans and social processes. The research question in itself implies that representations, like business models made alive through inscription into excel sheets, using mathematical formulas, act on the field as do for instance the CFO or head of production. This awareness of different things ability to act is heavily documented and conceptualised inside social studies of science and technology, from both more pragmatist (James, Whitehead, Mead, Strauss,

Muniesa) and actor-network-theory perspectives (Latour, Law, Callon). In this paper the analytical frame builds on *both*, as the also increasingly refer to each other see for instance Latour (2013) and Muniesa (2014). As a consequence this paper try to explicitly ask: *How does in particular the material or non-human act and matter both in the instauration of the strategy, and in the continued process of emergence of the strategy.*

This paper those doesn't question if the non-human actants act. The question is how they continuously act and stabilize the strategy, practices and push the emergence of a practical theory. To illustrate this point we can look at Walker's (2012) anthropological research into local business practices in Northern Thailand. In this research he shows that the local 'ghosts' play a significant role in the life and business practice of the communities. However, because his analytical frame is more social constructionistic it doesn't allow him to answer the question, how do the 'ghost's' act upon the business, and the community. He can and do document extensively that the community takes the ghosts in to account, and that the ghosts allegedly can be upset, destroy business etc. But nowhere does he ask the question, how did the ghost destroyed a business? It is this how, the actual process that I seem to determine in the strategic process analyzed in this paper.

### **1.1 Physique 57 – Reasons for choice of case.**

The paper follow the establishment of a franchise of the New York based barre concept called physique 57 established in New York in 2006. The exercise concept is originally developed by Lotte Berk a German trained ballet dancer during a period of injury. This means that the exercise method from the very start had established a connection between the tradition of ballet, modern dance, physiotherapy, medicine and sports sciences. The method thus ensures high intensity, with low impact on joints etc. to ensure maximum strengthening with minimum injuries.

The traditional concept of a franchise is that the business model, service concept and training is provided by the franchise giver and that this concept is then implemented locally. For the main questions here this makes distant franchises an ideal case for consideration of both the emergent strategies-in-practice and the content of the strategies. Because there exists a strategy both in terms of business and service provided. Further, the franchisee and the franchise giver from the outset seems to be painfully aware that traditional implementation thinking is problematic. In the case, it was from all parties recognized that the market, wasn't the same, nor at the same level of maturity or penetration. The different stakeholders those fall far beside the traditional description of entrepreneurship, and franchise business that 'just' have to translate and adapt the knowledge/practices (see Kellog et al 2006, Bruni et al 2006) of doing Physique 57 from New York to Bangkok.

For the theoretical and scientific purposes this makes the case an almost ideal "experimental" case, where we can follow both the emergence and the content of the strategies, because we can know the specific business purpose, the offering – in form of a very specific and globally relative unique form of trademarked exercise concepts. By being a new franchise we do not need in the same way to take into account specific institutional logics and organizational identities/cultures, which could establish resistance, pre-determined focuses and concepts of success and failure. After the actual contract is signed the mutually selected instructors needs to be send from Thailand to New York in order to train for 4 weeks. The first year the head of training and exercise, will be an experienced American instructor, charged with the task of continued training of the first batch of instructors and the second batch of 3 instructors to be solely trained in Bangkok. The actual choice of location for the studio has to be adapted to the kind of environment that Physique 57 internationally see themselves as fitting

into. It has to be located in a high-end neighborhood, which are easy to access. Further, there are demands in the contract for continued expansion of Physique 57 in Bangkok.

## **1.2 Physique 57 Bangkok– The narrative.**

The background for the Physique 57 Bangkok is that 4 highly educated and professional Thai born women distributed across United States by coincident are talking about starting their own business in Thailand. All 4 women work in the finance field ranging from positions as risk manager, financial consultants in major accounting firm, to senior accountants in different companies. All of them have lived, studied and worked in US for +10 years. Due to their shared interest in having a business in Thailand they start a continued skype conversation. From a very early start in their Sunday skype conversations it becomes clear that they all like the idea of investing in the fitness industry in Thailand. An industry they all see as interesting and potentially growing in Thailand. In their discussions and searches for data they find that only 1% of Thais have a fitness membership. However, they can also from a distance observe that large running events are increasing in numbers and participants, and the numbers for especially women seems to be very high when compared with the western world. Just 10 years before these discussions running was largely an expat events, with only few local Thais joined the very early morning runs, starting typically 3-5 AM to avoid the heat.

When the project of Physique 57 start to take shape one of the women in the group has taken on a role in Thailand as investment relation manager for a listed company in Thailand. 2 persons in the group are at present not capable of moving to Thailand for job and social reasons. The fourth quit her job and bring her husband to Thailand in order to start the project, before any contracts are actually signed.

## **2. Theoretical approach**

With the practise turn in organizational studies and strategy research an attempt is made to leave what has been named methodological individualism behind. A key element of this theoretical turn towards the “social” practice is a change in fundamental terms that we try to explain strategies, organization, and decisions with. It is typically claimed that inside the methodological individualism focus is on the intentions of the individual entrepreneurs like maximization of utility, satisfaction of needs e.g. customer needs. The organization, stakeholders, shareholders, entrepreneur, individual manager and their strategies are conceptualized inside an environmental opportunity gap. Inside this perspective, we tend to assume that the environment is fixed, and that our quest as entrepreneurs and managers is to find the whitespaces of the map in which no ‘civilized’ person has previously stepped – or in modern management jargon we are seeking the “blue ocean strategy”. Facing this assumed stabile environment we find the often heroic company, manager, entrepreneur, who are seeking to connect and conquer the blue ocean and white spots on the business map (for a critical discussion see Johnsen & Sorensen (2017)). Inside this individual-opportunity nexus, strategies and strategies-in-practice becomes a matter of implementation, where the driving force is the (selfish?) intentions. Steyaert (2007) called this approach “Robinson Crusoe economics”. The critical claim behind most forms of practice research is that the organization, environment, intentions and drives are the very thing that needs to be explained (Chia & Holt 2009, Hernes 2014).

Several authors and researchers have tried to accomplish explanations and descriptions by looking at the process and relations, that creates certain markets like fashion (Entwiste 2009), entrepreneuring in developing countries (Elyashars 2015), organizational change and identity (Hernes 2014). That implies that the assumed entities are practices, relations and processes, the explanandas used to



describe and explain the phenomenon that we are looking at. This turn is often labelled methodological relationism. Gherardi (2016) claims that it is the rediscovery of Wittgenstein within practice studies, that the connection between the linguistic and the practice turn is to be found:

“In fact, in wider acceptance of the linguistic turn, the taken-for-granted distinction between ontology and epistemology collapses once we recognize the role of language in the constructing the object of being. In other words, it is through epistemic practices that researchers construct both the object of knowledge – ontology – and the methods for producing knowledge, that is, epistemology. Researchers are inside the practices that the study.” (Gherardi 2016, p. 684).

The practice turn leads to two different stands towards the field. One that is inherently social, claiming it is our social practices and language that constitute the flux, the change, the political in organizations and their strategies. This turn according to Vikkelsø (2015), Lopdrup-Hjort (2015), Du Gay and Vikkelsø (2017), seems to have lost the organizational task, strategy and stability of the organization, in favour of a focus on the constant flux and change in social processes. The strategy and the organizational actions becomes a “social” construction in constant flux. The other stand towards the strategy and organizational practices emphasise not only that the ontology of a specific organization and its strategy changes, but also that we are constantly trying to ensure that the ontology of the organization, the strategy and the market gets stabilized and order into tasks, deliverables and specific customer groups. In this second stand the organization are seen as both in constant flux and at the same time gets constituted like a thing an actor, inside which strategic process can occur that enables certain strategies, but at the same time, these strategies also define the organization and the emergent and stabilized strategy. This also implies that ‘the strategy’ is both a process and is an instauration of a ‘thing’. The process or the strategy-as-practice and ‘the strategy’ are those part of both a creation, and stabilizing of networks and practice (Entwistle & Slater 2013). These assumptions follow Latour (2005, 2013) in arguing that the approach can’t use the concept of the social, economy, individual to explain the strategy nor entrepreneurial strategies. On the contrary it is the social, economical, and individual in strategic and entrepreneurial practices that need to be explained.

Conceptually, that means that we on the one hand are applying concepts from earlier actor-network-theory to explain and follow how certain practices gets constituted – or the instauration of the practical ontology. The concepts here a simplified form of semiotic, where the data are read as texts, with *actants* (anything that acts in the text), *trajectories* – specific movements of material and immaterial stuff, and *translations* that are taken to describe how other “actants” are connected and placed in networks and trajectories, that form who and what they are see Latour (2005) and de Vries (2016). The key element in this actant and semiotic approach to the field is, that it makes it possible to not only follow what the “humans” does, but we can suddenly see that physical bodies, buildings, rooms, routines and scripts does things. That a fair amount of work is delegated to ‘technologies’, paper descriptions of jobs and processes, and standardised scripts. As a consequence the actual strategy and business models start acting not only as excel sheets, but as descriptions, imperatives and demands towards markets, customers and employees.

However, it is important to notice that Latour (2013) establish 15 concepts of modes of existence for the modern world. These concepts are not necessarily exhaustive of all forms of “stabilized” way of existing, but each of these and their combinations could be described as a new way or different way of conceptualizing, what traditionally have been called institutions. The difference is, that each mode of existence can’t be seen apart from the “actant-networks”, that through a large amount of work keep the mode of existence going. In this paper I follow modern actant-network theory, however, I could have followed Entwistle and Slater (2013) and conceptualize it as different cultural forms.

In the practice turn a prism of observation can be stated through 8 tentative principles or basic assumption, which here are a rewritten and refocused version of Niebuhr's (2016), basic principles. The principles are:

1. Agency in businesses and markets is sociotechnically distributed
2. The design of businesses and markets is a collective project
3. Businesses and markets are always in the making
4. Businesses and market-making is about translations
5. Businesses and market-making has disciplinary effects
6. Businesses and markets materialize in (traveling) policies
7. Businesses and markets are relational constructs
8. Hence, business and markets are performative effects

The fundamental premises here to talk about businesses and markets is that businesses and markets are instantiations created through and by a practice which leads to the first prism and assumption:

Agency in businesses and markets is considered sociotechnically distributed. The practices is considered as a process that are intertwined between human and non-human actants. This mean that a business or a market can be considered to be an actor, and so can the individual entrepreneur. However, as an actor the constituted individual entrepreneur or business or market is "made up of human bodies but also prostheses, tools, equipment, technical devices, algorithms, etc. – in other words, is made up of agencement" (Callon 2005, p. 4). The concept of agencement is traditional translated into English as assemblage, which denotes a level of fixation in time and space. A more recent conceptualization of agencement stresses that agencement as a processual term, that underlines the continued connection between heterogeneous elements an processes each of which contributes to the constitution of the specific business or market (Gherardi 2016). This part leads us directly to the second prism

The design of businesses and markets is a collective project. With the concept of practice it is from the outset assumed that the business and the market is the result of many actants activities and agency negotiated, contested and carved out through continuous interactions. As such a business and a market is always collectively constituted, but constituted by both process of human and non-human actants.

Businesses and markets are always in the making. This idea is summarized in Law (1994, p. 101) fundamental conclusion in his research of an organization that: "There is no social order. Rather, there are endless attempts at ordering" This concept has strong similarities to the organizational theoretical frame argued by Hernes (2014). In this frame, it is assumed that organization and implicitly markets are always on the move, meaning that perceived stable arrangements has a fundamental perishability in the flow of time. "The essence of persisting in a world on the move is not change (as change goes on all the time), but tentative ongoing stabilization of past experiences and future possibilities in view of their possibilities of becoming otherwise" (Hernes, 2014, p. 189).

Businesses and market-making is about translations. That focus our view of the process of aligning things and processes that previously different. Translation focus our view on how activities are organized and set up as organizational activities that provides services, and how in the process the business translate otherwise not related actants into costumers for that business. It is through the

translation and agencement that the assemblage of a successful business and its markets is for a while stabilized in time and space.

Businesses and market-making has disciplinary effects. By disciplinary effects what is considered is what Foucault coined the “microphysics of power”, it points towards how actants as entrepreneurs, trainers, instructors, office staff, and customer are disciplined in to assuming and identifying with certain positions and relations in the business and market. The disciplinary powers question asks how certain procedures, “experiences”, services etc are imposed upon the business and its markets of costumers.

Businesses and markets materialize in (traveling) policies. Reports, training programs, figures are materialized in order for them to be possible to travel around the globe. The question here is how these get materialized and get the form of “immutable mobiles” (Latour 1987), that as a case in point ensures that the costumer will get the same or similar experience when the purchase a fitness class in New York, Beverly Hills, Bangkok, Dubai etc.. Given that the entrepreneurs are establishing a franchise this issue becomes fundamental for the whole idea of the market and the value that they are claiming to provide to otherwise very different people.

Businesses and markets are relational constructs. Establishing a business through entrepreneuring is those assumed to be a matter of in practice creating relations between multiple processes, actants, locations in short distributed practices that are on the move at all times. Entrepreneuring is those researched here as a way of relating in a way that hopefully can create value.

Hence, business and markets are performative effects. The premise in this prism of observation and theorizing is that they very business and markets are entities that come to life through the performance of practices. It is established through agency, agencement, heterogeneity and translations that makes it possible at specific time to see an entrepreneurial business out of otherwise seemingly unconnected activities and ways of living.

### **3. Methods**

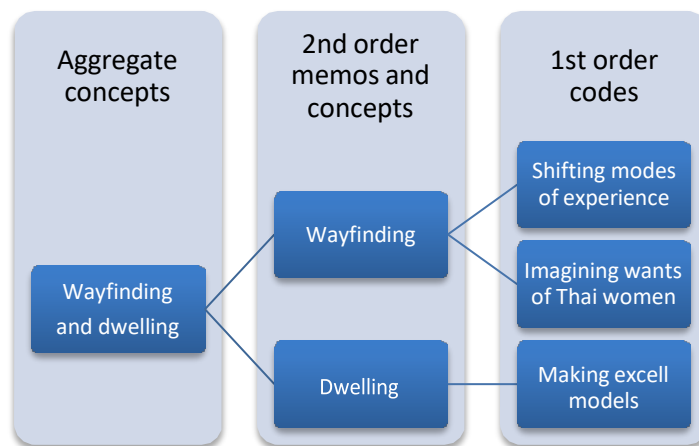
The research data for this paper was gathered as part of an ongoing project in a study of female managers and entrepreneurs. The research was conducted through participant, observation for 2 years (since the prestart) and semi structured interviews. The data consisted of ethnographic data reports, interviews with managers, instructors and costumers, marketing material, postings on line, facebook and Instagram.

The interview guide, observation guide has been changing dynamically with increased knowledge and as the business has evolved and changed. The initial interview guide for the managers is provided in appendix 1.

The data has been analyzed by using a grounded theory approach (Glaser & Strauss 1967, Glaser 1978, Strauss 1987, and Corbin & Strauss 2008). Grounded theory methodology has historically been split between the two original founders (see for instance Heath & Cowley 2004). The approach taken here does rely more on the Corbin & Strauss approach. It applies Locke’s (2001) concept of 1<sup>st</sup> and 2<sup>nd</sup> order coding. In this conceptualization 1<sup>st</sup> order coding is a “naming” of what is going on in the data on this specific place in the data. The 2<sup>nd</sup> order coding is a conceptualization, where different concepts increasingly are defined in form of memo writing and conceptualization. Aggregate concepts are a further memo writing based on a comparison of the 2<sup>nd</sup> order concepts and memos, outside theory and findings from other research see Gioia et al (2013) . It is important to notice here, that what is

considered data can both take a quantitative and a qualitative form. The important issue is that: 1. The data contributes towards further theory and concept making, 2. That all data can be traced both back and forth in the process

The conceptualization process is illustrated in the below figure:



**Fig. 1: 1<sup>st</sup> order codes, 2<sup>nd</sup> order concepts, and conceptual aggregates.**

While the coding of data takes place, continued data collection have happened on a weekly basis. The collection of data has focused on both confirming and disconfirming the initial codes and memo's.

It is a common conception inside broader social science and business literature perspective that grounded theory is a pure inductive method. In which only the data speak for itself, and that these data, are coded and drawn together, without any disturbance from language, the researcher's perspective, other theories and other sets of data. The original writers Glaser & Strauss (1967), Glaser (1978), Strauss (1987), and Corbin & Strauss (2008) most certainly can be read in this way. However, Locke (2001) clearly situates grounded theory inside a pragmatist tradition, including G.H. Mead, W. James. Star (1991) as a pupil of Strauss argues, that in all the work done by Strauss, 'work' is a primary category, and precept that guides Strauss research into a variety of areas including the first study of dying in hospitals. Looking back at both Star's (1991) analysis, but also Strauss (1993) later work – continuous permutations of action, there are very strong similarities to actor network theory, and making the invisible work that establish modern dichotomies visible. In fact Strauss in continuous permutations of action explicitly state that, the book is an attempt to formulate the basic assumptions, that have almost always guided his empirical work, and teaching.

What the grounded theory approach in its original form criticized was that the dominant survey method and hypothesis testing methods ignored or deleted the work done by social scientist in order to come up with the "theoretical frame" in the first place. That meant all the qualitative interviews, observations, reports and statistics that was analysed and conceptualized in the first place. As such the discover of grounded theory, was according to the authors themselves "just" a systemization of existing practices in social science.

This means that especially Strauss and the pupil of Strauss never denied that they had a paradigm, a stance, or approach to researching specific fields. However, what they did not want, was pre- established variables or concepts that was closed from enrichment, development of new concepts that was enriched by the empirical data. This also means that for them and this research, we have to define

the stance and approach that we take towards the field of study – not the frame. The “paradigm” and the categories previously defined are those sensitizing paradigms and categories, that inside a certain language game can help us enrich our understanding of the phenomenon.

## **4. Findings**

In this part, the findings will be presented in the order that they unfolded in the case. The purpose of presenting the findings in this order is to try and keep the temporality included in the data presentation. By doing that it is also intended to show how the building of the business and the markets are sociotechnical distributed. That means that part of the emergent strategy is building the excel based business model, but also later showing that this same business model becomes an actor in itself. Together, with experiences, and other actions the agencement becomes visible.

### **4.1 Building business models and strategies as dwelling**

The first ideas for developing a business in Thailand were not only discussed, but also tested out economically, through a shared development of an ever advancing excel model. One of the first ideas was indoor cycling classes, which are well known in Europe and US, but often located inside fitness centers. Very early on it becomes clear that importing indoor bikes of a reasonable quality with electronic measurements, would be much more expensive than the group had imagined, and that the cost would exceed their available funds even before actual fitting of a place, marketing and hiring staff. The reason continuously given for this approach is that, what they really share in their approach to business, life and way of thinking is their training and work inside finance and disciplines inside economics. The economic business modelling approach to the making of business is those primarily build on that the feel they share a common approach a way of thinking and living. The key observation here is that excel sheets is a way of dwelling in which the group experience themselves as part of an everyday business.

What we will see continuously in the below data is that for this group, the primary shared way of “dwelling” is through the shared practice of making excel sheets. Inside this stand the group agree faster and can make intuitive and fast decisions. However, when the “economical” mode of existence, does not bring ideas and business into life they change to other ways of discussing, which are much more diverse and distant from each other.

### **4.2 Turning to experiences and lived lives**

When indoor cycling and other fields failed, they start drawing on other experiences from other parts of their life. It is those voiced in the group: “what about Barre classes? It is both fun, short and produce results”. In the group, it was further claimed that a clear indicator of the value of this class was that 2 of entrepreneurs had been doing it every weekend for more than 2 years, and that especially one of them “who don’t like to exercise, has been able to keep it up for all that time!”, “and it fits great into going to exercise and then for instance go for brunch, shopping or hang out in the city” and “setting up Barres in Bangkok can’t be that expensive!”. Ignoring the not shared dwelling is consistently described by all the members of the group. The actual suggestion of a new business based not on “economical” models, but practical life experience – another more female lifestyle and mode of existence gets ignored, exactly because it is not shared, and two members don’t know what it really is. This can be seen in the below quote;

“I tried to say that Physique 57 and barre was interesting for a long time. Being back in Bangkok I tried doing Physique 57 exercises in the gym, but lying down in the gym and doing hairpin was really weird, but I guess my way of suggesting was to indirect in the start”. Looking at other interviews, it was a weird suggestion, but not because it was suggested politely or to indirectly, but because other members of the team could not see how it could work, partly because they did not share or had access to the practice and lifestyle described.

In the continued discussions, this doesn't change before they all agree to discuss the business in a different way. The approach being more focused on what women would think are fun, fashionable and trendy. That means they start discussing what could be the actual experience for the costumers. This thematic agenda becomes a driving force for moving forward. Many concepts for exercise that are popular around US where they live are tested out and discussed. One of the entrepreneurs formulates it like this: “X is really kind of the person which just know what is fashionable, what movie to see, where to go, she is really worldly and New York, that together with that Y, who generally do not like to exercise continued going and found it fun convinced me to look closer at it”.

These statements can be interpreted as a shift away from thinking in terms of an economical rational decision and excel sheets, towards what kind of experiences the fitness would provide for the beneficiaries. Similar to what Vargas and Lush (2011) defines as a service logic. This change in the groups way of thinking and conceptualizing their business is underlined by the statement: “You know I don't really have any competitors in the fitness industry, we are both completely different from them and our customers don't really choose between where to do fitness, they choose between a (Physique 57, added by author) class and going out to eat, the movies or other entertainment activities”.

This realization later also shows up as major issue in keeping customers, despite the idea that especially for Thai women in the Thai culture where the institution of “female beauty” plays a major role. Women are to a far larger extend judged on their slenderness, toned body, all aspects that institutionally should support the benefits of exactly physique 57 way of training, and provide results that would reduce “cellulites”, “floppy arms” and to big thigs and create firm bodies, flat stomach, toning and health. The above shows that decisions and strategies evolves out of very different modes of discussing and conceptualizing businesses. The statement brings a new market in to being, it becomes focus on a “female agent”, that have and relate to the concept of being very slim and lean. This implies that already before actually taking the contact to physique 57, the strategy is about the cultural and political context of Thailand, and the potential mode of existence of modern Thai women.

#### **4.3 The continuous decision: building models and creating connections**

The assembly of a healthy, fitness oriented and worldly lifestyle in Bangkok is a translation of “women” in general, and women in Bangkok in particular. By making these translations a potential very large market seems to occur. The discourse is here by and large driven by a conceptual idea about, what Thai women “want” – largely driven by the argument: *we are born Thai, so some of us have a very good feel for what is trendy and hot, and how we given our lived lives in New York, Seattle etc. could imagine other Thai women's wants*. It is important to notice that this is not an implicit critique of the “lack of focus groups interview”, “trial classes in Bangkok” and other marketing activities. In practice all of the members of the group enlisted friends and family in the discussion and they later made a trial class in Bangkok. Almost everybody supported their idea. So from the very start the imagined project is a collective project, it translates “Thai women's wants”, and it start at least on paper to create a relation between a potential business and a potential market.

These imagined wants, and change in modes of experience and arguments leads to the decision of contacting Physique 57 office in New York. In an e-mail to Physique 57, they ask for consultancy in relation to making a barre studio in Bangkok. The stated purpose here is to start a process, where they can learn more about how a barre class works, in relation to instructors, equipment, processes etc. All aspects that they at this stage hope can be used for them restarting to make a new excel based business model. The team founder team, “needs” the consultancy to find back to their way of “dwelling” in the making of business: operationalization of factors, quantification of costs and earnings etc.

Physique 57 in New York office respond that they do not do consultancy agreements anymore. They only do franchises, but continue in the e-mailed response “that it could be very interesting for both parties to continue the discussion, because representatives of the New York office have just been at a conference in Hong Kong, where it was stated that South East Asia was just about to boom in the fitness market”.

It should be noticed here that the group, in order to continue the discussion implicitly accepts to be transformed from having their own business, to being a franchise. All though there are no specific data on it. This is a different performance of the business, it recreates the business in Thailand, to being part of a “global” network of business, with new demands for discipline, new policies of similarities, ways of relating etc. However, despite the large issues that in theory could be raised by going in and discussing a franchise, the finding back to the excel based business modelling a mode of dwelling in known areas of practice seems to attract the team.

The skype conversation between Physique 57 and the Thai team people those starts participating in a very practical discussion on what it takes to run a Barre studio in form of: in facilities, equipment, instructors, marketing, training etc. to discussions on number of classes per day, peak times and downtimes. All aspects that could be clearly operationalized and quantified and put into the business model. Making the growth possible, what was Physique New York’s experience of speed of growth? How fast did the market pick-up? In these discussions, the Thai entrepreneurial team get the feeling that Physique 57 New York wanted them to be successful! In an interview, it is stated as: “They saved us in many areas! They told about their mistakes, their experiences and their successes.” Most importantly, this makes it possible for the Thai entrepreneurs to immediately start financially model and formalize the business in to an elaborated model that keeps expanding and becoming more and more complicated. Being back in to their shared mode of professional experience from the financial sector the interviews describe, how both they could contribute to the discussion, include their experiences in other modes, making assumptions of differences to Bangkok, and test them with each other and Physique 57 New York. In an interview, it is explicitly stated: “It really helped that we all was working in or with finance, and that the CEO of Physique 57, before Physique 57 was a wealth manager in Wall Street, we spoke the same language!”

An important indicator of how the business and its strategy is being shaped in another mode of existence is, that a key member of the team, in this period actually try out Physique 57 for the first time in New York. Her very first reaction was:

“Actually, I in the process I had taken a physique 57 class in New York, and just wasn’t me. After the class I just felt like I needed to go and get run, to meet my daily fitness need.... But I could see what it was that X and Y liked about Physique, and I thought many would like it.”

The key point is, that she in the same breath states, that she could see how it could fit into a lifestyle and way of being that the 2 other members had described. She gets convinced by the class, the story of the weekend brunch’s and the financial modelling.

This process leads to that one of the entrepreneurs after a discussion with the group starts resigning and planning to go back to Bangkok in order to work fulltime on the project. This is, however, done with no formal contract signed or agreed with Physique 57 New York. In fact, the formal incorporation of the Physique 57 Bangkok company is not even started yet.

#### 4.4 Making comparisons and testing markets

In order to translate the business from a “very attractive” business model in an excel sheet, they need to move it out into the streets of Bangkok. This is done by searching for locations, start a design process for an actual studio in Bangkok, advertising and searching for instructors. The purpose here is to try and translate the Physique 57 concept into Thailand. In these terms, they try to set-up both an actual test of classes in Bangkok and get New York convinced that they would be a good match. At the Bangkok trial friends and connections from all 4 entrepreneurs are enlisted to take a trial class and interviewed about what they think. The response is here generally positive, the future problems, challenges and issues are found in this trial. The trial also gives an opportunity to present 3 locations and come to an agreement with Physique 57 New York. They all seem to agree on location, the image and brand experience that Bangkok and the New York team prefer want potential and international customers to experience.

During this process, the Thai entrepreneurs, as good finance practice would prescribe do check for alternatives, both in Barre training and similar trademarked training for especially women. However, they are immediately discouraged by how *easy* it is to get a franchise or a concept from other providers. They just needed to sign a contract and send a specified amount of money to be set up. In principle with their present assumptions, design and time spend they could take this offer and in the “abstract” model make a ‘rational’ decision alternative. For the Thai entrepreneurs, this practice gets across as “they actually did not really care if we succeeded or not! They just wanted the money and then everything was up to us, no help, no support!” The discussion here seems to center on: “what if arguments, what are the actual risks etc.” These questions are quantifiable with Physique 57 New York, and not with all the other offers, where they are left alone. It is stated in the interviews “X was a typical instructor, he just wanted the money, he would then send the manual, and we could interpret that by ourselves. This means that all alternatives quickly vanish and are hardly considered – it becomes physique 57 or nothing.

What we see is that not only is Bangkok abstracted and translated in to a model which speaks to the financial and potential economical revenues, costs and profits. It becomes a “financial business” step by step even though actual license fees, training costs and other elements is an ongoing project to specify. It becomes an abstract and detached strategy, that can be discussed, evaluated both by themselves and others. But at the same time the model is saved and protected from challenges, because *the practice of a Physique studio is revealed, and offered as code-able knowledge*. The practical part ensures the increasing trust in the project, but without any formal decision. In this process what we see is a formative process of knowing/doing, where the business of Physique 57 Bangkok detach itself from the conversation, the statistics of South East Asian fitness usage, physical localities, special neighborhoods, and social statistics, the physical activities in the New York office – it becomes an entity in and of itself as a doing more than an expressing or contemplating (Gherardi & Perrotta, 2013, p. 233). Physique 57 Bangkok those imposes itself as:

“[...] presence that is indifferent to its specific situation in a universe that is unfolded and organized according to space and time. That is the basis of its existence. As an art of existing, it is the conquest



and realization, the effective possession of this presence that is indifferent to its situation." (Souriau, 2015, p. 143)

The existence of Physique 57 Bangkok is *almost* there, but it doesn't exist outside the concrete assemblage of activities, processes, actants. Without the continued work of adding a place, design, buildings, statistics, previous experience of knowing and doing from the New York office that can be quantified, the practical exchange of class time tables it would not exist.

#### **4.5 Simulacra or going into a market of investors**

The strategy and the financial models were assembled through processes of assemblage. With the establishment of what was considered an extremely interesting financial model, the team after the test and the assemblage of a fixed practical strategy, the team and New York 'feels' they are ready to gather it all into a legal contract and an actual franchise agreement. When the actual cost of license and the contract is revealed, the price is considerably higher than the Thai entrepreneurs ever expected. In fact, the cost as one entrepreneur stated it: "it made the cycle project look attractive, and we were suddenly at a place where we had to go out and find other investors before we could sign."

Finding investors, is suddenly necessary after instructors has been found, design of studio is about to be finalized, location is agreed and rental contracts are ready to be signed. All the processes that seems to have been a very large hurdle, and where the Thai team is engaged in a process of wayfinding on almost all the practical issues. Yet, it can be argued here that with this group due to their existing practices the issue of wayfinding, is not about "calculating" and "quantifying" it is about, instructors, marketing, getting design done, and later how to actually deal with contractors, making contractor contracts that are sufficiently specific for a contractor to use, and precise enough to get a realistic price for building materials. All processes which demand that the team enlist families and friends to try and find a way to the market, and materialise the idea of business called Physique 57 Bangkok. All of these are wayfinding for this group, whereas dwelling is found inside the "abstracted" strategy and business model as it is represented in the excel sheet.

Empirical this is shown in the relative ease by which Physique 57 Bangkok can find external investors. It just takes a few months before a silent investor is found – a rare case for most entrepreneurs! The dwelling inside financial models, and making of strategies makes it possible to negotiate with external investors, and create a relatively speaking easy path towards getting the finances. One of the entrepreneurs those states: "Y introduced us to this external silent investor, and he is good! He knows when he sees a good opportunity". One could be tempted to argue they are part of the same professional community, they know what the investor wants to see, and they can handle the questions a potential investor would raise.

The entrepreneurs process of building and inscribing the Bangkok Physique 57 into a complicated financial model first and foremost makes it possible to almost immediately step in to the investment practice in Thailand. And it can be speculated, that as much as the financial practices is in place, the first recruitment of instructors seems to be much more troublesome, maybe because that originally was very far away from their actual pre-existing practices. This argument is supported by modern sociology and anthropology of investment markets, where they argue that the 'economist' normatively construct the market, by getting the practice impregnated by 'the discipline of economics' specific assumptions, ideas of pricing, return on investment - in short a culture a financial (Entwistle and Slater 2013), and practice that are specific and with its own logics (Muniesa 2014, Aspers 2011)

#### 4.6 Desires that breaks and demand reassembling of strategies.

The financial model and strategy still exist and are used by the team. However, the financial model and its implications are now fixed, it is a strategy to “just” be implemented. It is therefore used in the continuous process of creating accountabilities and insure each other of the running of the business and continuous creating of costumers. The excel model has, become “the” representative of the entity of Physique 57. The daily wayfinding, which is the part described as the hardest part of running are taking over the concerns of the managers. The ‘dwelling’ is being shifted to the physical location, the activities of instructors, connections with IT people, people at the counter, English trainers and customers. The Thai entrepreneurs find themselves located in a new in a new mode of existence, and the entrepreneur realized:

“I knew nothing, I could not understand, what the trainer from New York was saying, what the instructors and the trainer was discussing – I really had to start studying”

The interesting point here is that the entrepreneurs, who have built the strategies, made assumptions about how people would like it, defined a customer need. Intuitively knew that they were now inside a practice and a set of relations that demanded that they could not only see ‘that many people would like it’, but also that they could feel and relate to how the different offerings should be delivered. This meant they had to follow the agencement of the desire for a service like Physique 57.

The studying or follow the assemblage meant taking classes with customers, listen in on most meetings, learning the language which seemed foreign even for a person living a fitness lifestyle and being an experienced runner. The entrepreneur those deliberately start on a journey where she knows she is standing outside of the community of practice and looking in – she so to speak becomes an apprenticeship in her own business (se Lave and Wenger, 1989). Despite her strong strategic, financial and management background all elements, which have made the process so far doable, doesn’t give the inside nor the dwelling inside the practice of delivering the fitness service. This can be underlined by the statement of the expat New York trainer: “What I learned most about in Bangkok, was practical management of instructors, customer issues, organizing training and schedules”. Things which is a challenge for specialised trainer, but not foreign to her practice. The trainer knows from her own body how many classes you can give a week, how much the instructor needs to train themselves and their bodies, scheduling is equally much about organizing bodies with limitations as it is about timeslots. These bodies, this way of relating to the practice is what the Thai entrepreneur is talking about, when she says she knew nothing. The the strategy-in-practice traditions critique of traditional strategy thinking and at times practice, is that the distance between the strategy abstraction and the lived and located management/entrepreneurial practice becomes very hard to travel.

According to the entrepreneurs especially for the first 4 month the “financial model just fitted to a degree you could not imagine, it just predicted everything!”.

In the case of Physique 57 Bangkok, what does happen is that after 4 months the financial model and the actual increase in customers, starts deviating from each other. Number of paying costumer hours show a flat line. The reaction from the instructors and entrepreneurs varied and was discussed. Maybe not surprisingly, the Thai entrepreneurs start spending a significant amount of money on traditional marketing, celebrity endorsement, magazine exposure. A move which is local, as the New York office by and large always have relied much more on word-of-mouth marketing. Later this traditional marketing strategy is considered “not worth it, not for real, and bad exposure because the articles don’t give the feeling of the fun, the lifestyle of healthiness”. When it is claimed here, that it is not surprising that they immediate reaction is advertisement spending, it is because “marketing cost” is a

traditional investment/cost that are budgeted and calculated as THB/US\$ per customer acquisition.

When advertising etc. fails 2 diverse perspectives emerges: 1. With one of the entrepreneurs pushing for creation of a higher level of customer loyalty. Created through packages, moving forwards with new levels of Physique 57. The other approach comes out of a lived experience with a friend, and the experience of customers after the class. She explicitly refers to a male friend, that have taken private class once and never wanted to come back – “because it just hurt too much!” The entrepreneur Y remember the response to her question: “why do people not come to my classes?”:

“Because it is too hard! Think about it like this; you know that only 1% of Thais goes to the gym (him being one of them, comment by author), of those 1 percent, only 10% can take your beginner class, and all the others feel like me - that they failed when they went to Physique”

The entrepreneur also start noticing that “people come out of the classes and they were tired, but most of them was not tired in a good way... you know like tired smiling, happy – they were just tired!” Sending out feedback and fast questionnaires only gave very few responses. They started calling people about scheduling their already paid classes and got the response like “no it is not for me, it is too hard, I hurt so bad after the first time” or as other customers said to the researcher – “next day I could hardly walk down the stairs”, “My body was so sore that I had to stay away from work for two days”, “I was so sore that I needed my mother to help me out of bed”.

What the above illustrates is that the organizational narrative about the customer and the market from very early on is based on what Downing (2005, p. 193) calls a storyline, defined as: “emotional resonant stories that are remembered and repeated. They reflect the actors’ positioning of individual and collective identities and understanding of actions and events.” These storylines are inscribed into the way the organization classify statements and deal with upcoming issues on a daily basis (Douglas 1986). Client statements like “it was really hard and it hurt” (entrepreneur Y) is dealt with, by thinking “what did you expect? If it hurts that means it is working” and later added “you know, the reason why I liked it was that the pain was a sign I was getting rid of the ‘cellulitis’, yes all those things we as women don’t like”. The statement is those collectively interpreted as a plot where people do not really want to do the work and live the lives of the healthy person that transforms her body. The emplotment creates causality in a flow of processes by connecting statements and practices (Czarniawska, 1997). Part of the same emplotment of causality can be seen in another statement connected to this collective story: “I have friends that say they work out, and that they want to have a more healthy body, but at the same time they just eat unbelievable amounts, and the kind of stuff they eat is just like ..... you know!”. The storylines and plots becomes gathered in competing narrative structures which are lived, contested and negotiated between instructors, trainer, entrepreneurs, clients and customer’s bodies and stories (Downing, 2005).

The competing story lines becomes different ways of finding a way or making sense of the situation. In this situation, there isn’t a recourse to the abstract model and a discussion of the strategy and business model represented in excel sheet, in Chia and Holt’s (2007, p. 139) words: “instead of being something explicitly and boldly stated upfront, emerges organically, takes shape and infuses itself into the everyday actions of individuals and institutions.” There isn’t a strategy in the abstract sense of finding the goal, and then navigate towards this goal, instead there is a process of wayfinding, where the entrepreneurs, instructors and trainers, clients and customers get to know as they go. The strategy and the excel sheet only tells that something isn’t working.

Seen from a strategy-as-practice perspective it can be noticed that the potential customer does want a healthy and beautiful body. However, the common western training discourse, that hard training,

training that makes your muscle burn and stiff next day, will change your body and create the lean body, your best self! This perception and discourse is not part of the average customer's experience. In fact, the idea of a relation between hard physical training and gains is not well established in the market. The author has several times observed discussions between instructors and clients about the result of training – you make muscle and reduce fat, that can't be seen on the weight you can only measure it with for example a measure of the waist. This can be contrasted with the few foreign or locals who have trained ballet or similar, who particular liked physique for exactly the same feeling of burning muscles and growth in strength is seen as the only desired way.

This follows the concept of Delueze's desire as the basic for the agencement. In Delueze's concept of desire there exactly isn't any desire outside of specific relations. A desire is the result of a process of agencement where bodies, muscles, relations, training practices, fun, emotions are constituted into a need (Jihai Gao, 2013). What we those can claim, is that the strategic assumption of a customer need for healthy and well trained bodies do not exist in the way you would find it in for instance US or Europe. In fact one of the entrepreneurs formulates it in a different way:

“we do not compete with other fitness centers! What I really compete with is a night out with the friends, the cinema, and other entertainment activities”

This shows that the potential client by and large does not exist in the way it was conceptualized and inscribed into the business plan. Instead what exist is ‘a need for entertainment’ that can create healthy bodies. In this specific context that means that the strategy finding for the Thai entrepreneurs in some sense is moved away from the traditional considerations of markets, market penetrations and there financial quantification. Instead it becomes located in a practical discussion on how to learn Thai clients about their bodies, train them from an experience level of not exercising to, be a knowledgeable exercising person. One of the instructors after the discussion and new wayfinding, said “Thai's in general have no experience of exercising, in fact when they say they exercise, the exercise 1 maybe 2 times every second week, which has nothing to do with exercise!”.

In the present case Physique 57 Bangkok, establish a practical wayfinding, where they start formulating another level of training. Fundamentals, the new level is about learning positions, feeling the muscle in the right, know the difference between good and bad pain. This program and practical wayfinding, according to the Thai entrepreneurs saves Physique 57 Bangkok.

## **5. Discussion**

In this paper the concepts of dwelling and wayfinding has been consistently used to describe on the one hand the strategy-in-practice perspective, where strategizing is part of an ongoing and daily practice – what Chia & Holt (2007) after Heidegger called dwelling. The other practice, where you so to speak step out of the daily script of practice is called wayfinding. Wayfinding is the traditional discursive or financial modelling mode where you step into an abstraction and formulate the strategy formally. Off course referencing Weick's concept of sensemaking, these two modes are related in the sense, that the map (the formal representation) is a strategy you can apply in your practical handling of the present situation. In the findings, it is claimed that both are a mode of existing (Latour 2013). The different modes of existence have very different truth criteria, trajectories, felicity rules, and enlisting practices attached to it. What is important here is that the idea of something more or less abstract, distinct or opaque is dependent of which script of mode of existence you follow. Wayfinding, basic questioning of where and how we are going somewhere, is different depending on the primary mode of existing the actors are in, and vica versa for dwelling. You dwell in different modes of existence.

## 5.1 Dwelling and wayfinding in the strategy work

The entrepreneur Y, who practically build the excel sheet and business model does play a significant role, based on others work, and according to the other interviewees “her constant what if, and detailed questions, that at times could get me really upset..... So much that others (and in particular X) had to work as intermediaries to check that Z or Y was ok!”. However the model and the implicit strategy in it, is not pressured on a blank excel sheet, but rather created through intraactions of “affordances” from previously used models, opportunities and constrains in the excel sheet, “tools” that negotiate with the entrepreneur Y, about how things can be done (Jarzabkowski & Kaplan, 2015). However, contrary to the views on strategy expressed by Chia & Holt (2009):

"The overt designs of strategists manifest in targets, positions, goals and the like are tempered with an understanding of belonging in which what is being made present is always something coming to fruition, whose limits are not well-defined end points but a bringing into being something that has not yet appeared, and that might be held together, amid other things also holding themselves together. This is what we are hinting at by considering how strategy might be made more akin to dwelling rather than just building; this is what we are reaching after with ‘strategy without design’."

This description one the one hand fits perfectly, when you are looking at the “individual manager or instructor” and at the same time take their primary mode of existence for granted. They dwell inside their primary practice, they hold things together. Other times the wayfinding can be seen as foreign for the ‘individuals’ primary mode of existence. However, what we do see is that, this is a very inadequate description of an actual business as a whole. What for the Thai entrepreneurs is dwelling is what others would call the abstract representations in terms of quantifiable goals, costs and profit margins. The actual practice of Physique 57 in the start is the abstract, the not known, the language that are not fully understood and very hard to relate to the financial practices. The situation is different for the trainer, the instructors. This leads to the conclusion that it is the interplay, the constant moving back and forth between dwelling and building that both carry the project along, but also without the wayfinding, the building the “existence in time and space” would vanish, it would not be possible to carry over to its own mode of existence (Latour 2013).

Those seen from a practice perspective the decisions might be a continuous process, where pros and cons can’t be decided inside only a rational economical model of decisions, but neither can it be decided inside a dwelling in client relations, instructor perspectives etc.. Instead practical accountabilities, abstractions, and solutions, evolve and are compared to representations in a constant movement between dwelling and building. These comparisons continuously push the project forward. For Physique 57 the “representational work in excel sheets” is the reality for a very long time. Only very late in the process there is a need for a legal entity that can negotiate. Which is illustrated by the very late actual legal contract offer, where the signatures only symbolize the finalization of a mutual continuous decision process that involves, financial modelling, actual physical visits to potential sites in Bangkok, connecting to investors, designing a studio, estimating costs, preparing for the actual building, finding other instructors, resigning from jobs.

The case demonstrate that the building of a representational strategy is a necessary step in order to provide the necessary funding, but that this representational strategy is not distant from a practice on the contrary the representational practice inscribe or translate the company into a financial market for investors. This investor market is a different practice, that constitutes an arena for work (see Strauss 1993) and collaboration that follows, value, and quantify business in different ways (see Çalışkan & Callon 2009, 2010, and Callon 2016). The crucial point here is that, the representation does not make

it an abstract detached practice like a simulacrum (Baudrillard 1994) on the contrary it inscribes it into a new practice (Hertz 2000). The case also demonstrates how the building of a strategy and a business plan in and of itself makes the decision to pursue the plan, as such the embeddedness or dwelling of the strategic practice leads to the 'rational decision' of pursuing the plan. The rational decision here understood as the outside and objectified decision process where the decision is taken with the optimal amount of information. Contrary to this the decision becomes seen as the establishment of accountability after the fact. Finally, the case illustrates how the representational strategy becomes a guiding point and an awareness point of where we are, that can create the need to redefine the relation to the kind of market "we will be in". This final part shows how the strategy as a Deluezian desire (see , is not really there before it becomes assemblage. The process of agencement opens up the process by which, the desire connect with it's specific market. In our case a market that consist of both restaurants, a night out, and perfecting the body.

## 6. Conclusion

In the present paper it has been argued that by tagging a practice perspective based on methodological relationalism. We can start conceptualizing not only how the strategy is made, but also how the content of the strategy is established and works in different webs of practice.

Based on the case study it is claimed that building business plans and strategies are not a detached practice or simulacrum for "the real business". On the contrary, the business model and strategies are artefacts that makes the business capable of creating interest from investors and the entrepreneurs themselves. It is further shown that by building the business model and making strategies the actors creates their own basis for later 'rational decisions'. However, these rational decisions are contrary to decision theory not the basic for actual intentions of the business, they are rather like the making of business accountability for groups of people who are involved in the process.

Finally, it is also shown that making of the business is another practice. This is not a chock or a surprise for the entrepreneurs, in fact it is much more seen as a practical problem that must be overcome by participating in that practice and making practical connections between the strategy as a noun and the daily strategizing in relation to customers, trainers, investors, locations etc.. It is also inside this practice it becomes possible with time to formulate and sketch out what market the business is actually part of. This is the case because there is no market or customer need before it is created through a process of agencement, that establish a certain assemblage of a need. For example in the market and in the cultural practices of Thailand there is no 'need' for training, but there is a 'need' for entertainment and healthy bodies that the assemblage later could be established around.

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## Appendix 1.

### Overall frame for the interview:

The overall frame is divided into different elements from before the idea of starting the business, choosing to start, establishing the business, becoming an established business, looking forward.

For each area I will ask you to describe important events for you, and how you see these events, who and what helped you when you did not know what to do or were ready to give up, what tools did you use.

During the interview I will ask you for other kind of data like your calculations, your thought, your feelings, how you financed it, who you relied on the most etc.

### Questions:

#### 1. Before the idea of starting the business,

- A. Where did the thought of having your own business come from? Is it important for you or you think you had other choices?

- B. Has your choice of education/not education played an important role in your idea of starting a business?
- C. Who warned you and who and what supported you in searching for the opportunity of starting the business?

**2. Choosing to start,**

- A. Was there a point where you actively started searching for business ideas? Or was it a gliding process?
- B. When you started wondering about a business what did you do? Did you talk to people, thought about markets, people, family or organization.
- C. When you knew you wanted to start, did you think about how to finance it? Who and what helped you?
- D. How many opportunities did you consider? Did you write them down, analyzed them, presented them to anyone?
- E. How did you feel in this process? Did the feelings change? Did other people or your network change?

**3. Establishing the business,**

- A. When did you start to plan the business? What was your biggest concerns and fears? How did you handle them? And who and what helped you.
- B. What did you think about your future market, what did you do to check it out? Did your thoughts change?
- C. In what ways do you think you were making a difference that could make you survive?
- D. How did you approach New York, did you prepare before? Who helped you?
- E. When did you incorporate? Who helped you and how?
- F. How did you select place and people? From who did you seek advice, who did you end up listening to? This part I want to know about places you considered, calculations of costs (as you did them not how a textbook talk about it).
- G. How did you influence who was coming to train the staff?
- H. Staff what was your selection criteria, who did you listen to? Looking back where were your surprises and how did that change the future?

**4. Becoming an established business,**

- A. Organizing your market, describe the process of finding customers? What did you do that you think was a success, what was a mistake?
- B. What was the hardest thing in finding your market and customers, how did the staff help you, how did New York help you? When did you despair and why?
- C. Getting the building and place ready, who helped you and how was it organized? Who and what was important in this? How did you use and design the place, considered costs? What was important for you?
- D. Making an organization how did you delegate, how did things just happen? What was the worst and the best decisions?
- E. How did your values become reflected in the business?
- F. How did you make changes and adapted?
- G. How do you network to keep your self and the business known?
- H. How did you develop your services from the start and in the first 2 years?

**5. Looking forward.**

- A. What are your ideas for growing and securing the business?
- B. What “markets’ would you like to be in? Who could help you?
- C. What are your biggest concerns in relation to your business?
- D. How do you dream to change things in relation to services, people and markets?

# **Impact of Protean Career Attitude on Career Development, Job Satisfaction and Job Involvement of Executives at Multinational Companies in Sri Lanka**

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## **Abstract**

*A Protean Career Attitude is considered as an important determinant for organizational development and individual development in the modern world of work. Literature on Protean Career mainly emphasizes that it has a significant impact on employees career development, job satisfaction and job involvement. However empirical research carried out in Sri Lankan context to examine this relationship is lacking.*

*This study is an attempt to empirically examine the impact of Protean Career Attitude on career development, job satisfaction and job involvement of executives in three multinational companies engaged in food and beverage manufacturing in Sri Lanka. A structured questionnaire was used to collect data from a randomly selected sample of 89 executives in those sampled firms. The results of the correlation coefficient analysis and regression analysis proved that the Protean Career Attitude has positive and significant impact on career development, job satisfaction and job involvement.*

**Keywords:** Protean career attitude, Job satisfaction, Job involvement, & Career development

## **Introduction**

Career management is one of the important concepts that have changed in new organizational life. The past organizations had a rigid hierarchical structure, and operated within a stable environment. Thus careers were conventional, sheltered, and linear. Moreover organizations were responsible for employees' career management. In contrast, the organizational system is now in a mode of all change, all dynamic, total uncertainty, and thus careers are unpredictable, vulnerable, and multidirectional. In today's work life employees are expected to take responsibility for their career although they still expect support from their organization. As a result career management responsibility has shifted from organization to employee.

According to the literature of Protean Career Attitude, its emphasis the positive relationship of Protean Career Attitude with Career Development, Job Satisfaction and Job Involvement. Number of studies have carried out to experiment this relationship and most of the studies have found that there is a strong positive relationship between Protean Career attitude and Career Development, Job Satisfaction and Job Involvement.

## **Protean Career Attitude**

The word "protean" is taken from the Greek word Proteus which symbolizes a Greek myth in which Proteus had a strange ability to adjust shapes to avoid threats. Through protean career attitude employees make themselves employable through a sequence of self-management behaviors so that they can understand their full potential and accordingly set goals so as to attain career development (Briscoe & Hall, 2006). The protean career attitude utilizes his or her own values rather than organization's to lead career (Briscoe, Hall & De Muth, 2006). Protean career according to (De Vos & De Soens, 2008) sets the foundation for career management initiatives which might comprise one or both of the following: (i) Learning about oneself and (ii) Taking realistic initiatives. Interestingly industries exert a pull on individuals who are labeled as 'protean career architects' (Buelens & Van den Broeck, 2007).

## **Literature Review and Statements of Hypotheses**

### **Relationship between Career Development & Protean Career Attitude**

Career development is the lifelong process of managing progression in learning and work. Career development is directly linked to the goals and objectives set by an individual. According to Baruch (2004), by the end of the 1970s it was clear that organisations required new ways to deal with employee development across their career management systems. Today's world of work requires individuals to have several career paths, each making progress through diverse career stages within their particular life stage. These career stages do not have exact age limits and characterise the repeated progression of development through subjective career experiences and fresh career choices as their self-concept on track. According to Schein modern career concept is more related to individual not for organization as in traditional career concepts. This self-concept of career is called protean career which is introduced by Hall (1996).

According to the (Briscoe & Hall, 2005), protean career as a career in which the individual is values driven in the logic that the individual's inner values grant the direction and quantify of achievement for the individual's career and Self-directed in individual career management having the capability to be adaptive in provisions of performance and learning demands. Based on this interpretation of the protean career, individuals can be higher or lower, weaker or stronger, in provisions of being values driven, and/or self-directed in career management. There are four main categories of career as seen in the course of the protean perspective, such as dependent, reactive, rigid, and protean. A person who is with only one aspect such as values driven or self-directed in provisions of career management would be considered "dependent," as those individuals are actually not capable to describe priorities or behaviorally handle their career on their own.

Protean Career Attitude will enhance employee's job satisfaction and involvement towards their own career. This was found in a study conducted by Stroh, Brett and Reilly (1994). The protean career attitude is described as an emotion of personal action, which makes an individual direct his or her own career and this, in turn, should increase thoughts of career Development (De Vos & De Soens, 2008).

Similarly De Vos and De Soens (2008) described career development as an outcome of Protean Career Attitude in a survey of 297 Belgian Employees.

Prior researchers found that individuals with a protean career attitude had a practical personality and were open-minded and motivated in their career management (Briscoe et al., 2006). Moreover, practicality and openness are positively linked with both objective (salary and promotions) and subjective (career satisfaction) indicators of career development (Seibert et al., 1999, Ng et al., 2005). De Vos and Soens (2008) verified that career self-management (individuals' efforts to describe and understand their personal career objectives) fully mediates the positive relationship between protean career attitude and career satisfaction. Based on the above literature it is postulated that

**H1:** There is a significant positive relationship between Protean Career Attitude and employee's Career Development.

### **Relationship between Protean Career Attitude and Job Involvement**

Primarily Lodahl and Kejner (1965) offered the phenomenon of job involvement by discussing a range of data about the impact of job design fundamentals on job involvement. Job involvement is vital element that has important impact on individual employee and organizational outcomes (Lawler, 1986). Li and Long (1999) described job involvement as extent to which an individual show emotional or mental identification with his job. This means if an individual's Job involvement can be elaborated that it is commitment regarding the internalization of values about the justice of work or the importance of work in the value of the individual (Lodahl & Kejner, 1965). Changing world of work need individual prefer to change their work according to the situation. This protean career attitude is a vital factor that affects employee's job involvement. Protean Career Attitude will enhance employee's job satisfaction and involvement towards their own career. This was found in a study conducted by Stroh, Brett and Reilly (1994).

According to Bandura (1986) work related attitudes, such as career commitment, organizational commitment and job involvement, influence the degree to which a trainee is motivated to learn and motivated to transfer, which means protean career characteristics. Mathieu et al. (1993) did not find an important relationship between job involvement and motivation to transfer. However, the work of Noe and Schmitt (1986) and Clark et al (1993) demonstrate that job involvement and protean career attitude are qualifications of learning and behavior change.

Shore, Thornton, and Shore (1990) looked at the distinctiveness of three work attitudes: changing career, job involvement, and organizational commitment. Here change in career refers to protean career attitude. The findings from the study carried out by Shore, Thornton, and Shore (1990) concluded that change in career and organizational commitment was clearer to distinguish. On the other hand, job involvement and change in career appeared to be less clear to distinguish and

employees did not distinguish between the two. So it emphasizes there is a relationship between changing career and job involvement. According to the above literature it is hypothesized that

**H2:** There is a significant positive relationship between Protean Career Attitude and employee's Job Involvement.

### **Relationship between Protean Career Attitude & Job Satisfaction**

The major contribution on defining job satisfaction is by Locke (1976), who defined it as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Implicit in Locke's definition is the importance of both affect, or feeling, and cognition, or thinking. Preliminary attention in job satisfaction has been marked by variety of ideas and research methods. According to Locke (1976), one of the most important definitions of job satisfaction is "a pleasant or positive emotional state resulting from the individual's assessment of the work or work experience". Therefore job satisfaction can be defined as an individual's affective response to work. Organ & Near (1985) have further described the concept of employee satisfaction on cognitive and affective factor, and have called into the inquiry the adequacy of previous measures of job satisfaction, with the regard of their sensitivity to both factors (Kaplan, Warren, Barsky & Thorensen, 2009).

Protean Career Attitude has become a vital factor for organization as well as for individual. It enhances the performance of individual as well as the organization. Protean career attitude will have an impact on several factors which is organizational outcomes and behavioral outcomes. Job Satisfaction is a behavioral outcome which is impacted by Protean Career Attitude.

Protean Career Attitude will enhance employee's job satisfaction and involvement towards their own career. This was found in a study conducted by Stroh, Brett and Reilly (1994). In a study comparing data collected in 1978 and 1989, (Stroh et.al. 1994) found proof of this move from a focus on the organization to a focus on one's own work; satisfaction with the company decreased from 1978 to 1989, but job involvement and job satisfaction increased.

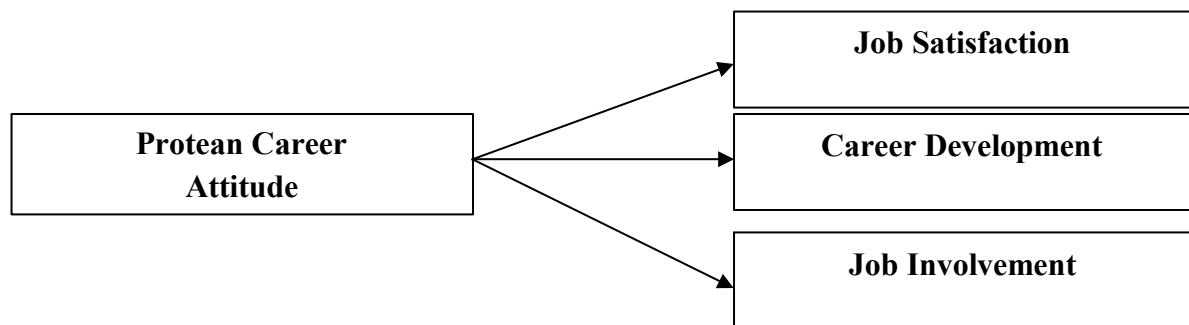
Protean Career will Result in Job Satisfaction, life satisfaction and intention to stay (Lan Cao, Andreas Hirschi, Juergen Deller). Further they indicated protean career attitude will positively link with cross-cultural adjustment, career and life Satisfaction, and intention to stay, which were strong indications of satisfaction. The global business environment has become more dynamic and unpredictable, which requires more flexibility and adaptability from both organizations and employees (Sullivan and Arthur, 2006; Deloitte, 2010).

Smart and Peterson (1997) reviewed the intentional versus unintentional career change typology and recommended that a number of studies indicate that unintentional career change results in poorer job satisfaction. This is probably not shocking as the individual has probably been forcibly moved from a position in which there may have been at least a degree of satisfaction. This is referred to as protean career

attitude where individual like for change in their work life. Their own study found that intentional career change resulted in higher overall job satisfaction. In discussing the connection between work and mental health Warr (1987; cited in Landy, 1989) suggests that workers who do change jobs frequently experience higher levels of job satisfaction which results in reduced levels of symptoms characteristic of emotional confusion. Based on the above literature it is hypothesized that

**H3:** There is a significant positive relationship between Protean Career Attitude and employee’s Job Satisfaction.

**Figure: 1. Conceptual Framework of Protean Career on Job Satisfaction, Job Involvement & Career Development**



### Study Setting, Design and Sampling

#### Methodology

The protean career attitude continues to be an essential element for all employees striving for excellence with new emerging organizational reality where increase competition, workforce demographic changes, business developments and technology changes become highly volatile. It is becoming ever more an important method that equips organization with the flexibility, adaptability and durability required for survival. But Protean Career Attitude is a new concept introduced by Hall (1996). Since it is a new concept it is not much popular in Sri Lankan context. But it is in the stage of emerging and some large scale companies practice this concept through boundless concept. Hence for the purpose of the study the researchers have selected employees in 3 large scale food and beverage manufacturing firms in Sri Lanka. The main reasons for selecting these firms for the study was, since these firms practice Boundless concept to improve protean career attitude within their employees as well as those are the largest Multinational companies operate in the same industry.

The target population of this study is the all the executive employees in those sampled firms and it is around 600. However in research the theoretical model consist of several variables and the question arises on one can decide the sample size (Sekaran and Bougie,2009). As in Sekeran and Bougie (2009) Krejcie and Morgan (1970)

introduced a table to decide the appropriate sample size to represent a certain population size. Such table provides generalized scientific guideline for sample size decision (Sekaran and Bougie, 2009). In order to represent a study population of 600 the required sample size is 247. The researchers distributed 300 questionnaires among the sampled firms and got response only from 95 respondents but only 89 questionnaires were in usable state. The respondents rate of answering the questionnaire was 36%.

### **Measurement**

From a review of literature a comprehensive survey questionnaire was adopted from different standard questionnaires related to sub variables to collect data for the study. Job Satisfaction related questions were randomly selected from the survey “Employee Satisfaction Survey Questions” by Smith.(2013), Job Involvement related questions were selected from the paper “A Study into Organizational Commitment and Job Involvement: An Application Towards the Personnel in the Central Organization for Ministry of Health in Turkey” by Akyay and Gonca (2009), Ozean Journal of Applied Sciences (2009), Career Adoptability related questions were selected from the research paper “Validation of an adapted French form of the Career Adapt-Abilities Scale in four Francophone countries” by Savickas & Porfeli (2012), Journal of Vocational Behavior, (2013), Self Awareness related questions were selected from survey questionnaire, Cips Coaching and Consultancy, Assessment Questionnaire, “Self-awareness”, Protean Career questions were selected from online sample questionnaire, “Career Questionnaire” and Career Development questions were selected from World at Work, “Total Rewards Professionals’ Career Development Survey” (2013).

The questionnaire included two parts. The first part was on the employees’ personnel information which included 5 questions; second part was on the research information lead to independent, dependant & sub variables such as job involvement, career satisfaction, self awareness & adoptability which included 30 questions, which will consists 5 questions that indicate each sub variable. The answers for all questions were rated on five - point likert scale which included strongly agrees, agree, neutral, disagree and strongly disagree.

### **Reliability of the Construct**

Reliability of measure is established by testing both consistency and stability (Sekaran, 1999). The internal item consistency reliability was examined with Cronbach’s alpha test. The Cronbach’s alpha coefficient was calculated for aggregate sample of 50 respondents. The results revealed that alpha value of questionnaire was .913 suggesting that the internal reliability of the instrument was highly satisfactory. There are three main kinds of evidence in support of content validity and they are: (1) the judgment of those who construct the instrument or other experts familiar with the subject area; (2) detailed definition or conceptualization and operationalization of the behavioural domain or universe of interest; and (3) indirect way- high internal



consistency reliability (Opatha and Ali, 2008; Sekeran, 2006). As far as the variables (constructs) under this study are concerned, meeting of these three requirements was done satisfactorily assuring content validity.

**Data Analysis and Presentation** In this study there are three depending variables which need to be analyzed with the independent variable. Accordingly first hypothesis if there is a significant positive relationship between protean career attitude and career development. The appropriate statistical techniques were to analyze the relationship are correlation and regression and the desire level of significance is 0.01 (99% confidence level). The table 1 shows the results of the correlation. According to the Pearson correlations analysis, the correlation is  $r = 0.758$ , It is very strong positive relationship. The significant value is  $P = 0.000$ ; it is less than the tested alpha value ( $\alpha$ ) of 0.01. So the correlation is significant. Therefore the hypothesis H0I is rejected and H1 is accepted. It indicates that there is a positive relationship between these two variables. Statistically it can be concluded that there is positive relationship between the tested variables. Table number 2 shows the regression analysis of protean career attitude and career development.

**Table 1 Correlation analysis for Protean Career and Career Development**

		Protean Career Attitude	Career Development
Protean Career Attitude	Pearson Correlation	1	.758(**)
	Sig. (2-tailed)		.000
	N	89	89
Career Development	Pearson Correlation	.758(**)	1
	Sig. (2-tailed)	.000	
	N	89	89

\*\* Correlation is significant at the 0.01 level (2-tailed).

R Square = 0.575 If  $R > 50\%$ , then the model has good fit. Since,  $R = 57.5\%$ , which is indicates 57.5% of the variability in Career Development (Depended variable – y) is explained its linear relationship with the Protean Career Attitude (Independent variable – x). The balance 42.5% could be due to other factors which are not taken in to consideration for this research.

**Table 2 Regression analysis for Protean Career Attitude & Career Development**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.758(a)	.575	.566	.41411

a. Predictors: (Constant), Protean Career Attitude

The second hypothesis of the study considers that there is a significant positive relationship between Protean Career Attitude and employee’s Job Involvement. Result of the correlation shown in Table 3. According to the Pearson correlations analysis, the correlation is  $r = 0.633$  It is strong positive relationship. The significant value is  $P = 0.000$ ; it is less than the tested alpha value ( $\alpha$ ) of 0.01. So the correlation is significant. Therefore the hypothesis H0II is rejected and H2 is accepted. It indicates that there is a positive relationship between these two variables. Statistically it can be concluded that there is positive relationship between the tested variables. Table number 4 shows the regression analysis of protean career attitude and job involvement.

**Table 3 Correlation analysis for Protean Career and Job Involvement**

		Protean Career Attitude	Job Involvement
Protean Career Attitude	Pearson Correlation	1	.633(**)
	Sig. (2-tailed)		.000
	N	89	89
Job Involvement	Pearson Correlation	.633(**)	1
	Sig. (2-tailed)	.000	
	N	89	89

\*\* Correlation is significant at the 0.01 level (2-tailed).

R Square = 0.40 If  $R > 10\%$ , then the model can be accepted. Since,  $R = 40\%$ , which indicates 40% of the variability in Job Involvement (Depended variable – y) is explained its linear relationship with the Protean Career Attitude (Independent variable – x). The balance 60% could be due to other factors which are not taken in to consideration for this research.

**Table 4 Regression analysis for Protean Career Attitude & Job Involvement**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.633(a)	.400	.388	.53529

a. Predictors: (Constant), Protean Career Attitude

The second hypothesis of the study considers that there is a significant positive relationship between Protean Career Attitude and employee's Job Satisfaction. Result of the correlation shown in Table 5. According to the Pearson correlations analysis, the correlation is  $r = 0.691$  It is strong positive relationship. The significant value is  $P = 0.000$ ; it is less than the tested alpha value ( $\alpha$ ) of 0.01. So the correlation is significant. Therefore the hypothesis H0III is rejected and H3 is accepted. It indicates that there is a positive relationship between these two variables. Statistically it can be concluded that there is positive relationship between the tested variables. Table number 6 shows the regression analysis of protean career attitude and job satisfaction.

**Table 5 Correlation analysis for Protean Career and Job Satisfaction**

		Job Satisfaction	Protean Career Attitude
Job Satisfaction	Pearson Correlation	1	.691(**)
	Sig. (2-tailed)		.000
	N	89	89
Protean Career Attitude	Pearson Correlation	.691(**)	1
	Sig. (2-tailed)	.000	
	N	89	89

\*\* Correlation is significant at the 0.01 level (2-tailed).

R Square = 0.478 If  $R > 10\%$ , then the model can be accepted. Since,  $R = 47.8\%$ , which is indicates 47.8% of the variability in Job Satisfaction (Depended variable – y) is explained its

linear relationship with the Protean Career Attitude (Independent variable – x). The balance 52.2% could be due to other factors which are not taken in to consideration for this research.

**Table 6 Regression analysis for Protean Career Attitude & Job Satisfaction**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.691(a)	.478	.467	.41625

a. Predictors: (Constant), Protean Career Attitude

### Findings and Recommendations

In this stage, researcher has explained some recommendations regarding protean career attitude. This can be considered to improve employee’s career development, job satisfaction and job involvement in future. There are number of approaches to improve the level of protean career attitude. Whatever the approaches used, the protean career program should increase the level of career development, job satisfaction and job involvement.

Specific guidelines have been found to improve protean career attitude within the organization and the employee. Such easily implementable guidelines make the protean career attitude practical for more effective employee’s career development, job satisfaction and job involvement.

- Improve the boundryless career concept in order to increase the protean career characteristics.
- Make space for attitude training which will create the protean career attitude within the employee.
- Focus on both the reflective and behavioral outcomes of career.
- Employee should give necessary importance protean career characteristics and give an advice or counseling to the employees to encourage the interest and confidence.
- Organizations should make space for career development based on diversify knowledge which will enhance the protean career characteristics.
- Individuals should follow their own scripts they will face unique challenges in being aware of themselves, alternate career possibilities, and change strategies.
- Individual should be more responsible for managing their career in order to benefited from career opportunities.
- Promote learning though relationships and work.
- Promote work planning not career planning.

### Conclusion

The success of an organization depends on the employee’s performance and satisfaction. Protean career attitude is a vital factor to increase employee performance and satisfaction. Success of protean career is not only depended on employees but also it depends on management. Management could be able to create possibility for protean career within the work environment. Hence, protean career attitude should be motivated by creating an effective boundless career concept within the organization.

The results of this study lead to confirm the prediction made by the researcher regarding a significant and positive relationship between perceived systematic use of protean career attitude and perceived degree of employees’ career development, job satisfaction and job

involvement for employees. It is more likely that an improvement of the protean Career Attitude for employees in executive level results in an improvement of their performance and satisfaction.

Summary of this research indicates that, perceived level of protean career attitude for Unilever Lanka employees is high. There are no great needs to improve protean career attitude. So in order to achieve improvements in employee's performance and satisfaction, there are some levels of more possibility for protean career attitude is needed.

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## **Tourists' Willingness to pay for Destination Quality Improvement in Komodo National Park**

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### **Abstract**

This study is to identify the willingness to pay (WTP) and willingness to Contribute (WTC) in helping conservation in Komodo National Park, also to determine what factors affecting WTP and WTC of tourists. Descriptive statistical analysis techniques used to determine the value of WTP and know how their WTC for conservation. This study also used Cross-Tab data analysis techniques with Chi - Square test analysis to determine what factors affecting WTP and WTC. The mean of WTP values obtained for domestic travelers is < Rp. 200,000 while foreign tourists amounted to < US \$ 20. 66% of tourists are willing to participate in conservation. The result showed that the factors that have significant relevance to the WTP tourists are last marital status and occupation, whereas factor that has been linked to the WTC of tourists is aged travelers

### **Keywords**

Willingness to pay, willingness to contribute, Komodo National Park.

# 1 Introduction

Indonesia is the largest archipelagic country in the world with abundant natural resources with a total of 17,508 islands, comprising five large islands and small islands with vast land and sea areas and diverse ecology. Compared with other foreign exchange earning sectors, tourism is a source of foreign exchange earning which occupies the fifth position after oil, coal, rubber and apparel.

Government of Indonesia under the leadership of Mr. Joko Widodo and Mr. Jusuf Kalla make the tourism sector as a locomotive of national economy. The steps taken by the government especially the Ministry of Tourism in realizing the policy is through the determination and development of destinations throughout Indonesia to be able to hook the number of tourists as much as 20 million by the end of 2019. In 2016 the government has set 10 priority tourist destinations, including Labuan Bajo, Borobudur, Mandalika, Bromo-Tengger-Semeru, Thousand Islands, Toba, Wakatobi, Tanjung Lesung, Morotai, and Tanjung Klayang. Ten priority tourist destinations are expected as the right step for tourism acceleration in order to reach the target of tourist visits in 2019 ([www.kemenpar.go.id](http://www.kemenpar.go.id)).

Labuan Bajo as one of the favored destinations as the capital of West Manggarai Regency, East Nusa Tenggara Province. The city has a very strategic geographic location, since Labuan Bajo is located in the western part of Flores Island which is the entrance of the region from the western part. Labuan Bajo is surrounded by a cluster of small islands with sea ports and natural tropic scenery, especially at sunset. Labuan Bajo is also an ecotourism-based tourist destination.

One of the attractions of Labuan Bajo based on ecotourism since 1984 is Komodo National Park (KNP). By UNESCO has been made as a world-class natural heritage. The area became the original habitat of the endemic species of Indonesia is Komodo (*Varanus komodoensis*), the largest lizard in the world that is currently protected its existence. The existence of the Komodo dragon is highly protected internationally because it is the only ancient reptile that can survive until now whose original habitat is found only in KNP.

The increase in the number of tourists showed an increase in the popularity of tourist destinations TNK, this is certainly a good thing. However, on the other hand an increase in the number of such visits also create their own concerns, which may reduce the ability of the park to carry out its primary function as a conservation area. Loss of biodiversity is becoming an increasing global concern (Pyne, 2013). The decreasing of the main function of KNP as a conservation area is indicated by the decrease of population of Komodo dragon. In 1981, Walter Auffenberg conducted a study that found that the population of the Komodo dragon was estimated at 7,213 in KNP. Then in 2014 research on the number of Komodo dragons in KNP conducted by Maria R Panggur, S.Hut, said that the population of dragons in KNP is estimated to number 5,933 tails. This is a phenomenon that requires KNP to re-prioritize its main function as a conservation area other than as a tourist destination.

Conservation efforts require a high cost, therefore it takes a variety of funding sources to do these conservation activities. Various sources of funding for the conservation of the KNP can come from the government and also tourists who visit the tourist destination. This is an effort to educate and build awareness of tourists on the conservation value of KNP, which can be realized in the form of contributions in the form of admission and donation. Revenue from such a fee could also be used to improve visitor interpretive facilities and educational programs (although some visitors may not need or want such programs) that could further strengthen conservation objectives. The money could also be used to purchase land/forests (Tisdell & Wilson, 2003).

Currently KNP impose different pricing policies for domestic and foreign tourists. This different admission pricing policy is based on Government Regulation No. 12 of 2014 on Types and Tariffs of Non-Tax State Revenue (PNBP) applicable to the Ministry of Forestry. Under the policy, foreign tourists are required to pay Rp. 150,000 per person, while domestic tourists are only required to pay Rp. 5,000 per person. The admission price of KNP is still relatively cheap compared to other national parks in Indonesia. A profound understanding of visitors' perceptions regarding environmental management practices will furthermore assist national park managers in improving the management thereof and educating tourists about environmental issues and best practice behaviour. Tourists are seen as significant role-players in terms of their contribution to environmental management in national parks (De Witt, 2015).

Therefore, research on willingness to pay needs to be done with goal (1) to identify the value of WTP (willingness to pay) tourists in the form of admission to KNP (2) to identify WTC (willingness to contribute) to effort Conservation of Komodo dragons in KNP (3) to determine factors that have relation to willingness to pay and willingness to contribute in conservation efforts in KNP.

## **2 Literature Review**

National park like other environmental resources and public goods used by humans can benefit in many different ways. Those environmental resources have many functions relating to the ecological functions. They also offer recreational resources to everyone who visits this park. National parks which are offered as ecotourism sites can enhance national income, and have economic impacts to society around the area of national park. Then, it can make up the national economic growth. A strategy that could be formulated and implemented by the government and the private sector in managing the national park that would combine both the opportunity and challenge is by getting revenues from use of the resources by charging entrance or user fees (Shamsudin, et. al., 2009). National parks were established primarily to conserve and enhance natural scenery, wildlife, and cultural heritage (Kaffashi, 2015). The Economic valuation plays a key role in the measurement of damages from ecosystem degradation (Bal & Mohanty, 2014). By charging visitors an economically viable entrance fee to nature based ecotourism sites is one of the promising options that would curtail the problem of fund inadequacy for conservation in many destinations (Adamu, 2015).

According to Pearce (1994), Willingness to pay is an individual's willingness to pay for an environmental condition (an assessment of natural resources and natural services) in order to improve the quality of the environment. In the WTP is calculated how far the ability of each individual or society to pay or spend money in order to improve environmental conditions in accordance with the standards it wants. This willingness to pay is based on the consideration of the costs and benefits that the customer will receive. In this case the WTP is the value of the potential utility of natural resources and environmental services. Samdin et.al. (2010) said, the most important recent issue for national parks is that of inappropriate entrance fees. This creates several problems in parks; the most common is a lack of income generation. Sources of information such as knowledge of visitor profile, trip characteristics, and paying characteristics are important for any development plan at protected areas and national park. The data on visitor profile is useful in identifying target groups, so that the relevant authority can develop more specific guidelines and plans in promoting and marketing. Willingness to Pay (WTP) routinely identified through a questionnaire-based approach, and has been used as a guideline to develop an efficient pricing in protected areas (Cameron, 1988). Examining how visitors recreate in parks, the financial support visitors are willing to bestow upon parks, and the relationship between these two factors, may help park managers improve facilities and services under their



direction. Park managers may also be able to more precisely tailor the opportunities they offer to all segments of the population (Whiting, 2011).

### **3 Methodology**

Analysis technique in this research is Descriptive Statistic Analysis. Descriptively the data will be analyzed in the form of cross table analysis and the results will be described in accordance with research objectives. The total respondents were 300 pax. The descriptive statistical analysis method is to identify the value of Willingness To Pay of respondents and the value of Willingness To Contribute on Conservation of respondents, the data source used is the primary data in the form of interviews and questionnaires. The data collected in this study will also be analyzed inferential statistically using Chi-Square method, to analyzing the factors that influence the willingness of tourists to pay. The data source used is the primary data in the form of interviews and questionnaires. The factors based on demographic of tourist.

## **4 Result and Discussion**

### **4.1 Profile of Tourist in Komodo National Park (KNP)**

Respondents of domestic tourists who visited KNP came from various provinces in Indonesia. Most of the respondents came from East Nusa Tenggara 19.3%, followed by Bali 19.3%, Jakarta 10%, East Java 9.3%, West Java 7.3%, and the rest came from Central of Java, Kalimantan, Sumatra and West Nusa Tenggara. This proves that the interest of local tourists to visit KNP is considered quite high. While foreign tourist respondents dominated by tourists who come from Europe, which is equal to 70.7%. From the data obtained comparison between tourists from Europe and travelers from other continents, exceeding half of the number of respondents. Tourists who come from other than Europe are American 16.7%, Asia 2.7%, and Australia is 10%. It can be concluded that the market share of tourists in KNP is a tourist who comes from Europe.

Most of the domestic tourists who come to KNP are dominated by tourists from 18-25 years old and 26-35 years old, with the percentage of both groups are 44% and 38.7%. This indicates that domestic tourists from the younger age group are larger than the old age group. So the market share of tourists to KNP is a young traveler. Dominated by male tourists with a percentage of over is 62%. It can be concluded that tourism activities in KNP more favored by men. More domestic tourists are still single with a percentage 64%, with the last education level of more than 58.7% are graduates of bachelor and high school 31 %. The type of work of domestic tourists who come to visit the KNP is very varied. 34% work as an employee, professional 24.7%, students 15.3%, self-employed 13.3%, and the rest are civil servants and housewives. Annual income level is at most <20 million rupiah with 48%.

For foreign tourists who come to KNP is also dominated by tourists from the age group 18-25 years (33.3%) and the age of 26-35 years (46%). It also shows that the interest of foreign tourists from the young age group is greater than the old age group. So the market share of foreign tourists to KNP is a young traveler. Similarly with domestic tourists, foreign tourists who visit the KNP more tourists are male with 52%, but also many tourists who visit is female. So can be concluded that tourism activities in KNP for foreign tourists are favored by both men and women, with single of marital status is 68%, and the last education level varies that are 38% is bachelor degree, 24% is high school, 23% is master degree, and 12% is doctoral. This shows that some tourists who visited the KNP has a relatively high

level of education. Based on the type of work, foreign tourists who come to KNP consists of various fields, but also dominated by professionals 52.6%, business 12.7%, students 10%, with varying levels of income.

The characteristics of domestic tourists to visit based on the number of visits to KNP in the last 3 years, the first time tourists visited 64.7%, who visited twice 12.7% is 10% for those who visit more than three times. The largest percentage of visiting destinations was for a holiday is 88.7%. Based on sources of information obtained on KNP, the largest source of information is through family/friends with a percentage is 48%, internet 26%, and social media 14.7%. Based on travel companions chose to travel with friends is 58.7%, visited with family is 20%, with group 14.7%, and 6.7% chose to visit alone. The decision maker visited to KNP 48.7% determined by own decision, by friends 27.3%, by the family 14.7%, and the company 9.3%. The cost of tourists to visit under Rp. 1 million 38.7%, from Rp. 1.1 million to Rp. 2 million 24%, Rp. 3.1 million to Rp. 4 million is 22.7%, and Rp. 2.1 million to Rp. 3 million 14.7%. The duration of visit in KNP under 5 hours 57.3%, visit time 5-10 hours 26%, over 15 hours 10.7%, and 11-14 hours 6%.

As for the characteristics of foreign tourist visits, who visited the KNP for the first time 90%, the second time is 6.7%, and who visited more than 3 times 3.3%. The greatest goal is for a vacation is 92%, for photography 4%, 2.7% for learning, and exercise is 1.3%. Based on information sources before visiting KNP, the most information from the internet 38%, from Family/Friend/Relative 31.3%, social media 7.3%, media such as Television is 6.7%, by Travel Agent is 6.7%, book is 5.3%, from magazine is 1.3%, and from other sources is 3.3%. Based on travel companions to KNP with friends is 54%, alone 22%, with family 20%, The rest travel with group is 4%. Based on making a decision to visit KNP, by own decision 74%, by family 9.3%, by friends 14.7%, and by company is 2%. The cost of preparing for a visit is less than US \$ 200 39.3%, US \$ 201 - US \$ 400 is 30.7% US \$ 401 - US \$ 600 17.3%, and more than US \$ 600 12.7%. The length of visit in KNP less than 5 hours was 38.7%, 5-10 hours 10%, then long visit 11-14 hours 8.7%, more than 15 hours 42.7%.

#### **4.2 The willingness to pay (WTP) and willingness to Contribute (WTC) in helping conservation in KNP**

For domestic tourists, more than half of respondents stated willing to pay more, with a percentage is 96.7%. The availability of domestic tourist to pay more than entrance ticket to KNP most respondents choose to pay a smaller than Rp. 200.000 This is probably due to the market share of KNP is from the young age group who have not had a job and fixed income. The main reason of domestic tourists who do not want to pay more because conservation is the responsibility under the auspices of the government. While foreign tourists amounted to < US \$ 20 or do not want to pay more than the entrance fee that has been set by the KNP. More than half of the total respondents said they did not want to pay more with a percentage is 67.3%.

Domestic tourists' willingness to contribute (willingness to participate in conservation) is 77.3% of respondents said they would participate in conservation. This means the level of concern of domestic tourists to conservation is high. But also not a few respondents who declared do not want to participate in conservation, which is 34 respondents. While foreign tourists to participate in conservation efforts in KNP, 54.7% said they wanted to participate. It also shows that the level of awareness of foreign tourists on conservation is quite high.

Domestic tourists have willingness of to contribute in conservation efforts in KNP, 63.3% by donation, and the rest refuse to donate, this is because not all respondents have more income. But as

many as 13 respondents said they wanted to donate every year to the KNP. 55.3% foreign tourists said willing to contribute by donation in conservation efforts in KNP, and the rest refuse to donate, 81 respondents said they wanted to donate only every they visiting KNP, and 2 respondents stated that they wanted to donate every year to the KNP. The reason of foreign tourists do not want to donate are because of many confusing rules, it is not time to donate, it is included in the entrance ticket, my distant residence, they do not have money to donate, and there is the opinion that nature does not require intervention of human.

Regarding the sector that is trusted to manage the funds by domestic tourists, respondents trust the government and local communities more. But for foreign tourists, the sector that is trusted to manage conservation funds respondents more trust local community and NGO.

### **4.3 The factors affecting WTP and WTC of tourists**

The relation of the age of tourists, according to the results of chisquare testing, domestic tourists have significant relation to the variable of domestic tourists desire to pay more, as well as for foreign tourists. While the variable of the tourists desire to participate in conservation, the result to domestic tourists expressed has significant relation. But for foreign tourists do not have significant relation to the variable of tourists desire to participate in conservation. For the variable desire to donate has no significant relation to the variable desire to donate, both for domestic and foreign tourists.

The relation of marital status of tourists, domestic tourists have no significant relation to the variable of tourist desire to pay more, but the result is different on foreign tourists. Marital status has significant relation to the variable of tourist desire to pay more. Against the variables of tourists' desire to participate in conservation activities, the results of chisquare testing between the marital status of domestic tourists and foreign tourists have no significant relation, similarly result for the variable of tourists desire to donate.

For the relation of income per year of tourists to the willingness of tourists to pay more, for domestic and foreign tourists equally have no significant relation. Similarly, the variable of the tourists desire to participate in conservation and the variables of tourists desire to donate.

The linkage of last education to the variable of tourists' desire to pay more, domestic and foreign tourists have no significant relation. Similarly, the variable desire to participate in conservation and the variables of tourists desire to donate.

For tourists' occupation on the variable of desire to pay more, domestic tourists claim to have no significant realltion. But foreign tourists have significant relation. Against the variables of desire to participate in domestic tourism conservation activities have no significant relation. Similarly, according to test results on foreign tourists. The same result also occurs in the variables of desire to donate in conservation efforts for domestic and foreign torists.

## **5 Conclusion and Recomendation**

Based on the exposure to the above discussion, it can be concluded that the amount of WTP earned for domestic tourists is <Rp 200,000 (meanwhile the entrance fee is Rp 5000) while for foreign tourists <US \$ 20 (currently entrance fee is Rp 150,000). Tourists both domestic and foreign are also willing to participate in conservation efforts in KNP. The willingness of tourists to participate in KNP conservation activities can be a donation.

Not all demographic factors of tourists have significant relation to willingness to pay and to the willingness of tourists to participate in the conservation (willingness to contribute). Factors that have significant relation to willingness to pay are age factors for both domestic and foreign tourists, and marital with employment factors for foreign tourists only. While the willingness of tourists to participate in the conservation (willingness to contribute), only the age factor and for domestic tourists only.

Based on the above conclusions, there are several suggestions. The first is the determination of a more rational admission rates to both domestic and foreign tourists, or does not occur too far gap. Second, increasing visitor trust in conservation fund management through more transparent management by involving stakeholders such as communities and NGOs. Third, socialize conservation programs and report on progress to demonstrate the sincerity of managers in maintaining the sustainability of KNP. And the last is establish conservation programs that involve visitors directly to enhance their sense of responsibility and concern according to the demographic factors of tourists.

This study has many limitations. It is advisable for further research to examine more in-depth WTPs to strengthen this research.

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## **The Study of Adventure Tourism Activities and Tourist's Age Group: A Case Study of Chiang Mai**

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### **Abstract**

The purpose of this study is to obtain a deeper understanding of adventure group tourists engaging in adventure tourism activities, and to examine the association between age and their adventure activities selection, using adventure tourism in Chiang Mai as a case study. Understanding tourists' group selection would help tourism operators target such consumers more appropriately and effectively. Therefore, the researchers are interested in conducting a study in adventure tourism in Chiang Mai due to its unique destination attributes that have potential to develop as the center of adventure tourism in Thailand. The data collection process for this study will be conducted through the use of primary and secondary data. The primary data was carried out using the questionnaire survey. The cross-sectional questionnaire was composed in English and distributed to 400 tourists who can understand English in Chiang Mai.

### **Keywords**

Adventure tourism, Generation Y, Chiang Mai,

## 1. Introduction

In recent years, adventure travels has become a high-growth segment of travel as visitors become more selective and seek new experiences, especially those who want to be more connected with nature (TAT News, 2012). Thailand is one of the top adventure travel destinations in the world. It has a rich cultural heritage and a wide variety of activities for the ‘adventure seekers’. People from around the world come to enjoy beautiful beaches, rich palaces, majestic temples alongside adrenaline pumping experiences such as paragliding, white water rafting, rock climbing, elephant riding and wildlife watching. According to Ministry of Tourism and Sports of Thailand (2012), the number of international arrivals in Thailand increased from approximately 19.2 million tourists in 2011 to around 22.3 million tourists in 2012. As a result of this increase in tourists, the revenue of the tourism industry increased to 1.46 trillion THB in 2012 (TAT, 2013). Since the tourism industry in Thailand is one of the most powerful and lucrative factors that influences the economy in Thailand and generates a majority of local and national revenue which contributes to the economic growth, the Thai government has now emphasized that the tourism in Thailand need to be strengthened. Thai government aims to develop tourism in a nature focused tourism sector as well as the special interest tourism sectors such as adventure tourism, due to its significant of market value and its sustainability (Ministry of Tourism and Sports Department, 2012). The northern region of Thailand is argued to be the most popular destination for those who are interested in nature based and adventure tourism (Wongsawat & Bhuntuvech, 2009). Recognitions to its location and unique attributes of Chiang Mai, like the diverse eco-system and various outdoor activities, along with the striking natural scenery of Chiang Mai, this northern city has been properly called the ‘Rose of the North (Muqbil, 2013)’. Furthermore, the city of Chiang Mai is hailed by the Tourism Authority of Thailand as “a cultural and natural wonderland with ethnic diversity, a multitude of attractions, and welcoming hospitality” (Muqbil, 2013) and has the potential to develop itself into a popular destination for nature-based and adventure tourism.

Chiang Mai is the gateway to some of the country's best inland adventures; Chiang Mai offers a wide variety of unique experiences that will certainly get visitors’ hearts racing. Some of the more popular activities include elephant trekking, white-water rafting, rock climbing, ziplining, bungee jumping, and mountain biking (Muqbil, 2013), popular attraction for the traveling adrenaline seekers. Thus, understanding tourists’ group selection would help tourism operators target such consumers more appropriately and effectively. Therefore, the researcher is interested in conducting a study in adventure tourism in Chiang Mai due to its unique destination attributes that have potential to develop as the center of adventure tourism in Thailand. Destination managers can differentiate themselves and gain a competitive edge over those who offer similar products and services by providing specialized experiences.

The purpose of this study is to obtain a deeper understanding of adventure group tourists engaging in adventure tourism activities, and to examine the association between age and their adventure activities selection, using adventure tourism in Chiang Mai as a case study. Understanding why tourists travel to participate in adventure activities and how they experience them can lead to more effective marketing that, in turn, can lead to a competitive advantage (Kruger & Saayman, 2009). In relation to research objectives, the research hypothesis has been set as: There is a significant relationship between age group of adventure tourists and their adventure activities in Chiang Mai.

Furthermore, it has been noted by both academic and policy makers that providing memorable experiences is pivotal in the experience-based marketplace, particularly in an adventure tourism context (Sthapit, 2013). The findings from this research will assist tourism operators to determine their marketing segmentation and be able to formulate effective tourism packages, promotion campaigns, and add value in their tourism products. It also further provides opportunities for new travel programs, publicity, promotion, alliances and packages to improve in areas that might typically have the least tourist satisfaction.

## **2. Literature Review**

### **2.1 Adventure tourist**

Adventure tourist appeals to a widespread population who are seeking excitement through participation in stimulating activities. It can be argued that tourists are wiser and more emphasis is placed on the attributes to the benefits that they can gain from their trips, especially for the ‘uniqueness’ of experience. Poon (1993) proposes that this kind of tourist is known as “new tourist” and the characteristics of the new tourist may include much more independent travel experience, adventure, and flexibility. One of the distinctive characteristics of new tourists is their desire to achieve some form of fulfilment not met previously and a need to escape from routines and stress from daily life. It is argued that escapism is the main drive to search for distinct experiences and adventure tourism often offers that outlet (Swarbrooke, Beard, Leckie, & Pomfret, 2003, p.59). Typically, adventurers can expect some intrinsic reward as benefit from their experiences, which are self-motivated. Weber (2001) proposes that adventure tourists are often driven by confidence, excitement, thrill, exhilaration, risk, uncertainty, accomplishment and seek activities that are new, unknown, fun, sociable, and can act as a way to manage stress. They are often driven by a specific goal or something essential related with adventure and risk. However, many adventure tourists do not attempt to experience competition with others, but more so between oneself and the physical to find ways to manage challenges (Weber, 2001). This explains why the failure of goal achievement is not necessarily a barrier to achieving a sense of reward, but for some adventure tourists “the sense of giving a good try” is already enough to create satisfaction (Swarbrooke, Beard, Leckie, & Pomfret 2003, p.9-16). Millar (2007) argues that most of the reasons of adventurers seeking to participate in adventurous activities is the desire to have a pivotal experience and to seek out personal fulfilment. He suggests that the adventurer is willing to take risk in order to get both personal pleasure and the emotional rewards that will receive via experiencing the adventure. Varley (2006) suggests that adventure tourists can be divided into two types: Shallow and original adventurer. Adventure tourists are grouped as “shallow”, these are toned down adventurers in “safe” mode through the use of guides; they are only involved with activities of little risk and enjoy carefully controlled experiences and still gain highly emotional satisfaction (Pomfret, 2012, p. 146). The “shallow” adventurer usually is motivated by self-discovery, seeking for experience from a new environment and needs to escape from a routine, looking for excitement, and prospect to socialize in a controllable environment (Lidcome, 1995). In contrast, the more intense version of adventure exist at the opposite side, the “original adventurer” prefers to engage in challenging adventure activities which involve risk, challenges and danger posed that demand previous experience with a high level of competence (Pomfret, 2012, p. 146). This type of adventurer thrives on elements of challenge, risk and danger that are attributes of the adventure (Lidcome, 1995).



Moreover, adventure tourism does not attract only the youth market but extends over a broad range of people and age groups. However, according to the literature review, in general, adventure tourists tend to be young, most have a high level of instruction educated, affluent active thrill seekers who have significant sums of money to spend in their pursuit of adventures (Williams & Soutar, 2009). According to Queensland tourism (2008), adventure tourists tend to be 25-55 years of age, with a higher than average income. They are mostly married more and travel with their spouse or friends. Males and females are equally represented and they seek new and enriched travel experiences. In addition, research suggests the adventure travellers of today have little or no experience in their adventure activity of choice, expect high levels of instruction, and require assistance and safety monitoring (Buckley, 2000).

To conclude, the perception of adventure is subjective and varies. People are driven with different factors to take part in different adventure activities. Thus, studies for better understanding the association between age and their adventure selection would help marketers recognize the different classes of adventure tourists.

## **2.2 Characteristics of Adventure Travellers by Generation**

The characteristics of adventure travellers vary according to age group. According to previous studies, young people, adults and older people have differences in their travel behavior (Su & Bell, 2009; Best & Lanzendorf, 2005). These differences occur because they engage in different types of activities. According to the Adventure Tourism Market Report 2010, different age group has different travel characteristics (Adventure Travel Trade Association, 2010). The generational age cohorts of Baby Boomers (individuals born in the years 1944-1960), Generation X (individuals born in the years 1961-1980), and Generation Y (individuals born in the years 1981-2000) (Zemke, Raines, & Filipczak, 2000) is used for comparing travel characteristics and travel behavior of adventure tourists from different age groups.

The younger generation, Generation Y, tend to have small budgets but plenty of time to travel, and often take a 'gap year' after university, or between jobs for travelling. They recognize that their travel experiences will be more limited (time, location, activities) as they get older, thus travel is the vital format for Gen Y and they are looking to get the most out of their experiences (Visit Britain, 2010). Regard to US and Canadian Generation Y Research Summary (Visit Britain, 2010), Gen Y has a passive approach to destination selection and that inspiration is indirectly and constantly absorbed and word of mouth is the most influential form of inspiration for this group. This type of traveller tends to seek authentic experiences and connecting with local people and traveller along their journeys (Adventure Travel Trade Association, 2010). Generation X travellers have often travelled extensively in their youth. They are often navigating the Internet to their tourism information. However, since now that they have jobs and they are time poor, thus they want to get the most possible out of their limited holiday time (Adventure Travel Trade Association, 2010). Therefore, once-in-a lifetime experiences are an important selling point for this group. The Baby Boomer generation is either discovering or re-discovering the adventure travel experience later in life. They have extra time and money and they are curious to do things they could not do in their youth (Adventure Travel Trade Association, 2010). The Baby Boomers prefer soft adventure experiences under controlled conditions that are less physically

demanding and the use of trained guides (Muller & Cleaver, 2000). Moreover, they often value adventure combined with a cultural experience and they tend to book their tour package through tour operators (Adventure Travel Trade Association, 2010).

1 Age segment	2 Characteristic
Generation Y	<ul style="list-style-type: none"> <li>• Small budgets, seeking value</li> <li>• Time for travel, longer trips</li> <li>• Seek authentic experiences/connect with local people</li> <li>• High users of the internet to research travel, especially social networking</li> <li>• Sustainability/responsibility play a high role</li> </ul>
Generation X	<ul style="list-style-type: none"> <li>• Experience of travelling throughout their youth</li> <li>• Adept at navigating the Internet to find good deals and new destinations</li> <li>• Time poor</li> <li>• Big budgets</li> <li>• Demand once-in-a-lifetime experiences</li> <li>• Seek new experiences or want to recreate experiences from youth</li> </ul>
Baby Boomers	<ul style="list-style-type: none"> <li>• Empty nesters have extra time and money to dedicate to holidays</li> <li>• Big budgets</li> <li>• Prefer soft adventure combined with cultural experiences</li> <li>• Less experienced with Internet, more likely to book through tour operators</li> <li>• May take several trips in one year</li> </ul>

**Fig. 1: Characteristics of adventure travellers by age group**

Source: Adventure Tourism Market Report 2010 (Adventure Travel Trade Association, 2010).

### 2.3 Adventure tourism in Thailand and Chiang Mai

In recent years, adventure travel has become a high-growth segment of travel as visitors become more discerning and seek new experiences, especially with nature (TAT News, 2012). In the past, Thailand has only focused on a niche group who prefer to partake in heavy outdoor activities. However in order to make it more suitable for people with low endurance, the higher expectations of comfort and safety come to the forefront. The soft adventure trend is becoming essential for both foreign and domestic tourists in Thailand (Ministry of Tourism and Sports Department, 2012). Adventure tourism in Thailand, as well as in Chiang Mai, is gaining popularity because tourism operators have seen the opportunities in adventure tourism and adapted packages for new clients to make it more suitable for different groups and individual's needs (TAT, 2012). There are beaches and beautiful temples in Thailand to attract certain clients, but there are also several activities for eco-adventure travellers as well, such as rock climbing, bicycling through mangroves, kayaking in the lagoons surrounded by limestone cliffs and diving into the most stunning places in the Andaman Sea. Moreover, travellers can hike through the largest areas of protected forest in Southeast Asia, and observe more than 900 different species of birds (Go Thailand, 2013).

Recently, TAT launched a special adventure travel website called “100 Unforgettable Experiences” divided by type of activities (rafting, diving, elephant jungle riding, rock climbing, kayaking/ canoeing, diving, spelunking, canopy, and others). The website covers adventure travel opportunities in 33 Thai provinces, including Chiang Mai, and offers tips, advice, guidelines, and information on preserving local nature and culture (TAT News, 2012).

Chiang Mai was founded by King Mengrai in 1296 as the capital of the Lanna Kingdom, and Chiang Mai is the second largest city of Thailand. It has a long and mostly independent history, which largely has produced a most distinctive Thai culture. Beyond the city, the province offers some of the most picturesque scenery in the whole kingdom and is one of the most densely forested mountain areas, including Thailand’s highest peak Doi Intanon (TAT, 2013). Chiang Mai is surrounded by natural beauty with deep jungles, rivers and waterfalls, hot springs, forested hills and terraced rice fields. It’s a dreamscape for travelers as well as being rich in cultural diversity with villages of ethnic tribes, Chiang Mai is argued as the most popular trekking destination in northern Thailand (Go Thailand, 2013). Furthermore, Chiang Mai is also one of the three provinces in Thailand offering to be selected as the venue for the World Expo 2020 and was chosen as one of the world’s top 10 cities for the “Best in Travel 2011” by Lonely Planet (Government Public Relations Department, 2011). It also held the North Tourism Forum (CTF) 2011 and was promoted as “The Most Splendid City of Culture’ award for ‘The World’s Best City’, and ‘King of Mountains to the Queen of Andaman’ (Tourism Authority of Thailand Newsroom, 2011). Some of popular adventure activities in Chiang Mai that recommend by Tourism Authority of Thailand are White Water Rafting, Rock climbing, Mountain biking, Trekking, and Canopy/Ziplining.

#### **2.4 Empirical studies related**

Reynolds & Hritz (2012) examined tourists’ profiles and their travel motivation by using travel career ladder model of 347 surfers who were representative of the adventure traveler in the southeastern part of the United States. Their study indicated there was a significant difference in traveling for spontaneous excitement between participants of generation X, generation Y and Baby Boomers. It demonstrates that generation X desired the risk, thrill, the unknown and daring experiences more than generation Y or the Baby Boomers in adventure travel activities. However, most participants traveled in order to meet or maintain current relationships (Reynolds & Hritz, 2012).

There are some empirical researches specific in adventure tourism field in Chiang Mai, Intarasattayapong (2009) conducted the research with the aim to determine the factors that influence the choice of adventure activities in Chiang Mai province of foreign tourists as well as Kantavanich (2009) that conducted a study with the aim to investigate the levels of customers’ satisfaction with the services of an adventure tourism company in Chiang Mai. The finding of Kantavanich (2009) indicates that most foreign adventure tourists were in young adulthood with preference to spend leisure time for travel and adventure. The findings from Intarasattayapong’s (2009) illustrates that the majority of the sample has never been to Chiang Mai before and they are traveling with their families and staying at Chiang Mai for over a week. They mostly get the information regarding adventure activities from their friends or close ones and purchased the tour packages at a tour agency. Similarly to the finding of Kantavanich (2009) that found tourists decided to use the company’s services because of the advice of tour agent. From an overall perspective, the most influential factor in selecting an

adventure activity in Chiang Mai is the product factor and the variety in an activity is a core factor that influences in package selecting. On the other hand, Kantavanich (2009) found that most samples used to buy other forms of adventure tourism services before with the main reason for excitement, and the study also found that the highest level of satisfaction was given to the service quality of tour staff in terms of good service-mind, while website of the company got the lowest satisfaction level. And the other key factors that affect the selection criteria are service, location, resources, prices, and promotions (Intarasattayapong, 2009).

In conclusion, although adventure tourism is recognized as an important, growing tourism segment in Thailand, the primary research to quantify the size and scope of adventure tourists' behaviors in this market for Thailand has been lacking and shows the ineffective development (TAT, 2012). According to the literature and previous studies that relating on adventure tourists behavior, travel motivation and tourism experiences of travelers, provide a useful and practicable approach for understanding travel need and wants. The studies of these pursuits notify us as to what lies behind the drive for traveling and what are tourist experiences in a broader context. Although there are a number of travel motivation and tourism experience studies, few studies have been conducted in relation to adventure tourism in a Thai context. Therefore, given the useful concept in understanding the characteristics of adventure travellers and generations will be helpful for tourism operators and other commercial recreation so they might fully understand more about tourist's behavioral patterns. With the right marketing strategies, it will encourage and entice adventure travel to participate and stay longer enjoying all their favorite activities and increasing the cash flow and enhancing their competitive advantage within this tourism sector.

### 3. Methodology

To determine the sample size, probability sampling method is used in this study. A simplified formula to calculate sample sizes according to Yamane (1967) will be used to calculate the sample size. This formula was used to calculate the sample size for 95% confidence level and precision of 5% are assumed.

According to formula,

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n is representing the sample size

N is representing the population size

e is representing the level of precision

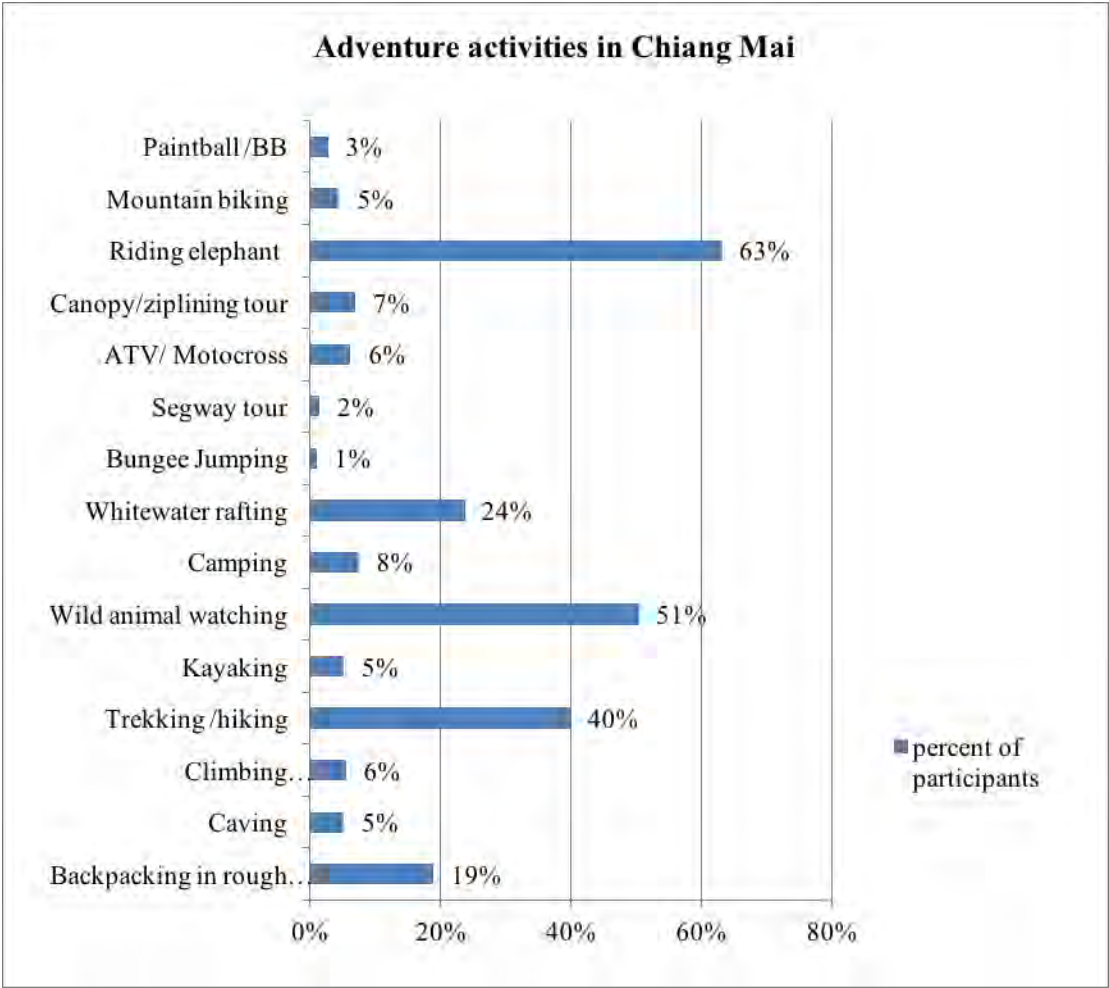
In this study: N = 3,963,171 is the approximate number of tourists who participate in adventure activities in Chiang Mai. Regarding to the interview with tour operators, about 70% of tourists in Chiang Mai participate in adventure activities. Therefore, N is derived from 70% of 5,661,673, total number of tourists' arrivals to Chiang Mai in 2011 the number (National Statistical Office Thailand, 2013). Therefore, the sample size of this research is approximately equal to 400. The data collection process for this study will be conducted through the use of primary and secondary data. The primary

data was carried out using the questionnaire survey. The cross-sectional questionnaire is composed in English and distributed to 400 tourists who can understand English. Furthermore, the data collection will be done at various time of the day, which aims to minimize bias and improve randomness. The secondary data gathered from various sources such as books, articles, journals, government website related to tourism industry, such as the Tourism Authority of Thailand and the Office of Tourism Development websites.

**4. Results and Discussions**

**4.1 Descriptive statistics**

Descriptive statistics were used to describe the data and will be addressed in this section. A general overview of the participants

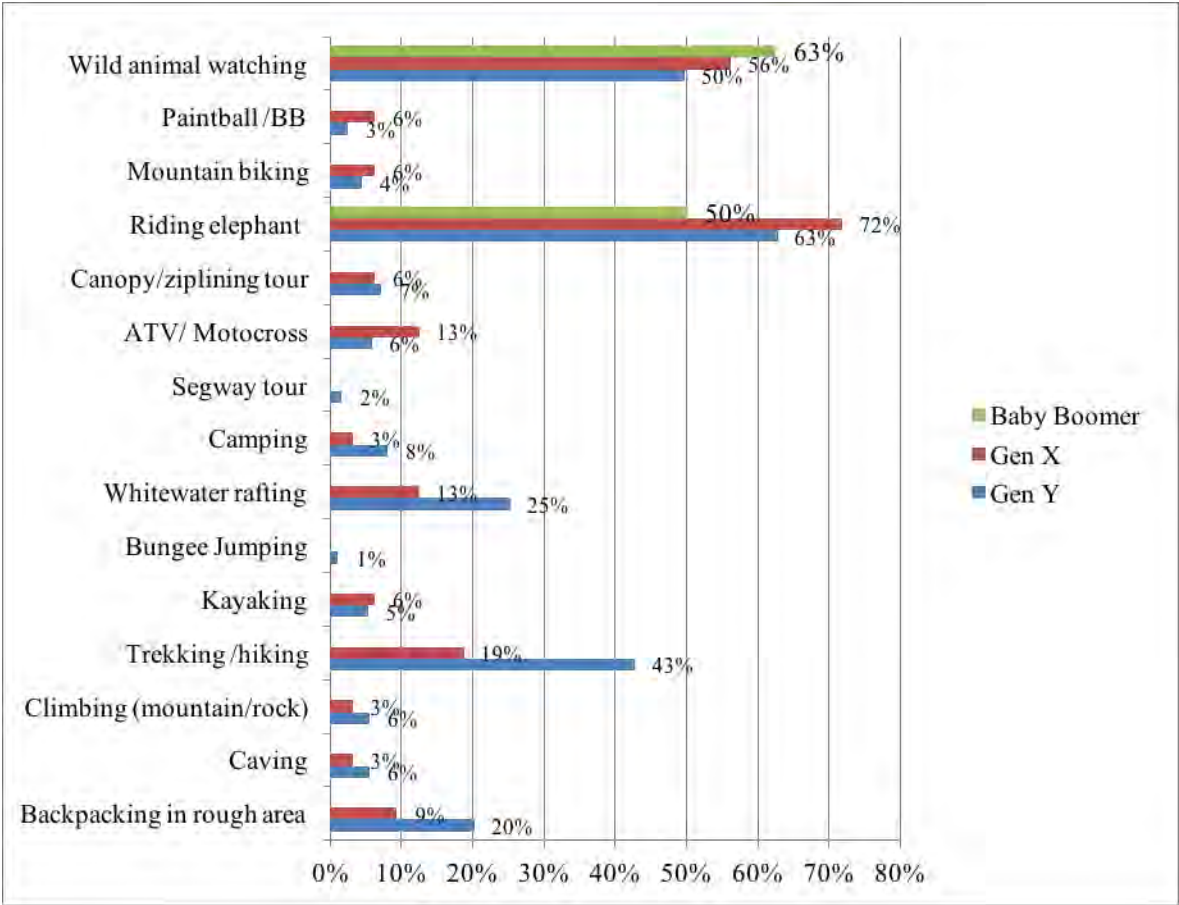


**Fig. 2: Types of adventure activities that participants participated in Chiang Mai**

As can be seen in Figure 2., the finding indicates that the top five popular adventure activities that most of the participants participated in Chiang Mai were riding elephants, wild animal watching, trekking /hiking, whitewater rafting, and backpacking in rough areas, respectively (based on the frequency of adventure activities type selection by the participants). However, as mentioned before that adventure travel is an inherently subjective activity, what is adventure to one person may not be to

another. Thus participants were provided with a list of possible activities. Participants were asked to choose what activities they had participated in.

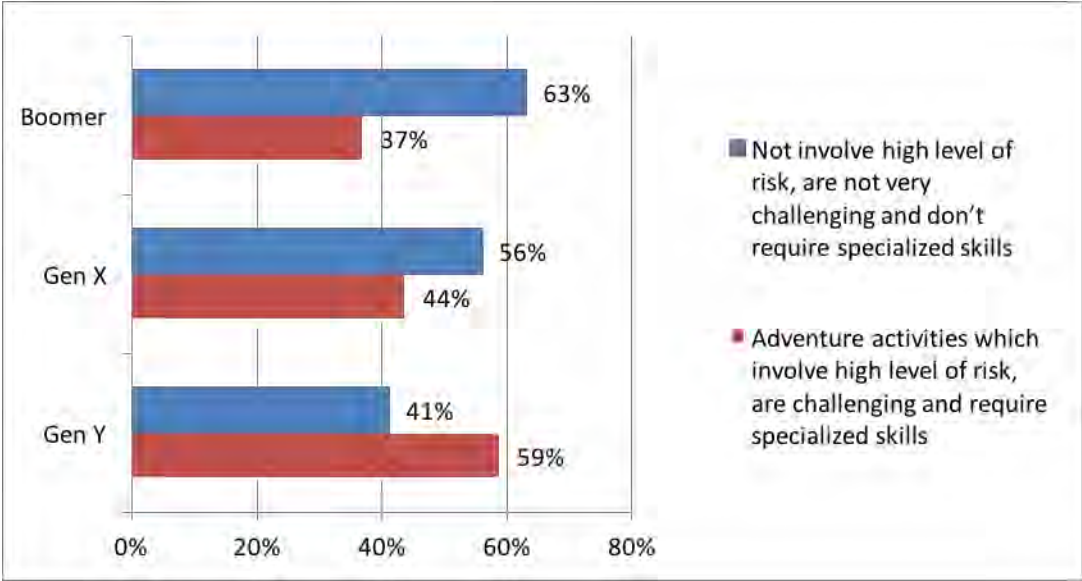
In order to get more detail on participants’ travel characteristics, the table below presents the age groups according to the types of adventure activities they participated in for this adventure trip in Chiang Mai. The generational age cohorts of Baby Boomers, Generation X (Gen X), and Generation Y (Gen Y) were created using the groupings established by Zemke, Raines, and Filipczak (2000). Individuals born in the years 1944-1960 were placed in the Baby Boomer category, while those born between 1961-1980 were in Generation X and those born between 1981-2000 were labeled in the Generation Y group (Reynolds& Hritz, 2012). Therefore, the participants between the ages of 18-35 years old are represented in the Generation Y group, and participants between the ages of 36-55 years old are represented in the Generation X group, and participants who were older than 55 years old are represented in the Baby Boomer group in this study.



**Fig. 3: Types of adventure activities in Chiang Mai participated by different age group of participants**

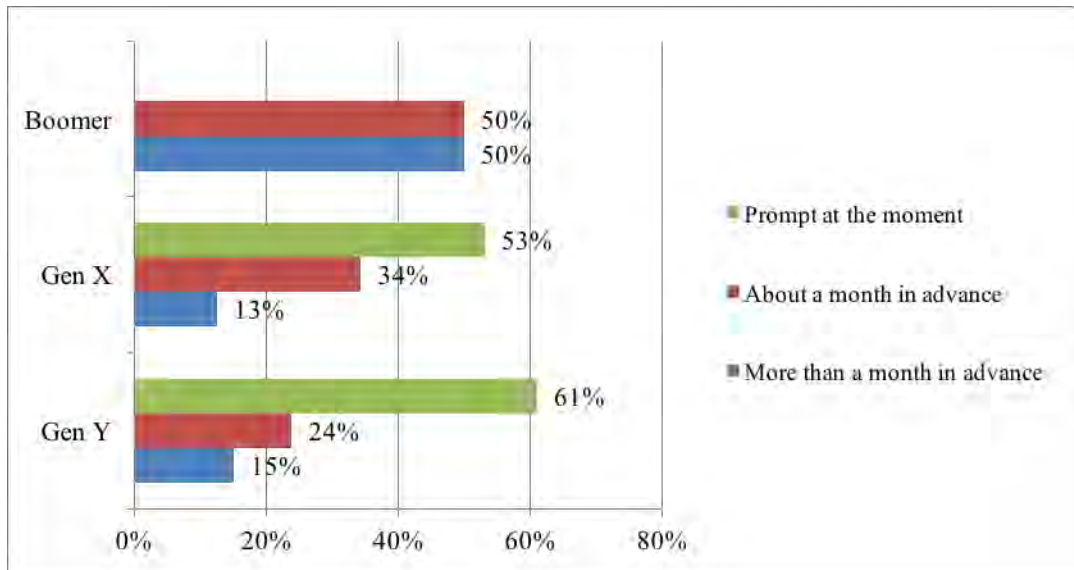
As can be seen in Figure 3., The Gen X and Gen Y were likely to participate in various adventure activities, both in soft and hard adventure activities, while the Baby Boomer only selected to participate in certain activities that do not involve much physical risk like wild animal watching and riding elephant, which belong to the soft adventure category, which is likely due to the Baby Boomer’s physical and health condition.

It can be seen that the younger tended to take the opportunity to travel for an extensive experiences and they are more likely to participate in various types of activities that the place offers. As the finding indicates considerable or significant difference in adventure activities selection among different age groups, therefore a relationship between age and adventure activity of participants is examined later on. Moreover, the finding also shows that the majority of the participants (57.50%) indicated that on their next trip to Chiang Mai they would be more adventurous in their activities; they preferred to participate in adventure activities, which involve high level of risk, are challenging and require specialized skills.



**Fig. 4: Types of adventure trip in Chiang Mai for this trip and next trip by different age groups**

When look into different age groups, Gen Y was the age group with the highest percentage of participants that prefer to be more adventurous on their next adventure trip in Chiang Mai. On the other hand, Gen X and Boomers prefer to play safe in their next adventure trip in Chiang Mai, especially the Boomers, which have the highest percentage of participants that prefer adventure activities that do not involve a high level of risk and require less effort for their next adventure trip in Chiang Mai.



**Fig. 5: Adventure activities planning of participants of different age groups**

Regarding to Figure 5., the finding indicates the Gen X and Gen Y tended to be more spontaneous and decide to participate in adventure activities prompt at the moment when they were in Chiang Mai, particular the Gen Y. Furthermore, both Gen X and Gen Y were less likely to plan long time in advance about their adventure activities in their trip. The finding also illustrate that the Boomer was most like to plan ahead in advance, all of the Boomer participants planed ahead in which adventure activities they would like to participate in. it could be said that the younger is likely to take less time for planning in advance while the older is more likely to take longer time for planning in advance. Moreover, there is no different between male and female regarded on how they decided to participate in adventure activities. Both male and female participants were most like to decided prompt at the moment and were less likely to plane long time in advance about their would like to do adventure activities in their trip.

#### **4.2 Research hypotheses examination**

**Hypothesis 1: There is a significant relationship between age group of adventure tourists and their adventure activities in Chiang Mai.**

As the finding of travel characteristics of participants clearly show that there is a different in age group on adventure activities selection. Thus, it is a significant to examine if there is a relation between age and adventure activity of participants, by using statistical test, Chi-Square, there for Hypothesis1: ‘There is an association between age and adventure activity among participants’ was developed.



Age	Have you done trekking /hiking in Chiang Mai?		
	Yes	No	Total
18 - 25	90 (45.5%)	108 (54.5%)	198 (100.0%)
26 - 35	64 (39.5%)	98 (60.5%)	162 (100.0%)
36 - 45	5 (26.3%)	14 (73.7%)	19 (100.0%)
46 - 55	1 (7.7%)	12 (92.3%)	13 (100.0%)
56 - 65	0 (0%)	8 (100.0%)	8 (100.0%)
Total	160 (40.0%)	240 (60.0%)	400 (100.0%)

Pearson Chi-Square = 14.941 (5), p = .005

**Fig. 6: Chi-Square test on age groups and adventure activities**

According to Figure 6., the study explored the association between age and adventure activity and found that the Chi-Square value from the association between age groups and trekking/ hiking activity was obtained as 14.941 with 5 degrees of freedom and significance probability was 0.005. Thus, the result shows that there is the association between age of participants and trekking/ hiking activity among the participants. The study shows that the majority of participants from age group of 18-25 (45.50%) participated in trekking/hiking in Chiang Mai, and the tourists that prefer trekking are usually younger, as can be seen there is a sharp decrease depending on the age.

Age	Have you done white-water rafting in Chiang Mai?		
	Yes	No	Total
18 - 25	59 (29.8%)	139 (70.2%)	198 (100.0%)
26 - 35	32 (19.8%)	130 (80.2%)	162 (100.0%)
36 - 45	2 (26.3%)	14 (73.7%)	19 (100.0%)
46 - 55	1 (10.5%)	17 (89.5%)	13 (100.0%)
56 - 65	0 (0%)	8 (100.0%)	8 (100.0%)
Total	160 (40.0%)	240 (60.0%)	400 (100.0%)

Pearson Chi-Square = 10.257 (5), p = .036

**Fig. 7: Chi-Square test on age groups and adventure activities**

According to Figure 7., the study explored the association between age and adventure activity and found that the Chi-Square value from the association between age groups and white-water rafting activity was obtained as 10.257 with 5 degrees of freedom and significance probability was 0.036. Thus, the result shows that there is the association between age groups of participants and white-water rafting activity among the participants. The study shows that the majority of participants from age group of 18-25 (29.80%) participated in white-water rafting in Chiang Mai, and the tourists that prefer white-water rafting are above 46 years old.

In conclusion, the Hypothesis ‘age’ was found to be statistically associated with 2 of 12 adventure activities including ‘trekking /hiking’ and ‘white-water rafting’ in this study. Therefore, Hypothesis 1

'there is a significant relationship between age group of adventure tourists and their adventure activities in Chiang Mai' is accepted in this study. However it has to be noted that the numbers of participants are mostly concentrated in up to 35 years old, they are very few of participants that are older than 35 years old, and that lead to limited ability to generalize the results. The finding shows that the majority participants that participated in these activities, which are considered in hard adventure categories, were in younger generation, Gen Y. While the older generation, Gen X, were less likely to participate in trekking /hiking' and 'white-water rafting', and there was none of the Baby Boomer participants participated in these activities.

## 5. Practical Contributions

The results of this research implicate contribute to literature, tourism business, and government. Firstly, this study will add to the literature of adventure tourism and to fulfill the gap of tourism literature in the context of Thailand and Asian adventure tourism travels. Second, This research will assist tourism business by looking on the generation group interested on specific adventure activities in this study. Thus, it will help tourism operators to determine their marketing segmentation and be able to formulate effective tourism packages, promotion campaigns, and add value in their tourism products. While provides opportunities for new travel programs, publicity, promotion, alliances and packages to improve in areas that might typically have the least tourist satisfaction. Adventure travel operators in Chiang Mai, in particular those who offer adventure activities, may focus on the tour group segment of companies or organizations that often provide incentive trips for their employees. Adventure tourism operators in Chiang Mai may create a variety of adventure tour packages that suit the different objectives of incentive trips, such as team building, self-development, and relaxing. Importantly, adventure tour operators and destination marketers should be more concerned about how to satisfy the needs of different segments and ensure that each marketing campaign, in particular the specific messages, is able to stimulate each market segments' different inspirations for taking adventure trips. Lastly, it is also recommended to the government to look further on this segment of tourism travellers, as there are specific tourists who are interested in adventure activities who could be a growing number especially in the age group of Gen Y.

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# The Changing Term ‘Individualization’

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## Abstract

This article illustrates the transformation of the term ‘individualisation’. In former days, the focus was on the person as an individual. Nowadays, there is a more situation-orientated view. The situation factors are time, place, use, person/individual, knowledge, mobility, and technology. In this paper, we analyse these factors with examples. A brief integration of individualisation into the organisational theory as a basis for situation-based marketing shows the theoretical background. Modern management uses an updated database, like (mobile) Customer Relationship Management. Therefore, companies already have relevant IT systems and verified customer data. They have only to improve their systems and use them for suitable offers.

**Keywords:** individualisation, situation approach, competitive factors, situation factors, mCRM, organisational theory

## 1 Introduction

Marketing and marketing theory is in flux. New technology requires that we consider changing the terms. One of these terms is individualisation. All company activities have been based on the behaviour of the customer and his or her individuality (Hildebrand, 1997). Today, behaviour is changing from personal to situational. This means that the customers’ personal preferences change from situation to situation.

These changes accompany economic and technological developments. Look, for example, at smartphones and tablet PCs with their convenient applications (apps). Apps are increasingly taking over our daily life. Even while users favour different operating systems (iOS, Android, etc.) on their preferred smartphone and tablet PC, they always have the same applications. Also, cloud computing and a user’s free space be market drivers for further individualisation.

This paper illustrates the evolution of the term *individualisation*. In this context, we can implement the situative approach or the contingency approach in the organisational theory (e.g., Child, 1992; Lawrence/Lorsch, 1967; Kieser/Kubicek, 1992). The situative approach, like situative marketing, does not have any standardised understanding in research but can be specified in different approaches like contextual marketing, direct or one-to-one marketing, geographical marketing, individual marketing, customer relationship marketing, and so forth (Kenny/Marshall, 2000; Grönroos, 1990; Bruhn/Homburg, 2010).

## 2 Individualisation

The term individualisation is not easy to describe. Sociology gives us some understanding of what is going on in our society (Beck, 1997). Human beings develop from external behaviour to self-oriented behaviour. In a marketing context, Hildebrand sees the customer as an individual with preferences, wishes, and needs (Hildebrand, 1997). Customers want to differentiate to others. Therefore, we use concepts such as relationship marketing and customised marketing to fulfil the preferences and needs

of our clients and customers.

To understand the changing term individualisation, we must look at developments over the last 50 years that have been influenced by three types of factors:

- General economic factors of companies: for example, almost complete markets, globalisation, competitive strategies (Porter, 1990), less customer loyalty.
- General technology factors: for example, acceptance and use of internet technology, acceptance of e-/m- commerce, better hard- and software opportunities, but also the information overload of customers/users.
- Customer behaviour/society: for example, demographic changes, permanent changes in values, significant price and quality sensitivity, information overload.

During this period, we saw each customer and their individuality in their personality (Hildebrand, 1997). In the literature, this means that we saw the person as an individual. With the changing understanding of marketing and the introduction of individual marketing, all business activities were focused on this person. The following figure shows ‘traditional individualisation’.

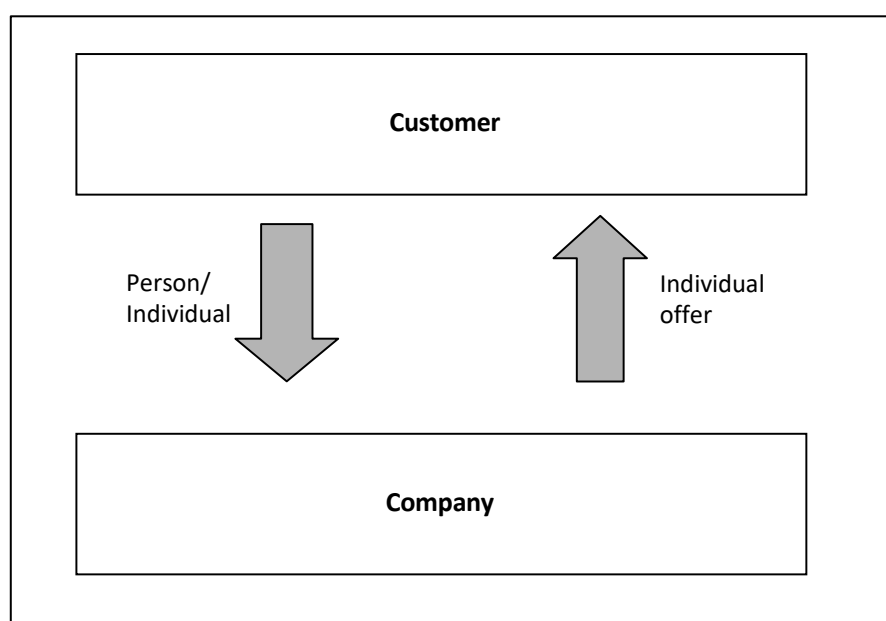


Figure 1: Traditional individualisation, Kriewald (2007)

The person as an individual is the centre of all activities of the company. Today, behaviour is changing—from personal to situational (Kriewald, 2008; Homburg, 2011). Personal preferences of customers change from situation to situation.

These changes accompany the usual economic and technological developments. However, individualisation is more like pseudo-individualisation in the form of product configuration based on standard products, for example, Dell computers. Companies prefer this kind of individualisation because otherwise they would have to develop numerous ‘segments of one’ from the small market segments. This kind of selling is very expensive (e.g., Kotler, 1989). Pine and Piller use the term ‘mass customisation’. They explain this form of selling as a combination of mass products and individualisation where the customer becomes a co-producer (Pine, 1993; Piller, 1998). However, individualisation is seen here only in the preferences of the customer.

### 3 New Understanding of Individualisation

Due to the changing environment as discussed above, we can broaden individualisation depending on the situation in which the customer is found.

The following figure describes the situation of the customer with seven specific situation factors. Individual requirements define these personal situation factors (Kriewald, 2007). The situation indicates these factors:

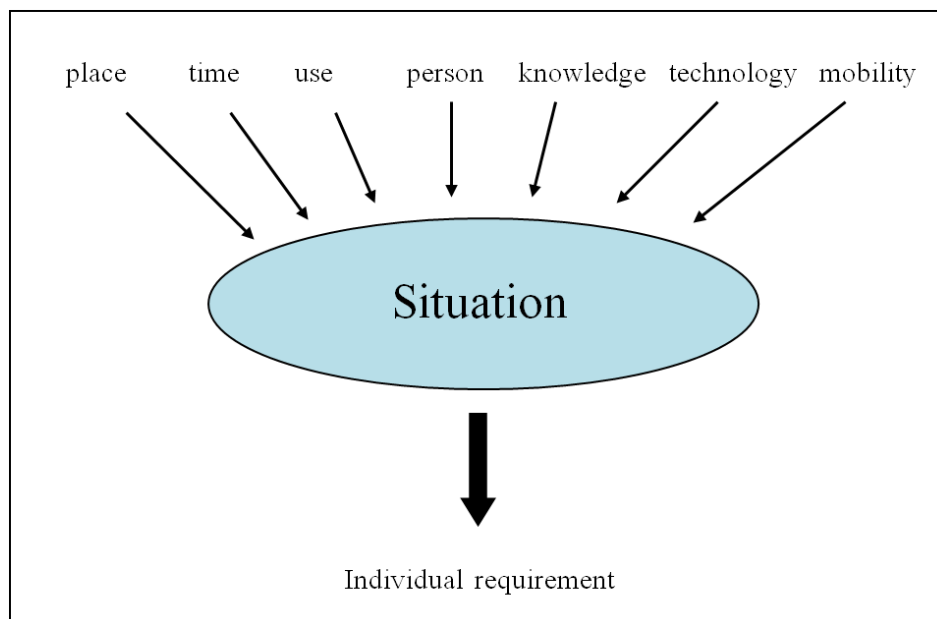


Figure 2: Situation factors and individualisation, Kriewald (2007)

- **Place:** the place being the geographic coordinates. For example, the customer is at home and therefore he or she is interested in other offers (for instance, TV programmes) than when he is on the way to work (for example, traffic info).
- **Time:** This factor describes the point of time, which could be regular or irregular, now or later, short or long—for example, current trading information for making changes to an investment portfolio.
- **Use:** In this situation, the target is meant, the current target and how this target can be reached. The aim may also determine the usefulness or the direction. However, then other situation factors will come into play and influence this factor. For example, when buying a product, the target could be visiting a city (for shopping).
- **Person:** Personal habits influence the situation at a high level. Also, individual preferences vary so greatly that we can say this factor is the most important. This factor influences the situation massively. The person, as a whole, is the meaning understood by traditional individualisation. However, the user's mentality also affects this situation. In each situation, customers who are mentally blocked act differently than customers who are mentally fit. For example, a store is closed for an inventory day, and the customer wants to buy a specific product which can be purchased only at that store or one specialising in the same range of items. The customer knows that about 400m away there is a store where he or she could buy the specific product. If the customer is mentally fit, he or she would make this choice. If he does not know the possibilities, he would not go to the other store and might be frustrated.
- **Knowledge:** This factor describes the knowledge of the customer and the collected knowledge. The knowledge of the company has not been examined. Most of the time, knowledge is unconsciously available, but the situation is formed by unconscious and conscious knowledge. For instance, one receives the most up-to-date traffic information on FM radio stations.
- **Technology:** This factor asks about technology or the device used. There are huge differences between stationary devices and mobile ones, with or without radio or wireless equipment and software. Knowing about the technology used is important for the potential offers. But not all devices can have all equipment on board; for example, Java applets and PDF data cannot be read on several mobile phones.
- **Mobility:** Mobility does not mean just the geographic position of a user/customer. It also relates to the means of transportation, for example, a car, plane, train, on foot. If the customer is on a train, he or she is not able to react to offers. However, a user/customer in a car could react to offers adjacent to his or her route.

These comments show that more than one factor—not just the person—influences the situation of the individual. They also try to explain that influences affect specific factors to varying degrees and that these factors are more or less independent. This means the interaction of all factors influences the situation. Hence, these factors are necessary for customer satisfaction. However, the degree of influence of the factors has an effect on the offer. For example, the customer orders flowers with a call from a mobile device on the way home. He or she points out that it is urgent and asks for an SMS after the delivery. The sales clerk replies that an email is also possible. Another time, the same customer orders flowers via mobile Internet, saying that the delivery could also be made the next day and again asking for the status of the delivery, this time by email. Now we can see that different factors form the situation: technology (mobile phone, SMS, email), knowledge (different confirmation methods, ways of ordering), place (mobile, stationary), mobility (customer acts variable), time (pointing out urgency) and use (ordering flowers). The person and his or her individuality are not necessary. The person and his or her individuality are not crucial here.

After evaluating each situation, we see that when placing the first order, the use, the technology, the time, and the place are at the forefront of the situation, but in the second situation, the technology and the mobility are more prominent in the evaluation (Kriewald, 2007).

Link/Seidl (2012) focused in their research on four typical situations: waiting, looking, emergency, and quasi-static. It can be seen as a macro-structure in which situative factors are integrated as microstructure to cement the situation.

The following figure shows all the factors for the new understanding of individualisation and the need for individualised offer.

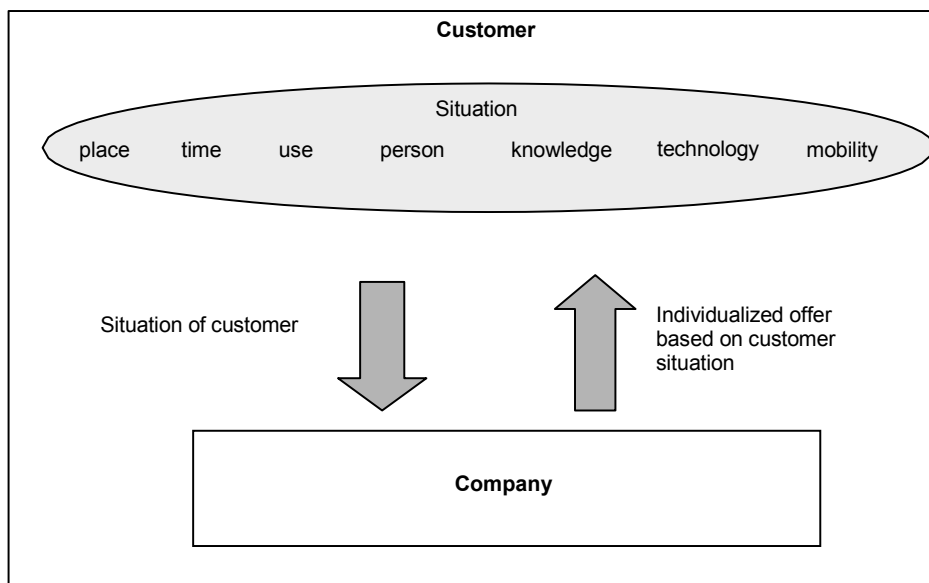


Figure 3: New understanding of individualisation, Kriewald (2007)

Now it is up to the company to use situation factors for individual offers. Therefore, it is necessary to update the database of the company regarding some situation factors. This could be the *casus belli*. To obtain all the information, the company must have huge databases and the staff who fill in the needed data or buy the essential information such as, for example, the geographic point from the mobile phone provider. Here we can say that mobile phone providers have the best position in the value chain. On the other side, we see ‘apps’ as a concrete application in business-to-consumer markets.

#### 4 Theoretical Basis and Implementation

The following paragraph shows how the new situative specialisation can be integrated into contextual marketing. In the second half of the 20th century, we find the first scientific publication on the situative approach or the contingency approach (Child, 1972; Lawrence/Lorsch, 1967; Thompson, 1967, Kieser/Kubicek, 1992, p. 45). This research broadened the system approach. Methodological innovation methods were integrated into the previously known organisational research. Relationships between companies and their subsystems were declared with interaction factors (Rühli, 2002, p. 117; Ebers 1992, p. 1817). As a result, we saw that different situative factor influence organisations.



However, we cannot generalise these research results (Ebers, 1992, p. 1823; Kieser, 1995, p. 156). Even at the end of the 1970s, the situative approach of the organisational theory lost its dominant position.

Companies are understood as open systems with exchanging factors to other stakeholders (Link, 1985). However, companies must handle the complexity of their environment and the permanent changes. This has led to contextual marketing as a new situative specialisation. We have integrated geomarketing, direct or one-to-one marketing, individualised marketing and content marketing into our new situative specialisation with the described situative factors (Kriewald, 2007).

The figure below shows the development of contextual marketing.

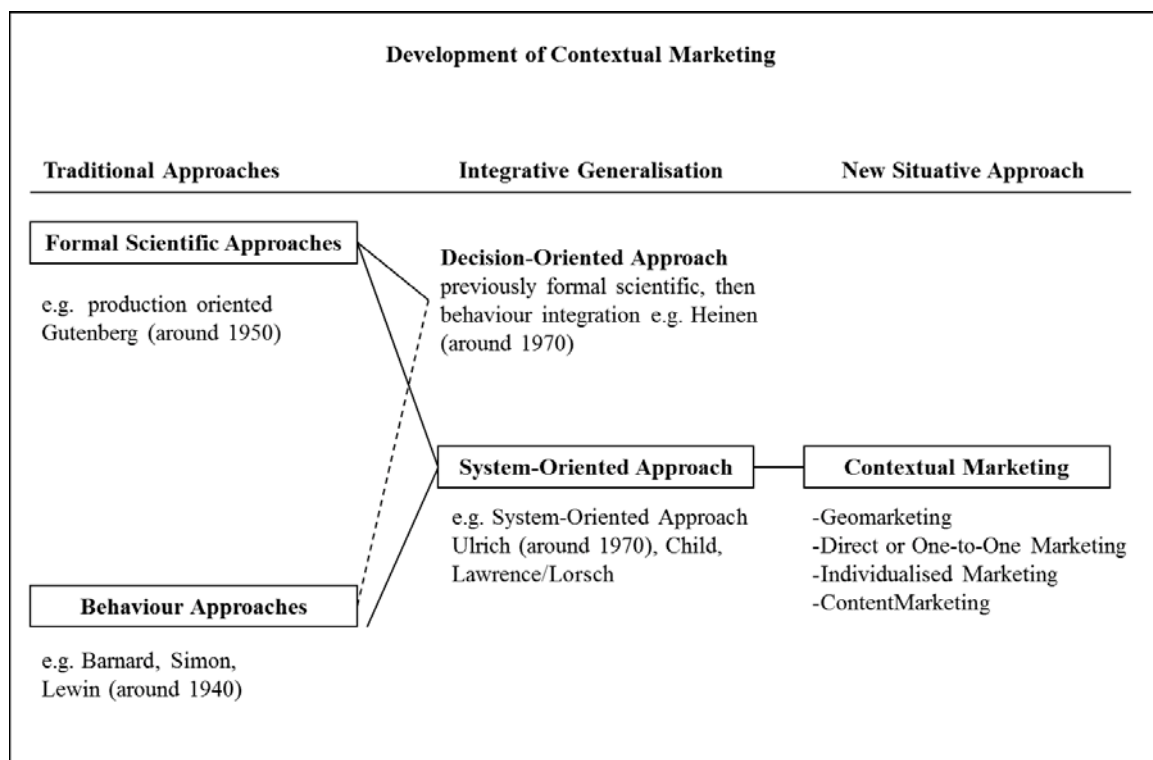


Figure 4: Development of contextual marketing, Kriewald (2007)

Geomarketing is marketing focused on places and geographic regions (Kothe, 1995, p. 2; Scheuch, 2002, p. 45). A key aspect is a segment of one customer in direct or one-to-one marketing (Mann, 2004, p.18; Peppers/Rogers, 1993; Dallmer, 2002, p.11). Here we try to make marketing different for each customer. For direct marketing, we use direct communication to our customer. For more orientation on individualised products and services, we use individualised marketing (Link/Hildebrand, 1993, p.13; Link/Hildebrand, 1995, p.7). Content marketing reflects on the content we provide our customer (Kriewald, 2007, p. 115). The contextual marketing is a new situative specialisation because we use a combination of these four contextual marketing aspects.

## 5 Conclusion

The new understanding of individualisation is based on the changes to the person as an individual during the last 50 years. This has parallels with changing marketing theories. Nowadays, customers want to fulfil their individual requirements in almost all situations in which they find themselves. This leads to a changing understanding of individualisation. The new understanding of individualisation is based on the customer's different situation factors. The situation factors are place, time, use, person (as known in the traditional understanding of individualisation), knowledge, technology, and mobility.

Contextual marketing with geomarketing, direct or one-to-one marketing, individualised marketing, and content marketing can lead to a complete customer relationship management (CRM). When using CRM with mobile devices and with knowledge of situation factors, companies have the means to be permanently successful with their

customers. The collection of geographical data was the only restriction found. Companies must buy this data, be a mobile service provider, or have a strategic alliance with one.

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## **Labuan Bajo: A Quality Tourist Destination in Indonesia? An Exploratory Study on Tourists Perspectives**

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### **Abstract**

The aim of the research is to determine tourist perception about the quality of Labuan Bajo as a priority tourist destination in Indonesia using six (6) variables of the successful destination as the indicators. 200 Questionnaires were distributed purposively to tourists in Labuan Bajo, the city center of East Nusa Tenggara Province, in Flores Island, Indonesia. Data collected were analyzed using Confirmatory Factor Analysis. The results showed that domestic tourists valued the destination quality of Labuan Bajo from the uniqueness of the attraction (0.812), the quality of accessible information service (0.811), good infrastructure quality (0.887), the quality of local human resource's expertise in handling tourists (0.866), the price conformity of the transportation (0.831), and the image of Labuan Bajo as a safe destination (0.856). Foreign tourists perceived the quality of Labuan Bajo are based on: the originality of attraction (0.850), accessible quality to the port (0.827), good infrastructure quality (0.827), quality of human resources to handle the Guests (0.893), the price conformity of the transportation (0.851), and the image of Labuan Bajo as a safe destination (0.846).

### **Keywords**

Tourist Perception, Destination, Quality Destination, Labuan Bajo

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## 1. General Information

The development of a destination should not be based on the desires of the destination only (Sunaryo, 2013: 162). In order to develop the destination, there are three main approaches can be used by the planner in zoning designed which is related each other: 1) market perception approach, 2) borderless tourism approach, 3) tourism cluster approach. The market perception approach is basically to find a meeting point between demand side and the supply. In other words, it needs the realization of the suitability between needs of the demand / market side and development support from the supply side / tourism products or tourist destination. In relation to the principle of balance, the market aspect seen from the perspective of market perception has a very strategic position that will be the basis of the development of a product or destination.

The development of tourism in Indonesia has become an important focus. As a follow-up to the mandate of the authority of tourism provision which has been granted by Tourism Law No.10 year 2009, the government of Indonesia has been successfully completed and established Government Regulation no. 50 Year 2011 about the National Tourism Development Master Plan (called *RIPPARNAS*). In the *RIPPARNAS*, nationally, there are 50 National Tourism Destinations (called *DPN*), 222 National Tourism Development Zones (called *KPPN*) and there are 88 National Strategic Tourism Areas (called *KSPN*).

*KPPN*, hereinafter referred to as the National Tourism Development Zone, is also included in National Strategic Tourism Area (*KSPN*) and spread in 50 National Tourism Destination (*DPN*). One of them is in East Nusa Tenggara Province, namely: *Komodo Island, Labuan Bajo, Bajawa, Ende - Kelimutu, Maumere-Sikka, Waingapu - Laiwangi Wanggameti, Waikabubak - Menupeu Tanadaru, Larantuka, Lamalera - Lembata, Alor - Kalabahi, Nemberala - Rote Ndao, Kupang - Soe*. (Quoted from Attachment 3 of Government Regulation of the Republic of Indonesia No. 50 Year 2011).

As the initial stage, the Minister of Tourism of Indonesia, focuses 10 priority tourism destinations in Indonesia that will be accelerated in development in order to get the target as many as 20 million foreign tourists arrival by 2019. The ten (10) main tourist destinations are 1) *Borobudur* in central of Java, 2) *Mandalika* in West Nusa Tenggara, 3) *Bromo-Tengger-Semeru* in East Java, 4) *Pulau Seribu* in Jakarta, 5) *Toba* in North Sumatra, 6) *Wakatobi* in South East Sulawesi, 7) *Tanjung Lesung* in Banten 8) *Labuan Bajo* in East Nusa Tenggara, 9) *Morotai* in North Maluku and 10) *Tanjung Kelayang* in Belitung ([www.kemenpar.go.id](http://www.kemenpar.go.id)).

Labuan Bajo is the capital city of West Manggarai Regency with a very strategic geographical position on the west of Flores Island, The East Nusa Tenggara Province, Indonesia. The town of Labuan Bajo is surrounded by small island clusters with marine waters and coastal scenery that very potential and desirable by tourists. One of the strengths of Labuan Bajo City is the existence of Komodo National Park which has been entered the finalist of New Seven Wonders of Nature in 1986. This is because the largest Komodo Dragon in the world only exists in Komodo National Park, surrounded by the beauty of nature is very captivating and supporting this park as a finalist inaugurated by UNESCO (<http://www.indo-kaya.com>).

But unfortunately some critical issues has been arising in Labuan Bajo. It has not been well laid out, in addition to passenger ports incorporated with container ports, plastic waste is strewn everywhere, and trash is also found in the waters of Komodo National Park. Damage to coral reefs began to widen due to scratching anchor ships ([www.beritasatu.com](http://www.beritasatu.com)). Similarly, the health and hygiene conditions in the National Tourism Strategic Area (*KSPN*) of Komodo and surrounding areas are at the level between

bad and medium. It is viewed from the availability of facilities and access to health services are still weak ([www.kompas.tribunnews.com](http://www.kompas.tribunnews.com)).

It is conceptually and managerially more effective to view a destination as that geographical region which contains a sufficiently critical mass or cluster of attractions so as to be capable of providing tourists with visitation experiences that attract them to the destination for tourism purposes (Bornhost et al, 2010). High quality contributes to increased profitability and competitiveness (Yoo & Park, 2007). In addition, successful service quality enhances business growth and prosperity. The competitive pressures faced by many service industries today are compelling them to seek competitive advantage, efficiency and profitable ways to differentiate themselves from others (Mei et al., 1999). Tourist perception and satisfaction is an emotional state of tourists' after exposure to the destination experience. Generally, it is the pre-purchase judgment and the outcome of the tourist's needs wants and expectations in the different stages of the product life, resulting in the repurchase and the customer loyalty. As the tourism industry is leaping forward globally, the tourists are progressively becoming demanding (Srivastava, 2015).

In connection to this, it is necessary to do a research which will reveal the perception of tourists toward the quality of Labuan Bajo as a priority destination in Indonesia based on six components of destinations according to UNWTO (2007) consisting of: 1) attraction, 2) amenities, 3) access, 4) human resources, 5) price and 6) image.

## 2. Literature Review

According to Morrison (2013:4) tourism destination is a geographic area which attracts visitors. Destination management is the coordination and integration of all of the elements of the destination mix in a particular geographic area based upon a defined tourism strategy and plan. The destination mix elements are the attractions and events, facilities (hotels, restaurants, etc.), transportation, infrastructure, and hospitality resources (Mill and Morrison, 2012). Based on UNWTO (2007:13), destinations contain a number of basic elements which attract the visitor to the destination and which satisfy their needs on arrival. These basic elements consists of attractions (the 'must see's or 'must do's) and the other remaining elements. The provision and quality of these elements will be influential in the visitor's decisions to make their trip. UNWTO, through its Technical Committee on Tourism and Competitiveness (CTC) has drafted a technical/operational definition of the Quality of a Tourism Destination which is: "the result of a process which implies the satisfaction of all tourism product and service needs, requirements and expectations of the consumer at an acceptable price, in conformity with mutually accepted contractual conditions and the implicit underlying factors such as safety and security, hygiene, accessibility, communication, infrastructure and public amenities and services. It also involves aspects of ethics, transparency and respect towards the human, natural and cultural environment. There are six elements that a destination should have according UNWTO (2007 :13) that determine the customer decision: (1) attraction, (2) accessibility (3) amenities (4) human resources (5) price (6) image.

The quality of destination can be assessed according to the level of customer satisfaction; a customer is satisfied, if their expectations are fulfilled or exceeded, the level of satisfaction depending on the demands of a customer and their experience (Evans, Lindsay, 1999). The customer expectations are influenced by the image of destination (Woods, Deegan, 2003). Differences in perception have also been examined according to the degree of tourism development (Long, Purdue & Allen 1986), level of

individual involvement in tourism (Smith & Krannich ,1998), maturity of the destination (Sheldon & Abenoja 2001) and compared with tourist perceptions. Various studies in tourism shows that visitor

perception are use to evaluate destination performance (Pearce, 1982; Brown, 2003; Beerli, & Martin, 2004; Aschauer, 2010). The destination selection process is greatly influenced by the tourists' motives, attitudes, and perceptions (Gnanapala, 2015). According to Lamb et al. (2014), perception is the processes by which people select, organize, and interpret stimuli into a meaningful and coherent picture. Similarly, Solomon (2001) defines perception as the process by which the sensations are selected, organized, and interpreted. Furthermore, the sensation refers to the immediate response of the human sensory receptors, i.e. eyes, ears, nose, mouth, skin to basic stimuli such as sights, sounds, smells, taste, and feelings. If the destination improves the quality of tourists' attractions and other supportive products and services, the tourists' perceptions and satisfactions will be improved and vice versa (Gnanapala,2015). Understanding tourists' perceptions (TPs) provides a tool for tourism destinations to develop ways to nurture, develop and present their core tourism products and services (Engl, 2011, Herstein, Jaffe, & Berger, 2014). Axelsen and Swan (2010) argue that understanding perceptions of tourists enables the establishment, reinforcement, or even changing destination images.

### 3. Methodology

In this study, the perception of domestic and foreign tourists toward the quality of the destination have been examined. The research was conducted at Labuan Bajo, West Manggarai Regency, Flores, East Nusa Tenggara province, Indonesia. The total respondents are 200 people consisting of 100 domestic tourists and 100 foreign tourists. In order to evaluate opinions of people included in the sample, the Likert attitude scale extensively used and based Likert type scale items . A Likert five-point scale was preferred in its original form. In determining perceptions towards the destination, the respondents were asked to assign each attitude statement according to satisfy level by giving 5 (very satisfied), 4 (satisfied), 3 (fairly satisfied), 2 (not satisfied), 1 (dissatisfied) which is expected to reveal the perception of domestic tourists and foreign tourists to the quality of the destination Labuan Bajo and then analyzed using confirmatory factor analysis.

## 4. Result and Discussion

### 4.1. Domestic Tourist profile

**Table 1. Characteristic of Domestic Tourist**

No	Profile Respondent	Choices	Percentage (%)	
1	Sex	Male	51	
		Female	49	
<b>Total</b>			<b>100</b>	
2	<b>Education</b>	High School	18	
		Diploma	18	
		Bachelor	53	
		Post Graduate	9	
		Professor	2	
<b>Total</b>			<b>100</b>	
3	City	Jakarta	33	
		Bandung	11	
		Bali	14	
		Surabaya	8	
		Lombok	5	
			Yogyakarta	2

		Malang	3
		Medan	3
		Bogor	2
		Makassar	2
		East Java	2
		Central Java	4
		Others	11
	<b>Total</b>		<b>100</b>
4	Age	≤ 25	25
		26 – 35	38
		36 – 45	15
		≥ 46	22
	<b>Total</b>		<b>100</b>
5	Occupation	Business	29
		Employee	33
		Student	4
		Private	28
		Others	6
	<b>Total</b>		<b>100</b>
6	Information Source	Internet	37
		Friends	19
		Social Media	33
		Magazine	2
		Television	5
		Others	4
	<b>Total</b>		<b>100</b>
7	Visit Frequencies	1 x	51
		2 x	14
		3 x	11
		more than 3 x	24
		<b>Total</b>	

Source : Data Processed, 2016

Table 1 illustrates, based on 100 respondents as a sample of domestic tourists, the composition based on gender is almost balance; man (51%) and the rest are women (49%). Interestingly, all of them have already finished their higher education. Domestic tourists are dominated by the tourist coming from Java island (66%) with the average of age over 25 years old until the age of 46 years old that is categorized productive. Most of respondents are employees (33%), the rest are entrepreneurs (29%), students (4%), privates (28%) and others (6%). They got the information about Labuan Bajo dominantly from internet and social media (70%), the other source of information they got from friends (19%), television (5%), magazines (2%) and others (4%). The domestic tourist as respondents are mostly coming for the first visit (51%), but surprisingly that about 49 % the rest of them are repeater.

#### 4.2. Domestic Tourist 'Perception toward Quality of Labuan Bajo as a Tourist Destination

The domestic tourists' perception toward UNWTO's six indicators of destination are as follows:

**Table 2. Domestic Tourist's Perception Toward Quality of Labuan Bajo (n=100)**

No	Indicators	Result of Factor Analysis	KMO	Significant	% of Variance
<b>ATTRACTION</b>					
1	Attraction variety (X11 )	0,773	0,742	0,000	63,591
2	Originality (X12)	0,874			
3	Uniqueness (X13)	0,893*			
4	Activities (X14)	0,620			
<b>ACCESSIBILITY</b>					
1	Accessible to accommodation (X21)	0,727	0,771	0,000	49,427
2	Accessible to information service (X22)	0,811*			
3	Accessible to restaurant (X23)	0,779			
4	Accessible to the airport (X24)	0,742			
5	Accessible to the port (X25)	0,663			
6	Accessible to public service (X26)	0,742			
7	Accessible condition (Road) (X27)	0,391			
<b>AMENITY</b>					
1	Providing good infrastructure (X31)	0,817	0,791	0,000	70,665
2	Providing good public service (X32)	0,840			
3	Providing good facilities (X33)	0,887*			
4	Cleanness infrastructure (X34)	0,816			
<b>HUMAN RESOURCE</b>					
1	Local people have good communication skills in foreign language (X41)	0,804	0,693	0,000	66,168
2	The ability of local people to handle the guests (X42)	0,866*			
3	The local people show good attitude (X43)	0,823			
4	The local people involve in the tourism activities (X44)	0,756			
<b>PRICE</b>					
1	The price conformity of the transportation (X51)	0,831	0,818	0,000	59,130
2	The price conformity of the accommodation (X52)	0,851*			
3	The price conformity of the of food and beverage service (X53)	0,715			
4	The price conformity of guide service (X54)	0,778			
5	The price conformity of tourist attractions (X55)	0,736			
6	The price conformity of spa service (X56)	0,690			
<b>IMAGE</b>					
1	Branding of Komodo as indigenous animal (X61)	0,717	0,624	0,000	62,266
2	Labuan Bajo is a safe destination (X62)	0,856*			
3	The hospitality of the local people (X63)	0,788			

Description: Sign (\*) represents the highest loading factor value in a group of component factor means that the item is valid and reliable.

Source : Data Processed, 2017



#### **4.2.1. Domestic Tourist ‘Perception toward Quality of Attraction in Labuan Bajo**

Based on table 2 can be seen that the the percentage of variance of the attraction variable is 63.591% , means that four items of the attraction indicator can explain about 63.591% variation of the attraction variables. The uniqueness (X14) confirmed the most prominent indicators in the attraction variable (loading factor =0.893). It means that domestic tourist value the uniqueness of the attraction in Labuan Bajo has the highest value compared to other indicators. This illustrate that domestic tourist perceived Labuan Bajo is a quality destination with the unique tourist attraction. Related to the fact that that Labuan Bajo is the main gate to the habitat of the only endanger animal in the world, the Komodo Dragon at Komodo Island and Rinca Island in West Manggarai.

#### **4.2.2. Domestic Tourist ‘Perception toward Quality of Aecessibility in Labuan Bajo**

The confirmatory factor analysis shows the domestic tourist perception factor of access variables in the percentage of variance about 49.427%, means that 49.427% variation of attraction variables that can be explained by the seven items indicators. The biggest factor value in the access variables is the ease of accessing the information services contained in item number X22. Domestic Tourists perceives that Labuan Bajo has a good quality in accessibility dominated by the ease of information services to be obtained ( loading factor =0.811).

#### **4.2.3. Domestic Tourist ‘Perception toward Quality of Amenities in Labuan Bajo**

The Result of the Factor Analysis of domestic tourists' perception to the variable of the amenity is in the percentage of 70,665%, can be interpreted that 70,665% variation of amenity variable that can be explained by the four items indicators of Amenities. The most prominent in amenities variables is the availability of public facilities contained in item number X33 (the biggest factor value = 0.887). So domestic tourist perceives that Labuhan Bajo has adequate public facilities, where tourists are easy to find the public facilities such as: money changer, toilet, souvenir shop, etc. It is also easy to find other service and infrastructure such as accommodation, restaurants, tourist information center, etc.

#### **4.2.4. Domestic Tourist ‘Perception toward Quality of Human Resource in Labuan Bajo**

Analysis factor of domestic tourists' perception toward human in resource variable is variance percentage of 66,168% can be interpreted that there are 66,168% variation of human resource variable which can be explained by the four indicators items of human resource. the expertise of the community in handling the tourists dominantly the human resource variables (item number X42 with the biggest factor value = 0.866). It can be concluded that domestic tourist perceives that in the existing human resources quality in Labuhan Bajo is good. This is shown by the expertise of the community in handling tourists are categorized good by the domestic. Besides, domestic also perceived that the local community in Labuan Bajo shows their good attitude and manner in hosting the guest and has the ability to communicate in tourist' language.

#### **4.2.5. Domestic Tourist ‘Perception toward Quality of Price in Labuan Bajo**

Analisis factor on perception of domestic tourists toward variable price shows that there are 59,130% variation of six indicators to explain the price variable. The indicator that shows the most important

factor according to the respondents is the indicator of price conformity of the accommodation (item

X52). This indicates that the quality of accommodation at Labuan Bajo is match with their price (value for money to the domestic tourists).

#### 4.2.6. Domestic Tourist ‘Perception toward Quality of an image of Labuan Bajo

Factor analysis of domestic tourist perception toward image shows a variation of 62,266%. The most prominent item from the image variable is the image of Labuan Bajo as a safe destination. This item factor has the highest value (loading factor =0.856). It indicates that the respondent consider Labuan Bajo as a safe destination for domestic tourists.

#### 4.3. The Foreign Tourist Profile

Table 3 shows the profile of Foreign Tourist who are purposively chosen as respondent.

**Table 3. Characteristic of Foreign Tourist**

No	Profile Respondent	Choices	Percentage (%)
1	Sex	Male	67
		Female	33
<b>Total</b>			<b>100</b>
2	Education	High School	12
		Diploma	21
		Bachelor	39
		Post Graduate	23
		Professor	5
<b>Total</b>			<b>100</b>
3	Country	France	6
		Spain	2
		Germany	16
		Swiss	8
		Australia	4
		England	17
		USA	7
		Canada	9
		Netherland	5
		Polish	6
		Italian	5
		Finland	2
others	13		
<b>Total</b>			<b>100</b>
4	Age	≤ 25	11
		26 - 35	50
		36 - 45	19
		≥ 46	20
<b>Total</b>			<b>100</b>
5	Occupation	Bussiness	16
		Employee	49
		Student	10
		Private	10
		Others	15
<b>Total</b>			<b>100</b>

		Internet	36
		Friends	45
6	Information Source	Social Media	4
		Magazine	6
		Television	0
		Others	9
<b>Total</b>			<b>100</b>
		1 x	86
7	Visit Frequencies	2 x	10
		3 x	0
		more than 3 x	4
<b>Total</b>			<b>100</b>

Source : Data Processed, 2017

According to table 3, 67% of the foreign tourist are male and the rest is female. When the educational background of the survey were examined, it is understood that there are 5 professors, 12 high school, 21 bachelor degree, 39 graduate, 23 postgraduate diploma respondents. When the ages of the attendants are taken into account, it is seen that 11 people are under 25 years old, 50 people are between 26-35 years old, 19 people are between 36-45 years old, and 20 people are over 46 years old. Most of survey attendants are employees (49%), entrepreneurs (16%), students (10%), privates (10%), and others 15%. The tourist got the information about Labuan Bajo from friends (45%), internet (36%), magazine (6%), social media (4%) and others (9%). 86% respondents visited Labuan Bajo for the first time, 10 % for the second time, and 4% more than 3 times.

#### 4.4. Perception of foreign tourists toward the quality of Labuan Bajo as a Tourist Destination.

Foreign tourist perceptions of attraction variables as can be seen in table 4

**Table 4. Foreign Tourist Perception Toward Quality of Labuan Bajo (N=100)**

No	Indicators	Result of Factor Analysis	KMO	Significant	% of Variance
<b>ATTRACTION</b>					
1	Attraction variety (X11)	0,787	0,705	0,000	63,931
2	Originality (X12)	0,850*			
3	Uniqueness (X13)	0,812			
4	Activities (X14)	0,745			
<b>ACCESSIBILITY</b>					
1	Accessible to accommodation (X21)	0,692	0,844	0,000	51,992
2	Accessible to information service (X22)	0,791			
3	Accessible to restaurant (X23)	0,755			
4	Accessible to the airport (X24)	0,741			
5	Accessible to the port (X25)	0,827*			
6	Accessible to public service (X26)	0,768			

7	Accessible condition (Road) (X27)	0,379			
<b>AMENITY</b>					
1	Providing good infrastructure (X31)	0,827*	0,758	0,000	61,257
2	Providing good public service (X32)	0,805			
3	Providing good facilities (X33)	0,811			
4	Cleanness infrastructure (X34)	0,680			
<b>HUMAN RESOURCE</b>					
1	Local people have good communication skills in foreign language (X41)	0.760	0,708	0,000	66,429
2	The ability of local people to handle the guests (X42)	0,893*			
3	The local people show good attitude (X43)	0,774			
4	The local people involve in the tourism activities (X44)	0,828			
<b>PRICE</b>					
1	The price conformity of the transportation (X51)	0,851*	0,852	0,000	59,141
2	The price conformity of the accommodation (X52)	0,815			
3	The price conformity of the of food and beverage service (X53)	0,785			
4	The price conformity of guide service (X54)	0,772			
5	The price conformity of tourist attractions (X55)	0,777			
6	The price conformity of spa service (X56)	0,587			
<b>IMAGE</b>					
1	Branding of Komodo as indigenous animal (X61)	0,738	0,656	0,000	64,375
2	Labuan Bajo as a safe destination (X62)	0,846*			
3	The hospitality of the local people (X63)	0,819			

Description: Sign (\*) represents the highest loading factor value in a group of component factor means that the item is valid and reliable in each of the research sites.

Source : Data Processed, 2017

#### 4.4.1. The Foreign Tourist Perception on Quality of Attraction in Labuan Bajo

Percentage of variant for this variable is 63.931% means that this variation can be explained by 4 indicator of attraction variable about 63.931%. The most prominent indicator is the authenticity of the attraction as indicates on item X13 (the biggest factor value=0.850.) It can be concluded that foreign tourist perception toward tourist attraction in Labuan Bajo is still original or natural. These facts shows that the originality of the attraction in Labuan Bajo has attracted the foreign tourist to visit. Beside other elements of indicator also important for foreigners with the second highest loading factor is the uniqueness (loading factor = 0.812). Those phenomena showed that foreign tourists valued Labuan Bajo has an original and unique attraction.

#### 4.4.2. The Foreign Tourist Perception on Quality of Accessibility in Labuan Bajo

Percentage of variance result is 51,992% that can be interpreted that equal to 51,992% variation of access variable which can be explained by seven item indicators of accessibility variable. The most prominent indicator in access variables is access to the port (item X25 with the biggest factor value=0.827). It is confirmed that foreign tourist perceived the access to the port is the most accessible quality compared to other access.

#### **4.4.3. The Foreign Tourist Perception on Quality of Amenity in Labuan Bajo**

Percentage variant resulted is 61,257% that can be interpreted that equal to 61,257% variation of amenity variables that can be explained by the four indicator items of amenity's variable. The most prominent value in amenities variables is providing good infrastructure (item X31 with the biggest factor value=0.827). This is confirmed that foreign tourist perceives that Labuan Bajo is preparing a good infrastructure as a tourist destination.

#### **4.4.4. The Foreign Tourist Perception on Quality of Human Resource in Labuan Bajo**

The most prominent item in human resources variables is the ability of local people to handle the guests in item X42 (the biggest factor value=0.893). The result of percentage variance is 66.429% that can be interpreted that 66,429% variation of human resource variable which can be explained by the four indicator items of Human Resource variable's quality. It is confirmed that foreign tourist perceived that people in Labuan Bajo have good ability to handle guest.

#### **4.4.5. The Foreign Tourist Perception on Quality of Price in Labuan Bajo**

Factor analysis result that the most dominant items of price quality is the price conformity to the transportation (item X51 with the biggest factor value = 0.851) . Percentage variant of 59,141% that can be interpreted that equal to 59,141% variation of variable price which can be explained by six indicator item of Price Quality. It is confirmed that foreign tourists perceived that the price of transportation in Labun Bajo very affordable and value for money.

#### **4.4.6. The Foreign Tourist Perception on Quality of Image in Labuan Bajo**

The result illustrated that the most dominant item in the image variable is the conducive situation of Labuan Bajo (item X62 with he largest factor value=0.846). Percentage of variant is 64,375% that shows about 64,375% variation of image variable which can be explained by to the three indicator's item of image quality. It is confirmed that Foreign Tourist perceived that Labuan Bajo is a safe destination.

### **5. Conclusion and Recommendation**

Based on the factor analysis, the domestic tourists' perception toward the destination quality of Labuan Bajo are: the uniqueness of the attraction (0.812), the quality of accessible information service (0.811), good infrastructure quality with value 0.887, the quality of local human resource's expertise in handling tourists (0.866), The price conformity of the transportation (0.831), and the image of Labuan Bajo as a safe destination (0.856)

Foreign tourists perceived that the quality of Labuan Bajo are based on: the originality of attraction (0.850), accessible quality to the port (0.827), good infrastructure quality (0.827), quality of human

resources to handle the Guests (0.893), the price conformity of the transportation (0.851), the image of Labuan Bajo as a safe destination (0.846).

In conclusion, there are some differences between the perception of domestic and foreign tourists toward the quality of Labuan Bajo based on attraction and accessibilities. Interestingly found that there are the similar perception of the foreign and domestic tourist toward the quality of Labuan Bajo in term of amenity, human resources, price and image.

This result implies some future actions should be taken as a priority effort to improve the quality of the destination in Labuan Bajo as a recommendation:

- a. Cooperation between local government and tourism stakeholders especially the tourism industry to provide more variety of tourist attractions in Labuan Bajo is needed. One alternative that can be done for tourism in Labuan Bajo is to bring variations of cultural attractions to support the natural attraction that's already existed.
- b. Suggestions on access conditions are directed to provincial and local governments in their performance to support tourists or local people to access accommodation, information services, restaurant services, airports, passenger ports and public services by providing road directions and good area maps to access public services and various tourist attractions in Labuan Bajo. Better attention to the road conditions and the cleanliness along the main road in Labuan Bajo is a top priority. Internet access and connection also need to be improved.
- c. Formal and informal training should be conducted on local guides, to broaden the local guide's insight into the attraction of Labuan Bajo and to reduce the emergence of brokers on behalf of local guides that could damage Labuan Bajo's image. The training can be done by the local government in cooperation with Association of Indonesian Travel Agencies, which in fact is related to a company engaged in tour guiding. There must be standardization of competence and supervision to the local guide who will start joining the guide work.
- d. Labuan Bajo should be able to provide the value of the price to the quality given. Standardization of price should be made. It must be appropriate with the quality of transportation service, food and beverage service, tour guide service and quality of tourist attraction.
- e. It needs the awareness of stakeholders to keep the image that has been embedded since the first that the Komodo dragons are only found in Flores and especially located on the island of Komodo, Labuan Bajo. The hospitality of the local community must be maintained to support the main attraction that can provide an added value to the image of the destination.

## **6. Limitation and Future Study**

This research in only capturing the perception of tourists to the quality of Labuan Bajo's destinations using statistical factor analysis techniques. A number of limitations have to be acknowledged. First, the study used a convenience sample, which minimizes the generalization capacity of the study findings. However, the sample employed in this study represented different markets from more than 12 countries with a minimum representation from all continents of the world. In addition, it needs to consider an adequate number of sample therefore the results can be relied on to inform policy on tourism development. Finally, to reveal deeper about tourist perception to the quality of Labuan Bajo's destinations, future research is needed using other technical quantitative analysis method. Because of

data collection limited the richness of data in terms lived experiences as told by the respondents, future studies need to consider qualitative methods of data collection such as in-depth interviews.

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# Perceived Social Impact of Hosting an Event in a Destination: A Study Case of Buleleng Bali Dive Festival

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## Abstract

*Pemuteran* is one of tourist destinations situated on the north-western part of Bali Island. It lies on the maritime area as Bali Golden Triangle Coral Reef line and belong to the west *Buleleng* water conservation area in *Buleleng* Regency, Bali. The aim of this paper is to explore the impact of marine tourism development especially related in hosting an event connected to Marine tourism called Buleleng Bali Dive Festival (BBDF). It explored the impact of hosting an event specifically in social aspect for the local community in *Pemuteran* based on Festival Social Impact Attitude Scale (FSIAS). The survey was participated by 100 samples purposively assigned from local people who lived in *Pemuteran* village. The result shows that the development of BBDF event in *Pemuteran* gives 6 impacts of benefits and costs to the community in social aspects. The benefits perceived by the community are: Knowledge and Experience, Community' Image and Identity, Quality of Life, and Job Creation. The event also brings some costs for locals such as : Social and Physical Environmental Cost and also Cost in Public utilities' pressure.

## Keywords

Social Impact, Event, Destination, Buleleng Bali Dive Festival (BBDF)

## 1 General Information

Event-based tourism is now one of the most rapidly growing niche areas of tourism (Getz 2008). Events are an important motivator of tourism, and figure prominently in the development and marketing plans of most destinations. The roles and impacts of planned events within tourism have been well documented, and are of increasing importance for destination competitiveness.

On the supply side, destinations develop, facilitate and promote events of all kinds to meet multiple goals: to attract tourists (especially in the off-peak seasons), serve as a catalyst (for urban renewal, and for increasing the infrastructure and tourism capacity of the destination), to foster a positive destination image and contribute to general place marketing (including contributions to fostering a better place in which to live, work and invest), and to animate specific attractions or areas (Getz,2007). There are 4 (four) elements of the importance of event in tourism: 1) Event as an attraction 2) event as an image maker 3) event as animator of static attraction 4) event as a catalyst of other development.

Dissatisfaction of the host community can threaten the long-term success of an event and thus acceptance by the locals is crucial to the continuity of the event (Getz & Anderson, 2008).

The island of Bali is one of Indonesia's flagship maritime destinations as reported in the Maritime Tourism Industry Development Strategy by Director of Tourism Industry presented at the Indonesia Maritime Congress in *Yogyakarta Indonesia*, 23<sup>rd</sup> - 24<sup>th</sup> of September 2014 that,

"... the southern part of Bali goes into Sailing Destination 2012, and some of the tourist attractions in Bali are including the entry and exit points, such as *Benoa*, *Serangan*, and *Lovina*, which are actively visited by world yachter. (<http://ekonomi.metrotvnews.com/>)

*Buleleng Regency* is one part of the golden triangle of Bali Island in terms of marine tourism potency. If it is viewed from the development of tourism in *Buleleng Regency*, it can be said that the tourism of *Buleleng* has increased significantly. From year to year, the level of tourist visit to *Buleleng* tends to increase. In 2010, *Buleleng Regency* was only able to bring 282,882 tourists and this visit continues to increase significantly in 2013 and it has been able to achieve 638.147 tourists until 2014, and it reached 663,826 tourists in present time.

*Buleleng* has Coastal Planning and Management which is derivative from the Law No. 1 2014. Furthermore, the regulation is reversed so that ultimately resulted in the plan of Water Conservation Area (called *KKP*). This zoning plan is intended to harmonize the use of coastal space and small islands, as well as to preserve the coastal resources and small islands. The area is ideal for all types of marine tourism activities, such as diving, snorkling, fishing, surfing, boating, yachting, and special interest tours such as conservation tours, educational tours and underwater photography (Sutrisna, 2015).

Currently, Water Conservation Area of *Buleleng* is divided into three blocks. The first block or called the West *Buleleng Aquatic Park* is the *Pemuteran Village*. The Central *Buleleng Aquatic Park* encompasses *Lovina* and surrounding waters. Last is The East *Buleleng Aquatic Park* which covers *Bondalem*, *Tejakula*, *Penuktukan*, *Sambirenteng* and *Les Village*.

Recently, marine tourism in *Pemuteran Village* is also growing quite rapidly. The level of tourist arrivals in the district of *Gerokgak*, especially in *Pemuteran Village*, has got the highest number of tourist visits, especially foreign tourists (23,774 tourists) compared to other villages in *Gerokgak* sub-district the north-western part of Bali : *Sumber Klampok* (818 tourists), *Pejarakan* (14.103 tourists), *Sumber Kima* (1.065 tourists), *Banyupoh* (752 tourists), *Celukun Bawang* (1855 tourists).

*Pemuteran* was a dry area with natural conditions and waters are very alarming. Poverty has pushed the inhabitants to continue destroying the natural surroundings. But now *Pemuteran* is no longer being a second tourist destination, but successfully evolved into one marine tourism destination that promises beauty (<http://www.mongabay.co.id>). Today the success of the program in *Pemuteran* has become one of the examples of sustainable tourism development in the world (Sutrisna, 2015). Therefore, the District Government of *Buleleng* together with relevant stakeholders held **Buleleng Bali Dive Festival** started on 23-26 October 2015 in *Pemuteran*. The festival aims to 1) Promote and Creating Image for *Buleleng Regency* as one of the best dive sites in the world, 2) Introduce local art and culture to the world and 3) Stimulate global awareness related to coral reef conservation.

The number of events organized by *Buleleng Regency*, gives a positive impression for tourism in *Buleleng*, but on the other hand also reap the impression of italics from various parties. One of the oblique impression was presented in the performance evaluation of *Buleleng Regency* in 2015 on January 3<sup>rd</sup>, 2016 by a group of community activists, where the evaluation result stated that the

number of festivals which as their program considered less effective on the improvement of Buleleng community life. They considered the festivals that the regents relied upon to lift *Buleleng's* image had no benefit to the *Buleleng* development because it only enjoyed and benefited by a certain group.

Quoted from *criticism of Ketut Yasa, a member of Non Government Organization called Gema Nusantara*:

*"What's the festival? There is no benefit. Each year the Regent continues to hold the festival. There is Buleleng Festival, there is Lovina Festival, again Lake Buyan Festival. What benefits? No benefits "* (<http://www.balieditor.com>)

Seeing these conditions, it can be seen that a festival can bring positive benefits and costs for visitors and local communities. Over the last few decades the evaluation through perceptions of the socio-cultural impact of the event received more serious attention, knowing the socio-cultural impact is as important as knowing the economic impacts to the future success of an event. Delamere (1998) also states that awareness of the socio-cultural impact of an event and the attitudes of the community on impacts may help to reduce undesirable disturbance of local people's lives and thereby encourage a balance between the power of social and economic development in society.

According to Getz (2008) the importance of the event as a tool for regional development is expected to grow in the future. However, it should be remembered that regional development is more than just regional economic development. In the context of goals, economic values are always available, but social and cultural perspectives are also important for the success of events and destinations. Knowing the benefits and the resulting social costs can be a consideration for future planning.

## 2 Literature Review

Residents generally form their perceptions of hosting based on prior experiences (Baloglu & McCleary, 1999) and socio demographic information (Kim & Petrick, 2005; Ritchie et al., 2007; Waitt, 2003). If residents and visitors perceive benefits from the event, they would be supportive of hosting in the future. Conversely, if residents experience an unsatisfactory exchange after the event, then they might revise their perceptions toward future hosting endeavors (Fredline & Faulkner, 2002). Hence, analyzing the perceptions of residents regarding the social, economic, and political effects of a large-scale sport event is important to generate support for tourism events. In addition, study results may provide destination marketers with insights into designing more special events to enhance the competitiveness of the tourism industry.

According to Robertson, Rogers, & Leask in Magnússon (2010), if a survey is too complicated and takes too long to answer, it might prevent people from responding to surveys, while testing FSIAS reliability turns out to be a powerful scale that allows to modify it according to the needs of most events or festival. Delamere (1998) who developed the FSIAS scale, conducts research on the Development of a Scale to Measure Local Resident Attitudes Toward the Social Impact of Community Festivals in order to develop a scale to measure the social impact of the festival. After pre-testing a number of questions, 25 questions were compiled as the Social Impact Attitude Scale or FSIAS Festival. FSIAS by Delamere comprises 25 statements on social impacts and related scores, 16 on social benefits and 9 social costs. Delamere suggested that the scale should be further validated at different festivals of culture. He argues that this scale should be tested further in various communities and cultural environments, in relation to various festivals to get better validation of the tools.

**Table 1. Festival Social Impact Attitude Scale (FSIAS)**

<i>Social Benefit</i>	<i>Social Cost</i>
<i>Enhanced image of the community</i>	<i>Disruption of normal routines of community residents</i>
<i>Community identity enhanced</i>	<i>Intrusion into lives of community residents</i>
<i>Community is unique and special</i>	<i>Community recreation facilities are overused</i>
<i>Festival act as showcase for new ideas</i>	<i>Influx of visitors reduce privacy within the community</i>
<i>Sense of community well-being</i>	<i>Community overcrowded during festival</i>
<i>Personal sense of pride and recognition through participation</i>	<i>Car/bus/truck/RV traffic rising to unacceptable levels</i>
<i>Opportunity to experience new activities</i>	<i>Noise levels increasing to unacceptable levels</i>
<i>Ongoing positive cultural impact in the community</i>	<i>Festival overtakes available community human resources</i>
<i>Improved quality of life in the community</i>	<i>Litter increasing to unacceptable levels</i>
<i>Celebration of community</i>	
<i>Having the opportunity to learn new things</i>	
<i>Meeting festival performers and workers</i>	
<i>Personal health and well-being</i>	
<i>Opportunity to develop new cultural skills and talents</i>	
<i>Community gain positive recognition</i>	
<i>Variety of cultural experiences</i>	

*Source : Delamere (1998)*

Mentioned in Dinaburgskaya and Ekner (2010), the development of FSIAS by Delamere responds to the need for standard instrumentation to use in festival related measurements. FSIAS shows two dimensions related to the social impact of the festival: benefits and costs.

### **3 Methodology**

This study aims to reveal the perceptions of the local community on the social impacts perceived from the implementation of the Buleleng Bali Dive Festival (BBDF) which includes the social benefits and social cost which are measured by Social Impact Attitude Scale (FSIAS). The population in this research is the villagers of *Pemuteran, Gerokgak District, Buleleng Regency*, northern part of Bali. The sample area covers only one village in *Gerokgak sub-district, Pemuteran* village with a population of 9748 people. The sampling technique used in this research is non-probability sampling; the purposive sampling. Where the determination of the sample considered the specific criteria that the sample is people who are living in the *Pemuteran Village, Buleleng Regency* and have been present or participated in Buleleng Bali Dive Festival (BBDF).

The questionnaire as primary data source distributed to 100 people using closed and open questions to answer the information needed. It used the Likert scale to reveal the perception of socio-cultural impact of Buleleng Bali Dive Festival: Strongly agree (5) Agree (4) Neutral (3) Disagree (2) Strongly disagree (1).

In order to answer the community' perception about social impacts related to the social benefits and cost of holding The Buleleng Bali Dive Festival (BBDF), the Likert scale in the questionnaire was processed quantitatively using exploratory factor analysis or principal component analysis (PCA = principle component analysis) to ensure the Social Impact Attitude Scale (FSIAS) that they perceived from holding the event.

## 4 Result and Discussion

### 4.1. The Sample Profile

The characteristics of the community as respondents were the local community living in *Pemuteran*, attended *Pemuteran* during the implementation of BBDF 2016, and those who know or have been present in Buleleng Bali Dive Festival (BBDF) which took place in 2015 and 2016.

A total of 64 out of 100 respondents were male while 36 respondents were women. Respondents are people of productive age ranging from 18 years with 10 years interval. A total of 41 respondents were 18-28 years old, 27 respondents were 29-39, 27 respondents were 40-50, and the rest were in the 51-61 age range.

12 respondents were students and 8 respondents were civil servants, 20 respondents were entrepreneurs, 12 respondents were housewives, 37 students respondents worked as private employees, 11 respondents who chosen other options are working as contract civil servants for government, college graduates who have not worked yet as well as apprenticeship.

This research was conducted in *Pemuteran Village, Gerogak District*. the dominance of respondents came from *Gerogak District*. As many as 65% of the people live in *Gerogak sub-district*, followed by 23% residing in *Buleleng sub-district*, 5% from *Banjar Sub-district*, 3% from *Seririt Sub-district*, 3% from *Sukasada Sub-District*, *Busungbiu and Seririt District* respectively 2% And only 1% coming from *Kecamatan Busung Biu*.

There are 39 people have been present once, 59 people have been present twice times and the remaining 2 people have been present in the third festival. This indicates the enthusiasm of respondents on the implementation of Buleleng Bali Dive Festival

BBDF 2016 is of course known by all citizens of *Buleleng*, as an annual event that has been running for two years. It published in print media, electronic media, social media and even special websites. However, 43% of respondents obtained information about *Buleleng Bali Dive Festival* from friends or family, only 11 were informed through the BBDF 2016 website, while 19 people obtained information through social media Buleleng Bali Dive Festival such as facebook and twitter, 2 people know through Television, 2 people know from radio and 23 people choose other options. It can be concluded that the most effective media for the dissemination of information is through word of mouth, followed by social media. It can not be denied in the era of technology, recently the information will easily spread through social media in a very short time.

### 4.2. Result of Factor analysis

Validity test shows the accuracy of questionnaire question items in measuring research variables. The technique used to test the validity is Pearson Correlation. A question item is valid if the Pearson Correlation produces significance  $<0.05$  ( $\alpha = 5\%$ ). The result of the validity test illustrates that all the question indicators have a significance value  $<0.05$ , means that the question items that measure the community perception are valid and can be continued to the next analysis. Based on the technique used to test the reliability of the question in this research conditioning that the Cronbach's Alpha value 0.838, can be concluded that indicators of Festival Social Impact Attitude Skill is reliable ( $>0.5$ ) so that all indicators can be continued to test by factor analysis.

Factor analysis used in this research is exploratory factor analysis or principal component analysis (PCA = principle component analysis) where the exploratory factor of the formed factors or new latent

variable is random. Factor analysis was performed using SPSS 21.0 program with 25 indicators (hereinafter referred to as variable). Before factor analysis, it has been tested first to see the correlation of the 25 indicators by Kaiser-Mayer-Olkin Measure of Sampling Adequacy (KMO). The result of value of sig. 0.000 ( $<0.05$ ), means that there is a strong correlation between 25 indicators, so that analysis can be proceed. KMO value result is 0.834 ( $> 0.5$ ) which means that 83.4% of respondents used as samples are sufficient so that factor analysis can be proceed.

It was found that all the 25 indicators has the anti image correlation value 0.5, it means that all indicators can be used to the next process of analysis. After rotation, it was found that the *Indicator 5 : BBDF improve the positive of culture impact for the community* has the value  $<5$  means that this item should be removed and then the rest of the indicators (24 items) should be analysed again. The result showed that from 24 items left, resulting the value of anti correlation  $>0.5$ , it was confirmed that all the 24 items of indicators can be proceed to next analysis.

Based on the result of the factor analysis, it was found that there are 6 main components which have the eigenvalue greater than 1, it can be seen that from 24 indicators left, there are 6 new factors formed and the six factors can explain 71.352% of its diversity. All the indicators have the value of communalities  $>0.5$ , means it is worth entering into new factor.

From 24 indicators of Festival Social Impact Attitude Scale (FSIAS), there are 6 new factors which illustrate the perceived social impact of the community on Buleleng Bali Dive Festival that named as follows :

Factor 1 : Social and Physical Environmental Cost

Factor 2 : Knowledge and Experiences Benefit

Factor 3 : Community' Image and Identity Benefit

Factor 4 : Cost in Public utilities' pressure

Factor 5 : Quality of Life Benefits

Factor 6 : Job Creation Benefits

The result of the factor analysis on the new factors formed can be seen in table 2.

**Table 2. New Factors of Festival Social Impact Perception Scale (FSIAS) (N=100).**

New Factors	Indicators	Factor Loading	% of Variance
Factor 1	Buleleng Bali Dive Festival causes disruption to the society routines (A17)	0.680	30.106%
	Trash increased to unacceptable levels during the Buleleng Bali Dive Festival (A21)	0.726	
	Buleleng Bali Dive Festival disrupts the daily routine of the surrounding community (A22)	0.857	
	Resources (human) are used in excess (A23)	0.822	
	The entry of Buleleng Bali Dive Festival visitors reduces the privacy that we have (A24)	0.828	

	Noise levels increased to unacceptable levels during the Buleleng Bali Dive Festival (A25)	0.800	
Factor 2	BBDF gives the community a new opportunities (A9)	0.724	20.714%
	BBDF gives the community a chance to learn a new things (A10)	0.860	
	In Festival I can enjoy meeting with committee and participants of Buleleng Dive Festival (A11)	0.711	
	I personally have a sense of pride and appreciation for my participation in the Buleleng Bali Dive Festival (A12)	0.753	
	The festival gives the community a chance to discover / develop new skills / talents (A13)	0.623	
Factor 3	Buleleng Bali Dive Festival (BBDF) enhances the image of Buleleng and its people (A1)	0.725	6.291%
	As a result of the festival, my community benefits from being positively recognized (A2)	0.757	
	BBDF Improve the identity of the community (A3)	0.722	
	BBDF is the community Festival (A4)	0.594	
	BBDF makes Buleleng more unique and special (A6)	0.592	
Factor 4	The community is overcrowded during the Buleleng Bali Dive Festival (A18)	0.799	5.185%
	Car / bus / truck traffic is rising to unacceptable levels during the Bali Buleleng Dive Festival (A19)	0.778	
	Public recreation facilities are used excessively during the Buleleng Bali Dive Festival (A20)	0.68	
Factor 5	BBDF contribute to the welfare of the community (A7)	0.676	4.714%
	BBDF helps to improve the quality of life of the community (A8)	0.761	
	Buleleng Bali Dive Festival contributes to my personal health / wellbeing (A16)	0.617	
Factor 6	Buleleng Bali Dive Festival offers a variety of cultural experiences (A14)	0.744	4.342%
	Buleleng Bali Dive Festival becomes a place of work for new ideas (A15)	0.685	

Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalisation.

Source: Result of Study, Data Proceed (2016)

#### 4.3. The Social Impact of Buleleng Bali Dive Festival (BBDF)

It cannot be denied that an event involving many people generates a certain benefit and cost, in which many people gather at the same time with their respective expectations and diverse behavior patterns. Based on the result of this research, from 24 indicators analyzed by Exploratory Factor Analysis, toward the perception of the local community found that there are 6 social impacts that they perceived from holding the BBDF event.

#### **4.3.1. Social and Physical Environmental Cost**

Related to Buleleng Bali Dive Festival (BBDF), the result of the factor analysis show that it gives a Social And Physical Environmental Cost with the eigenvalue value of 7.225 and can explain the data diversity of 30.106%. It can be concluded that the event brings negative impact to local communities. This is one of disadvantages in holding an event at a destination. It was reconfirmed by the community that during the event they perceived some costs related to social and physical environment such as: the disruption of their daily routine, privacy disturbance, resources in excess used, increase of noise to unacceptable levels, increasing the trash, and disruption of the society routines.

#### **4.3.2. Knowledge and Experiences Benefit**

The community also confirmed that they perceived the Knowledge and Experience from BBDF ( Eigenvalue 4.971 and 20.714 % of total variance). These are some positive impacts perceived by the locals regarding the knowledge and experience from BBDF event : a chance to learn a new things, sense of pride and appreciation, experience a new opportunity, meeting the committee and participants, discover and develop new skill/ talent.

#### **4.3.3. Community' Image and Identity Benefit**

BBDF also brings important advantages to the community and the Destination in regard of image and identity with eigenvalue 1.510 and can explain the diversity of the indicators about 6.291%. The locals confirmed that they perceived of being recognized. BBDF enhances the image of Buleleng and its people ( the city of *Singaraja* in the northern part of Bali as a tourist destination). Besides, BBDF also makes *Buleleng* more unique and special.

#### **4.3.4. Cost in Public utilities' pressure**

In addition to the benefits felt by the community, emerging costs also arise in the implementation of a festival There are some other disadvantages felt by the locals in holding the event BBDF. It is confirmed by the factors analysis with the eigenvalue 1.244 and 5.185 % of total variance. BBDF bring some costs related to the pressure of public utilities used that makes overcrowded, raise the traffic, and some of public recreation and facilities are used excessively during the event.

#### **4.3.5. Quality of Life Benefits**

Positively felt by the local community that BBDF gives them the quality of life benefit . It is showed by the result of factor analysis with eigenvalue greater than 1.00 (1.131) and can explain about 4.714 % of the indicator used. BBDF confirmed by the locals brings the improvement of quality of live, contribute to their welfare and personal health and wellbeing

#### **4.3.6. Job Creation Benefits.**

There is other positive impacts that is very important for local communities resulted by holding the event of BBDF. It can give the benefit for locals in creating Jobs. It can be seen from the result of factor analysis that the eigenvalue result also greater than 1.00 (1.042) and can explain the diversity of 4.342 % of indicators used. The community reconfirmed that the event gives them an opportunity to offer a variety of cultural experience especially that BBDF becomes a place of work for them to contribute new ideas. In fact, during the event, there are a lot of locals creation of handicraft show in



the exhibition area of the event. Many art makers and artist also performed and being paid by the organizer.

## 5 Conclusion and Implication

Buleleng Bali Dive Festival (BBDF) brings positive and negative social impacts to the Local Community. The result of this research illustrates that the use of the measurement of The Festival Social Impact Attitude Scale (FSIAS) in measuring the local resident attitude toward festival gives a different implication in various festival ( Delamere, 1998). It explained by the fact that the original scale (FSIAS) was modified and applied on a different environment. From 25 statements on social impacts and related score by FSIAS, only 24 statements are valid and reliable for BBDF event which is further used as indicators.

Based on the perception of local community toward BBDF event, it is found that there are some social benefits and social costs given by the event. The benefits perceived by the local community in *Pemuteran Village* are: **1) Knowledge and Experiences 2) Community' Image and Identity 3) Quality of Life, and 4) Job Creation** . This result gives an implication in some points concerning of holding an event (Getz &Anderson, 2008) such as : 1) BBDF event improves the identity of the community in *Pemuteran Village* and *Buleleng Regency* , means that this event can be an image maker for the destination together with their local community 2) BBDF event gives the opportunity for local community to improve their quality of life by learning new things, express new idea, meet and greet new people, get more knowledge and experience which will develop their pride and welfare 3) BBDF event can be a catalyst of other development specifically as a source of economic support for locals based on their capacity to create job opportunities.

With regard to the negative impacts of holding an event, BBDF also brings some social costs for local communities: 1) Social and Physical Environmental Cost and 2) Public utilities' pressure. This highlights that the event has the potential hotspot to a social burden such as: disruption of society and daily routine, reducing the privacy, increased the trash to unacceptable levels during the event and overcrowded during the festival which will be connected to the traffic and parking arrangement in the area together with the excessive used of public facilities has to be taken into account to maintain the convenience of the locals and the visitors.

## 6 Limitation and Future study

This study is related to perception which contains elements that has broad meaning. The perception of society to be revealed in this research focus on social perspective only. Therefore more comprehensive research is needed to reveal the perception of society from the economic and environmental perspective perceived by holding an event in the region. Furthermore, to fully assess the impacts of the Buleleng Bali Dive Festival on the residents and other stakeholders involved, it is recommended to the Government of Buleleng Regency as an organizer to apply a triple bottom line (TBL) approach research (economic, social and environmental) framework of the festival. The main focus of this present study was on the social impacts of the festival, but in order to embrace sustainable strategies, to maximize the benefits of this festival, to understand the big picture and interests of all stakeholders, it is important to use the TBL approach in the future.

Another opportunity for future research is an in-depth study of the importance of social capital that festivals might generate for the city. Festival attendance might generate social capital through social cohesiveness in the community where members have the opportunity to unite and share a worldview through common bonds and through giving a voice to various sub groups with various lifestyle preferences.

The present study examined the residents' perceptions on the social impacts of Buleleng Bali Dive Festival at a single point in time. However, in order to deeper analyze the complexities of attitudes formation in regards to the festival, it is recommended to conduct a longitudinal study (a repeated study of the same elements over a period of time) which will enable researchers/practitioners to obtain a more accurate measure of the differences observed.

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The International  
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# **Innovation in the concepts of intercultural communication and resistance to changes in responsible organisations.**

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## **Abstract**

The original objective of this project was to reinvent a way of communicating destinations to specific targets. However, resistance to change by politicians and tourists oriented the research challenge towards organizational and human approaches. The question of levers and resistance to change became central, the hypothesis being that **the development of an organizational innovation makes the communication strategies of destinations more effective within Swiss tourism companies.**

We assessed that the differences in the perception of promotional messages were confronted with a rich and nevertheless self-centered iconographic positioning: Switzerland seen by its own citizens. The scientific objectives of this project attempt to demonstrate that a type of organization managing a co-creation process with all stakeholders can enhance a new communication paradigm by significantly reducing resistances to change within Swiss touristic organizations.

## **Keywords**

#governance #communication #interculturality #organisational\_innovation  
#swissness #resistance\_to\_change

# 1 Introduction

## 1.1 Genesis

Globalization has opened new markets to the most important Swiss destinations. They are now looking for customers in markets as diverse as China, the Middle East, Brazil or Australia. These changes imply a questioning of how to communicate on the part of the destinations. Targeted marketing for local markets will not work with different culture receptors. These can lead to lasting misunderstandings due to a very different approach to travel and a wide variety of expectations about the destination and its services.

One of the main characteristics of communication is to adapt to its target (receiver), this is all the more so as in the intercultural context. Messages prepared with a European or North American vision and sensitivity will have little impact on an Asian or African target. According to Mkono, companies or destinations that will become aware of these differences and will tailor their messages will have a certain competitive advantage. "A 'one size fits all' approach is outdated in the today's globalized world of business" (Mkono, 2010, Tourism Analysis).

In addition, recent developments in marketing demonstrate that the barrier between companies (issuers) and customers (receivers) is becoming increasingly permeable (Jaakola and Alexander, 2014). The concept of customer's commitment in communication adds up to the many other opportunities available to the client to influence the development of the company. This tends to prove all the interest a message sender can find in co-creating it with his target in order to ensure a successful communication.

In the tourism sector, the evolution of overnight stays in Switzerland clearly demonstrates the advent of new, culturally distant markets (Suisse Tourisme, 2014). The Chinese market, for example, grew by 521% between 2000 and 2013 to set up at 994 546 overnight stays, representing 5% of the total (Suisse Tourisme, 2014, STNet, Market\_Analysis). In comparison, the Gulf States market (GCC) grew by an annual average increase of 19.8% between 2005 and 2013. It now represents 3.2% of all markets (Suisse Tourisme, 2014, STNet, Market analysis). This forces destinations to rethink their communication and adapt new techniques that can guarantee their competitive advantage.

Opening a door to a new era in destination marketing at the global level is a challenge as traditional models have reached their limits. The economic challenge is to open up new market shares while providing coherent communication for message recipients, ie. new clients of culture distant from our own.

This "strategic" objective, based on the notion of innovation, does not take into account the human impact of the tensions from the point of view of the collaboration generated by the confrontations between representations and ideas. This tension reveals that few managers are truly aware of the strategic management of change and that company executives are content to manage change from a strictly operational point of view, obscuring a logic strategic and cognitive yet necessary for the successful conduct of change (Bareil, 2008).

An innovative organization requires a managerial transformation that relies on both emotional and intellectual skills. *“En tant qu'élément du contexte, d'un contexte intangible, les représentations structurent les comportements des acteurs mais elles sont également révélatrices des structurations de l'organisation sur les acteurs. Sans croire à une causalité linéaire entre représentation et action, nous soutenons l'idée qu'il existe une relation forte entre ces deux pôles et que l'analyse des représentations est un élément essentiel, bien que peu développé dans la littérature sur le changement, dans la compréhension du processus et des difficultés de gestion du changement organisationnel”* (Perret, 1996, p.4).

## **2 Concepts and methodology**

### **2.1 State of the art from a marketing point of view**

Marketers and other commercial message providers have a responsibility to define the image they give of themselves and their companies (positioning) through their speeches. This refers to their credibility and the confidence they should rise among their targets (receivers). As stated by Barthes (1957), this communication is linked to three key elements: the issuer, which must have an ethic to be credible; the message, which must include good arguments; and the receiver, which can be 'touched' or not by the message (Viallon, 2013).

The issuer is essentially the one who wants to convey a message and therefore the taker of initiative. He is responsible for the communication strategy and the choice of channels. It is also the one who has the most to lose in case of communication failure to the receiver. The target of a message is commonly referred to as the receiver. The message must be designed for its attention and the strategy must ensure that it is understood.

#### **2.1.1 State of the art in tourism communication**

“The rapid expansion of international tourism as we know it today, with widespread business and leisure travel driven by continued deflation of travel prices, increased transport speed and comfort, and aging of the population, is often related to the general globalization of our society. This fact leads us to more and more frequent cases of relations and interactions with civilizations of different cultures. Under these circumstances, intercultural communication becomes a strategic issue for multinational economic enterprises and major tourist destinations” (Tsiotsou and Ratten, 2010).

In a context of highly diversified international markets, it must be recognized that some actors, such as Suisse Tourisme, are beginning to take these cultural elements into account, but only since recently.

As a matter of fact, if we compare for example the campaign "Cities 2011" (ST China, Beijing, 2011) and the campaign "Grand Tour of Switzerland 2015" (ST, 2015a & b), we already see a great evolution. Indeed, the videos that can be found in the 2011 campaign to promote the "Swiss Cities" featured the same messages and codes on all markets (ST, 2011, promotion 'City'). Only the text and logo of Switzerland Tourism differed at the end of the video while the script, the actors, the traditional 'Paul & Sebi', etc... were the same for all markets.

To mark the evolution, we can here clearly point out, on the campaign of the Grand Tour of Switzerland in 2015 in China for example, a promotional video featuring a famous Chinese man experiencing activities that match their expectations better (ST, 2015b, YouTube), such as simply drinking water at a public fountain.

Thus, in comparison, it can be noted that the video for the European markets has a totally different 'storyboard' with more representative and traditional actors (ST, 2015a, YouTube). However, these examples are still exceptional and the message communication strategy is too rarely adapted to the receiver (target audience). By this we mean of course the channels used, but also and especially the signals adopted. Although the texts are generally translated into different languages, the content of the message remains the same and does not take into account the various receptors cultural difference.



The complexity and above all the variety of the markets concerned and the means at the disposal of the tourist organizations can partly explain this state of affairs. According to data from the Swiss Federal Statistical Office 2014, the Chinese market continues to grow with nearly one million hotel overnights in 2013, making it the fifth largest foreign market after Germany, United Kingdom, USA and France.

However, some good practices have been observed in recent years, such as the initiative of Suisse Tourisme and Swiss Snowsports (Delessert, 2013), which led to an effective intercultural communication with the arrival of Chinese ski instructors and bloggers at various Swiss ski resorts during the winter of 2013 -2014.

During that winter season, not less than eight Chinese ski instructors were invited to come and train in eight Swiss destinations (Davos, Engelberg, Grindelwald, Gstaad, St. Moritz, Verbier, Villars and Zermatt). They first attended the Swiss ski instructor training while occasionally accompanying Chinese tourists.

The role of these professors was not limited to activities on the slopes, but also to link information to China. According to Simon Bosshart, director of the Asia-Pacific region for Suisse Tourisme, "the eight ski instructors proved to be excellent mediators to facilitate communication with Chinese hosts."

The impression left by the visited country on these instructors is so good that they are delighted to continue to share their impressions in China. Among other things, they used the "Feichang Huaxue" application to share with their compatriots their impressions and advices on Switzerland as a winter holiday destination. This application has been downloaded 7000 times in China during winter's last four months and remain absolutely unknown in Europe.

The impact of the media coverage of this operation is also very pleasing with 48 articles spread over more than 100 pages and 45 minutes of video reports have been broadcast in the Chinese medias. The pilot project was also closely monitored by the medias in Germany, France, Austria, Norway, Sweden, Finland, the United States, India, Singapore, Hong Kong and New Zealand (Switzerland Tourism, 2014). That only shows how important this topic is nowadays.

## **2.2 Methodological findings (quantitative study)**

In order to try and verify our theory in the most representative way possible, our methodological choice tended towards a quantitative survey with the 'sphinx' software. We wanted to analyze the communications for two target countries (China and the Middle East) by identifying the type of themes chosen and what kind of "Swissness" we communicate to our interlocutors. The aim here is to identify the marketing impacts and the possible consequences in order to justify an improvement in our ways of communicating by considering cultural differences. The use of images seemed relevant to collect information by the insertion of visible and fixed objects. According to Moscarola (2011), the wall of images makes possible an experiment by immersing the respondent in the interrogation of the survey: "Experience shows that these images facilitate the expression and enrichment of the multiple interpretations they may arouse".

Various image walls on subjects closely linked to the Swiss economy were selected and classified according to their topic. Each respondent had to choose for each wall the image he preferred (best) and the one he liked the least. For each of these two categories feelings were associated and it was asked to define for each of the chosen photographs the feeling closest

to what the image made the respondent feel. In addition, when choosing best or least, the respondent still had to define the area of the photograph that prompted his choice.

With this strategic vision, the Geneva School of Art and Design has been able to consolidate its preliminary research on “Swissness” and to offer a considerable number of images on the main economic themes of our country, defined by the same institution in advance.

In addition to studying the relationship of potential clients to the images, our methodology also allowed us to check the emotions aroused by the different images. The assessment is based on personal values and it is they who define well-being or unhappiness, and thus determine the qualitative content of an emotional experience and its intensity. For our survey, it is an intuitive appraisal of the aspects perceived here and now, in situation. The information will allow us to draw conclusions about what is undesirable or favorable for the respondent. We are therefore inspired by emotional theorists who confirm that we cannot dissociate the motivational, affective and emotional components in the study of adaptive processes. According to Frijda (1993), emotions are motivational states underlying certain modes of interaction with the environment.

There were, however, limitations to this study. In fact, thirty-four observations mentioned to some walls of images twice best or twice least, which shows that part of the panel did not understand the question or was mistaken in manipulation.

The total sample of respondents consists of 280 questionnaires completed to completion. Of these, 87 come from Switzerland, 78 from China, 64 from the European Union and 51 from other regions of the world in disparate ways. Given the lack of cultural ties, they could not be used for this research.

### **2.2.1 Main findings**

The first observation that has been made is that the degree and the importance of the bias in the differences of vision depend strongly on the themes and is neither linear nor strongly linked to one culture rather than another. In other words, we have been able to observe a certain standardization of representations, proportionally counteracted by linearity ruptures displaying totally different representations on the same theme, depending on the origin of the respondents. Among the most appreciated images, all themed walls confused, one finds much the elements related to the water, the mountain and the well-being. For European customers, however, the family and the presence of the human are at the top whereas for the Chinese it is rather the elements related to the soil and culture. It should be noted, however, that only identifiable cultural elements, such as traditional dance, have been acclaimed. On the contrary, they showed a certain restraint in the face of unknown elements (i.e. Alphorns).

The part of this survey that gave rise to the biggest differences concerns emotions related to images. Among the positive emotions, the word "happiness" is first among Chinese nationals (34.4%). For the Swiss, it is the word "surprise" with 39.3%, whereas for the Europeans it is the term "desire" which was acclaimed with 29.7%. If we now consider the negative emotions, or related to the images mentioned as the less liked of the test, it is here the word "fear" which stands out for 41.4% of the Swiss. The Chinese, on the other hand, felt much more "sad" (32.6%) at the sight of certain images whereas for the Europeans it is the "anger" which predominates for 33,1% of the respondents. From a cultural point of view, it is very interesting to note that there is very little feeling of anger among Chinese respondents.

These first findings, mainly those related to feelings, already show a certain statistical difference between participants' perceptions depending of their origin. There is undoubtedly already a clear lesson to be learned here.

Among the various themes proposed, there was of course the gastronomy. In view of the Swiss traditions and habits, the "cheese" element appeared on several walls of the survey and in various forms. It is not surprising that this element is each time strongly rejected by the Chinese, whereas it is highly praised by the Swiss and Europeans. This ingredient raises feelings of "fear" and "disgust" among the citizens of China, while it is the "desire" for the Swiss and a sense of "happiness" among Europeans.

As far as the landscapes are concerned, none of the three provenances liked virgin landscapes with sober colors and without human presence, be it a mountain restaurant or an agricultural plain in winter. For a landscape to be enjoyable, it would seem that soft and shimmering colors (white, green) and a presence of human activity are more appreciated than the mountain (gray) or the winter lower valley (brown).

The traditional Swiss chalet could not, of course, go unnoticed in this study. The associated images were particularly pleasing to our Chinese contacts who have felt "happiness" in front of these representations, whereas for Europeans it is rather "wonder". The Swiss were slightly less sensitive to this argument.

Culture has of course also been treated from various angles. For the Chinese, it was the images related to dance and traditional costumes that attracted their favors. An image with traditional dancers even provoked a sense of "happiness" for 89% of them. The Swiss and the Europeans were much more sensitive to the elements of traditional music, especially to the alphorn, which was not at all put forward by the Chinese.

## **2.3 Organizational innovation**

There is no single definition of organizational innovation. In his thesis, Dubouloz (2013) defines it as a *non-technological* process innovation that includes new practices, tools, processes, techniques and organizational structures for the company adopting them to improve the efficiency and effectiveness of internal organizational processes. The lack of academic interest in this form of "non-technological" innovation is paradoxical if we refer to the Community Innovation Surveys' results. Indeed, the Oslo Manual defines it as the adoption of new organizational methods in company practices, both in the workplace and in external relations (OECD, 2005). This is why we are interested in the sources of creativity in the innovation process that we consider as original forms of knowledge and experience rather than the emergence of ideas.

### **2.3.1 State of art**

Setting up an organizational innovation requires thinking of the organization as an "improbable" experimental space combining two distinct, opposing but evolving, operations: learning and unlearning. The literature distinguishes two approaches.

The first one is **behavioral** and is characterized by a modification of the actors' behavior according to sequences stimulus - responses adapted. The contributions of Scharmer (2012) and Sarasvathy (2001) show that this type of learning is dependent on the past and is based on "routines".

The second stream is **cognitiv**; Here the representations determine the actions of the actors. It is therefore the treatment of information which guides the actions of the people according to their knowledge and their mental representations. This option validates non-routine situations, experiences in which actors must "reformulate" reality, or challenge the values that are the foundation of actions. This posture seems to be the most relevant to us in the face of the changing economic context in the touristic field as we see it today.

From then on, it seemed appropriate to integrate the concept of "cognitive capitalization" into our organizational model. This implies an ability to develop learning **permanently**, both individually and collectively. This participatory approach is therefore of real interest from the governance point of view. We have shown that the interest in the development of an innovative design is obvious and requires a collective dimension of the project. However, we are doubtful about the actual capacity to hybridize today's resources among various partners. This raises the question of the formal framework of our organizational model, the explanation of the stages and the mode of decisive collaboration for the innovation process success.

Indeed, when a company innovates, the main source of uncertainty lies outside the organization, whereas, on the other hand, it is a process whose management will depend, the internal representations of the leaders of the company. Two clash management models: a traditional "linear" model and a "vortex" model. The latter is more appropriate for experimenting, dealing with actors and increasing the ownership of the project by a large number of actors (Alter, 1996).

Durand notes that contemporary and western organizations struggle to manage the complexity of the issues they face. *Leur modèle d'action est souvent basé sur une logique de gestion qui se concrétise par l'omniprésence du contrôle* (2012, p.163). To remedy this, the author proposes to transform organizations to promote "the emergence of collective intelligence". This requires the development of specific skills such as managing uncertainty and exploring the unknown. From a managerial point of view, this is a questioning of the modes of governance focused on the control procedures in order to try to exercise a "collaborative leadership" and find a collective way appropriated to the current challenges. This is what Scharmer (2012) calls "co-creation," a thought that belongs to a group, a community, emerging from personal and collective experience. We will develop this perspective of organizational transformation by focusing on Sarasvathy's (2001) research on "achievement" demonstrating how entrepreneurialism is unpredictable, the goals emerging with the deployment of the project.

### The innovation process

In a highly competitive environment, there is usually a strategic tension between the "operation" of existing activities and the "exploration" of new areas of activity (March, 1991). The aim is to strike a balance between preserving the best skills of the company and its ability to change in order to cope with rapid changes in the environment (Chanal and Mothe, 2005).

This approach has been confirmed by Sarasvathy's (2001) theory of realization, which defines entrepreneurship as "non-predictable" and "emerging" objectives as the project progresses: **Effect is a model of non-predictive decision making**. The theory of performing offers a relevant transformation model in an innovation process that focuses on analyzing the resources available in relation to the opportunities available to the organization rather than to

a previously defined target. This vision, described below, starts from the "inside" and only works through interaction with other stakeholders: *You begin with the world as is, merely the small part of it that is accessible to you in particular, and perform a series of effectual transformations on it that ends by creating imagined, unimagined and even unimaginable new worlds. In effectual logic, it is understood that ends exist in hierarchies and that ends and means are dialogically intertwined.* (Sarasvathy & Germain, 2011, p.68)

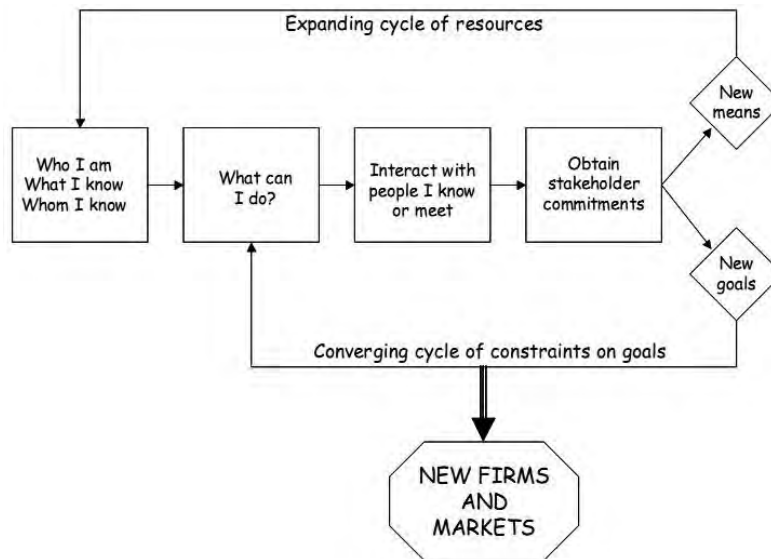


Figure 1

The realization approach integrates uncertainty as a variable in the development process of innovative projects. Nevertheless, causation and enforcement do not conflict, as soon as the right target has been identified, we must be able to resort to "causal" processes, such as marketing.

Immersion in the management of "complexity" becomes a *sine qua non* condition. Within the framework of our protocol, we have found that it can also be the source of "reactive tensions" between the partners when it comes to developing "creative tensions" in the sense of Senge (2006). This property is essential in the management of our model. It takes into account the dialogical relationship between order and disorder because an innovative organization is a place where organized phenomena can arise from disorder. (Temri, 2000)

### Resistance to change

Theory defines the process of innovation as an accumulation and destruction of knowledge, the renunciation of certain practices of the past, and the elimination of certain options for the future. This process generates "resistance to change", a process that is seen as a force opposed to the reorganization of behavior and the acquisition of new skills.

Our assumption is that a type of organization can favor a new, more effective communication paradigm by significantly reducing the resistances to change present in Swiss tourist organizations. Our experience has shown that despite the praise of leadership, talent management and "agile" methods, the resistance to change within the leaders of tourism companies remains high even as they look for alternatives to the dominant models!

It should be noted that the barriers created by managers and employees in the face of the change engendered by organizational innovation are "internal" and that they would be the most difficult to thwart. The results of research carried out by Dubouloz (2013, p.272) are also promising: *contrairement aux conclusions de Tourigny et Le XXXX (2004) selon lesquelles les rigidités organisationnelles [résistance au changement] sont des barrières infranchissables, nos résultats montrent que les entreprises qui ont réussi à pérenniser l'usage de l'innovation organisationnelle, sont parvenues à les minimiser (voire même à transcender le processus d'IO) à l'aide de pratiques de management (participation des salariés à l'élaboration des plans de mise en œuvre, démonstration par la formation, démonstration par les résultats sur le terrain).*

It is interesting to note that, today, literature agrees that organizations have faced major changes over the last decade. These are called "reorganization", "restructuring" or even "revitalization". This organizational dynamic is the repercussion of other changes such as markets globalization, economy globalization or international competitiveness. These organizational changes mean significant changes in the company to remain competitive while adapting to specific industry and / or service environment changes. The analysis of compiled statistics on the success rates of organizational changes shows that half of the transformations (strategic change) do not reach the expected objectives (Bareil, 2008, p.89): *Parmi les causes connues, on trouve une faible capacité organisationnelle à soutenir les changements, un leadership ambivalent ou évanescent, un manque de légitimité et d'ambition envers les changements des réseaux de communication insuffisants, une inertie organisationnelle forte causée par la culture et la structure en place et, bien sûr, la résistance au changement des acteurs concernés.*

The classic approach to organizational change relies almost entirely on the notion of resistance to change. Bareil (2008) shows that there is a variety of behavioral responses to organizational change and that they may change over time. The "phase of concerns" model defines a probable sequence of legitimate concerns, considering that each actor will experience normal concerns generated by a tension between the need for security and the desire for change: *Le concept de préoccupation (ou d'inquiétude) réfère à un construit cognitivo-affectif qui exprime une réalité émotionnelle vécue et un état inassouvi de l'esprit qui est orienté vers un objet. (...) Il faut se rappeler que ce n'est qu'une fois rendu à la phase 5 (préoccupations centrées sur l'expérimentation), que le destinataire est ouvert à l'apprentissage et à la formation, c'est-à-dire qu'il est disponible et disposé à faire des efforts pour changer ses habitudes. Avant ce stade, il doit trouver des réponses satisfaisantes à ses inquiétudes des phases 2, 3 et 4 (Bareil, 2008, p.94).*

If individuals learn from their experience, this does not mean that the organization learns. Process is neither sequential nor hierarchical, but organizational learning has its roots in that of the actors of the organization. It is therefore our own mental schemas that prevent individuals and organizations from expressing new modalities of understanding. Trapped in their cognitive net, the organization and its actors are limited to performing "simple loop" learning, which modifies the strategies that underlie it without undermining the fundamentals of these theories of action (Gravel, 2010). These cognitive impediments can be removed from the moment when we introduce a reflection and deeper change actions in terms of the underlying values of the organization: double-loop learning.

In summary, to develop a willingness to innovate, leaders must create communities that share a motivation, values and rules of engagement. In terms of innovation, classical process-oriented procedures are detrimental to exploration innovation: tourism is experiencing this tension very strongly. We must therefore be aware that innovation implies change and that, by definition, the change that emerges is not a priori known in advance. By performing this step collectively, we assume that this will facilitate the creation of a community feeling, which is the key that innovation needs. It is only when leaving the security zone that a source of creativity can be revealed.

### The co-creation process

This process is not just a creative realization between a few people. For Scharmer (2012), "co-creating" requires the continuous integration of feedback from key partners to "dialogue", mainly with clients. It is a matter of exploring, as Scharmer says "the future through action", which calls for a qualitative change in thought. Scharmer relies on the Baetson theses of the Palo Alto School and Peter Senge, which demonstrate that a change of "type 2" necessarily implies a learning process that affects and modifies the system itself.

In this sense, the process of co-creation implies a managerial change. Because it summons not only all parts of a system to effect a dynamic of change, which is already a structural break, but above all it fosters a dynamic where unlearning precedes a phase of new learning. This is what Scharmer calls "letting go" and "letting come": *l'émergence de nouvelles images de nouvelles expressions ; surprendre est toujours une bonne façon de faire, suspendre le jugement. La panoplie est sans fin, des arts classiques aux nouvelles technologies (The emergence of new images of new expressions; Surprise is always a good way to do, suspend the judgment. The range is endless, from classical to new technologies)*. The generation of atypical situations or environments facilitates this process of unlearning because participants must adopt a new role, involving new forms of organization.

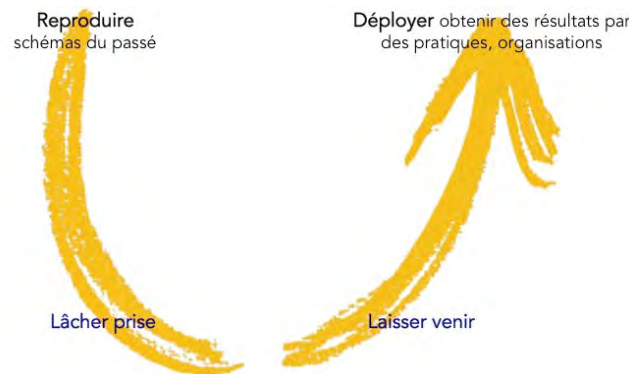


Figure 2 : the 'U' shaped mode (Sharmer)

Although the literature seems unanimous on the commitment of all stakeholders, the transposition of this concept in the management of an organization tended to innovation requires the use of several dimensions: collective, exploration and sociocognitive conflict<sup>2</sup>. The

<sup>2</sup> Within the framework of collective intelligence in interactions, the sociocognitive conflict triggers imbalances in thought, thus making the process of elaboration necessary. It is the source of both social and cognitive imbalance. It is then said that the sociocognitive conflict is reabsorbed by the transition to a more complex cognitive model of the situation.

role of the leaders of innovative organizations is not only to define and then control the direction to be followed but to create and nurture an ecosystem favorable for the emergence of creative interactions. This is a crucial evolution of the perception of managerial responsibility in the service of a creative community.

In summary, the cognitivist approach we have chosen makes possible these non-routine actions. The development of an atypical organization becomes, in itself, a context of learning from breaks that the participants will experience during the co-creation process. **The management and the management system are then fundamental to secure the actors.** They become aware that they are not doing what they usually do and that "something is happening". It is the transition from a model of causal decision to an effective logic (Sarasvathy, 2001).

### 2.3.2 Process

Relation with LGM / ST / CMT >> change of strategy

In the more specific area of tourism that faces economic, social and environmental challenges, we believe that the innovation process emanates more from one form of organization than from the development of new communication technologies. The literature often refers to the concept of "cluster", which is defined as a grouping of firms in the same networking sector to transform economic challenges into opportunities rather than threats. This is a systemic response to the challenges that this industry faces with all the players of a territory.

However, this does not create a paradigm shift in the way we imagine new commercial communication strategies. Clergeau & Violier (2012) show that the transfer of such a scientific tool developed in the industrial field cannot be transposed as such in the field of tourism: the production of a tourist experience is done by the tourist who mobilizes resources and services to live its experience on the territory where they are co-invented and co-produced. To take into account the specificity of tourism activity, *the research must integrate the co-creative and co-productive dimension of tourism, and in fact enrich the concept of "cluster"*. The latter must therefore be revisited today in the sense of trying to understand "territorial organization" as a co-production of experience, the client becoming a "service co-producer".

The question of the role, and therefore of the relational modes between the actors, is preponderant. We were able to check with organizations like Lake Geneva Matterhorn Region (LGMR), Suisse Tourisme or Crans-Montana Congrès that these were either organizations in cluster or networked arrangements, as Ménard (1997) clarifies *a partial transfer of the power to allocate resources without simultaneous transfer of property rights*. The consequence was straightforward: as soon as it was a matter of modifying their organization and investing resources in a logic of the effective type, we were faced with a refusal, despite the obvious interest of the various leaders.

From the perspective of our research, we were interested in a "hybrid" form of structures. This mode of organization generates a form of governance in which dependence demands a continuity of relations and requires mechanisms of coordination and a more powerful control than those of the market, without, however, establishing an economically and legally independent entity. The problem then arises of knowing what are the exact properties of such structures (Ménard, 1997, p.742). This is exactly the tipping point that we have not been able to overcome during our consultations.



Steven's (2009) research on renewal of value chain and innovation models shows that modes of association and governance are the key success factors for innovative firms making this interesting observation: co-creation establishes a mutual dependence between actors of innovation and the innovative firm. On the one hand, organizations are not in a position to fully control the activity of developers who work outside of any relationship of hardship. On the other hand, developers and users have the power to influence the choices and options taken throughout development. There is thus a relationship of mutual dependence between organizations and co-creators (Steven, 2009, p.240). Thus, the development of co-creation practices generates a "functional rupture" in the sense that the actors contribute as much to its development as to capture a part of its profit. The position in the creative process, the substitutable nature of the competencies provided, the role in governance and the animation of the network will determine the capacity of the actors to capture part of the value produced or to use all or part of it in its own process (Steven, 2009, p.241).

### Co-creation workshop

The realization of a co-creation workshop aimed at several objectives: bringing together actors from different cultures who participated in the analysis of the wall of images, creating a panel of functions (management, marketing manager, site manager) and of various universes (Chinese culture, gender and age), gathering different forms of organizations and diverse industries (Anniviers Tourisme, Montreux Tourisme, Nestlé, Suisse Tourisme, Sunrise, Yverdon Tourisme), in order to experiment the process of emergence at the service of innovation and the change of an intercultural communication model.

We used the Goffin & Mitchell model to locate potential sources of uncertainty in the implementation of an innovative organization generating a co-creation process.

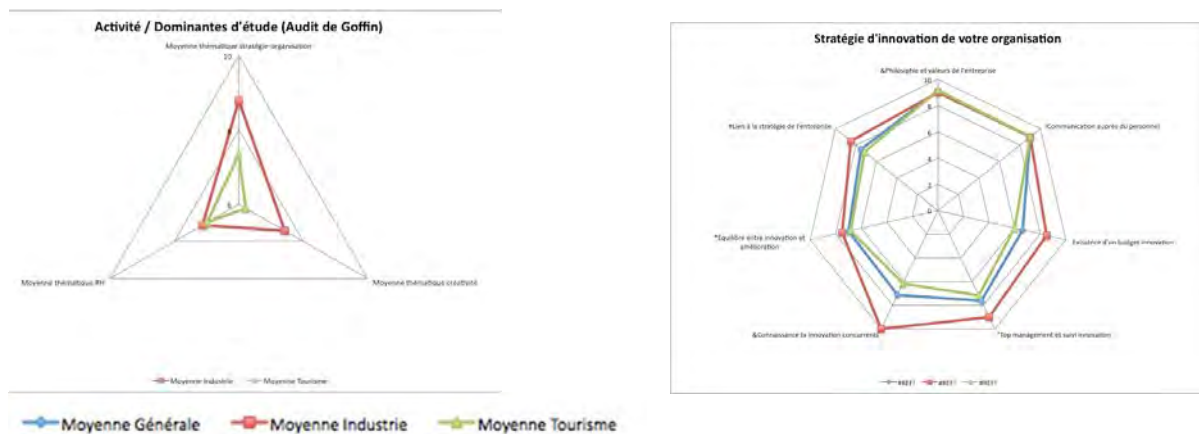


Figure 3 : Comparison of audit dominance between tourism and other industries

The first observation is that companies develop an approach of "exploitation" rather than "exploration", like a strategy based on acquired skills and cost containment rather than innovation. Secondly, organizational culture differences are more pronounced in tourism, which uses not much creative techniques, while other industries rely on Ra&D services.

It is interesting to make the link with research on the impact of creative techniques, which, although they have not shown that they increase the emergence of entrepreneurship, allow reflexivity. *This metadiscours allows one to go further in the linking of the desirable and the feasible: it reveals tensions and compromises to be found between these two beliefs.* (Hernandez & Redien-Collot, 2013, p.29). This analysis suggests that tourism companies would benefit from their intentions, which would allow them to develop an effective approach, thus marking the transition to a culture of innovation.

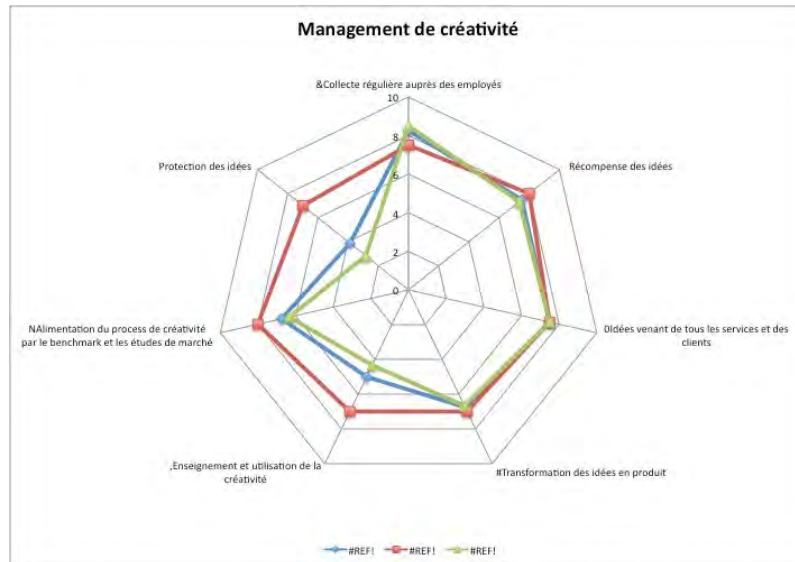


Figure 4 : management of creativity

Here again, the results suggest that tourism does not formally resort to creative techniques - or knowledge. Two elements seem critical: the lack of prioritization and the choice of a governance model.

- **The evaluation of innovative projects:**

The results are paradoxical. On the one hand, the notion of innovation projects is connoted as "strategically important", in terms of developing new markets, better competitive positioning and hence expectation of profit. On the other hand, they relate only to indicators of profitability; so a causal logic of the process at the expense of an effective logic.

- **The relevant mode of governance for the development of innovative projects:**

Our survey shows that there are few skills identified by professionals to support innovation projects. This situation raises the question of the implementation of an additional organization within – or in parallel with – existing and traditional organizations. Not being able to identify other visions could be the signal that companies want to innovate, but without global change.

This point will be an important element for the presentation of our organizational model, in particular in terms of risk reduction and maximization of the co-creation process.

### 3 Result

In the context of our research, we formulated the following hypothesis:

- The natural resistance to change of organizations in place has significant inertia;



Figure 5: Gartner Hype Cycle

The technology adoption lifecycle passes through identified phases leading to a "peak of waiting" followed by a "period of disappointment" and finally the "recognition" through a recurring "set of productivity". This adopted cycle can be extended to any innovative project.

- Participatory infatuation does not occur naturally.

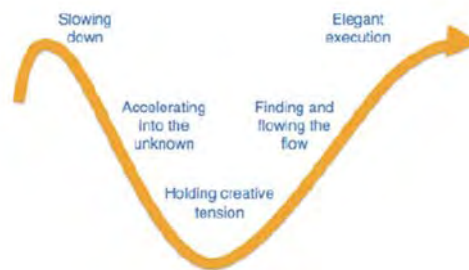


Figure 6 : U-shaped process

The innovation process depends on cognitive aspects and social interactions. Engaging a change in relation to past automations closes any possibility of "learning from the future". However, innovation is characterized by uncertainty and therefore by the ability to reformulate our mental patterns. The descent of the U-shaped process may correspond in the actors to a feeling of "regression" or "resistance"; while in our model it is an opportunity to open up new ways of thinking, to communicate, to collaborate and ultimately to create concrete applications responding to strategic innovation issues:

- The language of participatory narrative is still in its early stages.

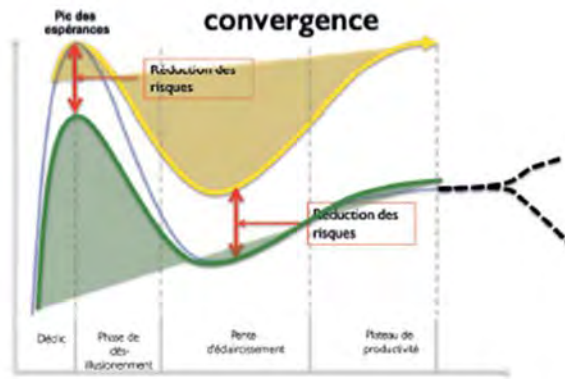


Figure 7: risks of resistance to change during the innovation process

In this sense, our organizational model aims to reduce the risks of resistance to change by identifying the concerns of all actors at three key moments in the organizational innovation process. Our model:

1. Favors a collective approach upstream by defining a common intention and management of the explicit commitment of the stakeholders;
2. is oriented towards a cognitive dynamic, namely the accompaniment of emerging knowledge (process of individual and collective learning);
3. Renews collective learning with ease and efficiency.

The co-creation process corresponds to a learning flow within the framework of "meta-organizations", which are experiencing new forms of coordination of activities: a scientific pole that develops and codifies knowledge (cognitive capitalization), a technical pole that provides products or services (intercultural communication, marketing) and a market pole comprising users who express an expectation (agile approach).

### 3.1 Innovative organization model of a company's dynamic innovation capacity

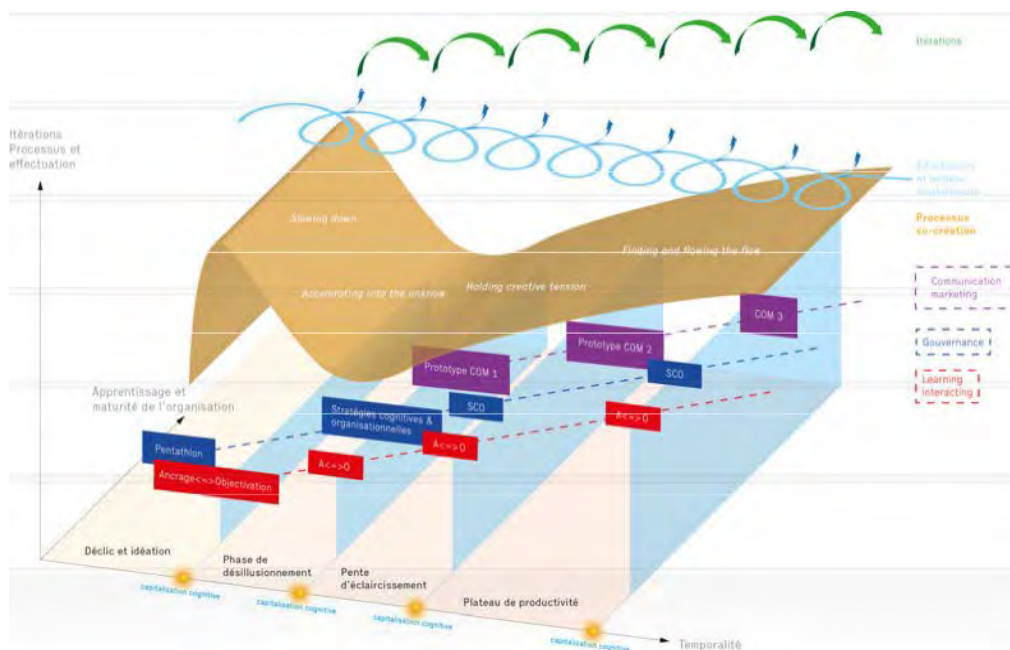


Figure 8 : company's dynamic innovation capacity

Since the main barriers to innovation are mainly built on the basis of human biases that hamper exploration and learning, we pay particular attention to explaining the different stages in order to reassure the actors during the process of innovation. This approach has several advantages. First, it is compatible with agility, understood as iterative project management, focusing on the roles of people and the interactions at the level of processes and tools. Then, it tests its effectiveness and its effects on productivity and well-being. Finally, as a "black hole", it has the effect of attracting to it successive parts of the company in a viral way. In conclusion, it reduces the risk of non-learning, acts and encourages life-size experimentation. Here, the back and forth between knowledge and organization is localized and allows the adaptation to the particular conditions of each company.

### **3.2 Results on intercultural communication**

On the basis of the results of our intercultural survey, we found that the image we show of Switzerland is not necessarily meaningful for visitors from other cultures. We project a stereotypical image of Switzerland. We have demonstrated that the success of intercultural communication implies that the creation of a message relies on an interaction between transmitter and receiver.

### **3.3 Degree of innovation in relation to the state of art**

This project is the first one to focus on the simultaneous use of three diagnostic approaches: Pentathlon audit, process of implementation and co-creation process in the field of organizational innovation. It is difficult for companies with operating experience of innovation, organized around procedures acquired in project management, to switch to an exploration logic and develop this "strategic flexibility" in order to create a hybrid structure. Hence, this project is innovative because it proposes a **new logic of prototyping** to companies willing to innovate (product, service, business model, communication, organization).

The added value of this approach consists in taking into account and reducing risks. This mitigation takes place at three levels: at the level of the market, at the level of costs and at the organizational level. Indeed, the notion of rupture is here replaced by that of creative evolution because even if the result can lead to a redistribution of the commercial priorities of the company, it will only be the expression of its social and cognitive development. Thus what appeared to be a danger, namely a radical modification of the whole organizational structure, disappears in favor of an evolution of knowledge relations and working methods not only at smaller scales but above all diffused on longer periods corresponding to those of apprenticeships. Innovation is therefore no longer an "innovate or dies" type of injunction, but an internal device for exploring company specific possibilities. The speed of exploration and its intensity will no longer be evaluated in terms of the speed of integration of exogenous models, but in terms of connectivity and savoir-faire. The advantages for companies are considerable: firstly, a reduction in anxiety and therefore resistance to innovation, then a much better development strategy, and finally a strengthening of the competitive advantages specific to each company.

### 3.4 Theoretical contribution

Our concept is based on the possibility of designing new models of strategic flexibility in order to improve the co-construction and creation systems. It is a question of responding to each request in a targeted way in relation to each issue. This study confirms the organizational learning studies developed by March (1991) showing that the survival and prosperity of an organization leans on a clever balance between the exploitation of controlled activities and the exploration of new paths. Our results will allow us to develop what Chanal and Mothe (2005) define as a dynamic capacity of innovation, namely the ability to combine operating and exploration innovations.

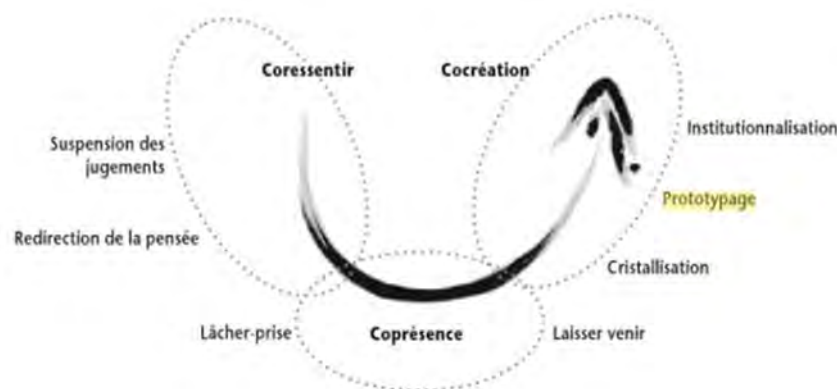


Figure 9 : Scharmer's U-shaped curve (Scharmer 2009)

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## **A Case study on medical tourism in Japan using hot-springs resources: From the perspectives of regional revitalization and complementary and alternative medicine**

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### **Abstract**

In Japan, the continued flow of population from rural to urban communities. Progressive depopulation and ageing in such regions has led to the risk of the disappearance of settlements themselves. In Japan, which has systems of universal health insurance and subsidies for high medical care costs, the increasing burden of medical care costs on the treasury is becoming a severe problem. Another problem is increasing patient distrust of doctors and medicine. In this paper, first, it will report on the results of a study of attempts to revitalize the area by using hot-springs resources to attract both domestic and international medical tourism, from a regional-revitalization perspective. Second, it will report on the results of a study on the possibilities for and topics involved in complementary and alternative medicine using hot-springs resources.

### **Keywords**

medical tourism, hot-spring, regional revitalization, complementary and alternative medicine

## **1 Introduction: Global trends in medical tourism**

According to the Development Bank of Japan's report, "Advancing Globalization of Medicine: Trends in Medical Tourism," the annual number of medical tourists in FY2008 was estimated to be 6 million worldwide. While the content of medical tourism is diverse, reflecting the situation in each country, when viewed on a global basis it can be grouped into the following four types<sup>(1)</sup>.

### **(1) The American example**

The United States is visited by patients from around the world who have serious diseases and are seeking advanced treatment. In some years, their number may exceed 400,000 people. In contrast, there also is a flow of uninsured and low-income American patients traveling to hospitals accredited by the Joint Commission International (JCI) in countries such as Thailand, Singapore, and India, where medical care costs are low. It is said that costs in such cases may be less than one-half the costs of the same care in the U.S., even including transportation and accommodations costs.

### **(2) The British and French examples**

Under the European healthcare system, which is funded heavily by taxes and employers, not only are waiting periods for care long but there also is a high likelihood of being assigned to a hospital with a low level of medical care. To avoid these negatives, patients visit hospitals in Germany and the U.S., where a high level of care can be received promptly. Other common examples are those of patients traveling to Poland or Hungary, where medical care costs are low, for dental care or cosmetic surgery

### **(3) The examples of wealthy patients from the Middle and Near East and Arabian states**

After the terrorist attacks of September 11, 2001, it became more difficult for people from the Middle East to receive advanced care in the United States. As a result, wealthy patients from the Middle and Near East and Arabian states began travelling to Asian countries such as Thailand that have numbers JCI-accredited hospitals.

### **(4) The examples of China and Russia**

Due to the small numbers of medical service institutions in China and Russia, some of the wealthy from those countries visit medical institutions in Southeast Asia and elsewhere. South Korea and Taiwan also are focusing on attracting patients as national policies, in order to avoid being left behind by this trend.

## **2 Related works**

Various studies have been conducted on medical tourism, hot-spring, regional revitalization, complementary and alternative medicine.

Boekstein Mark<sup>(2)</sup> pointed out that thermal spring health tourism has reached a new turning point. Thermal spring health resorts around the world are repositioning themselves by moving away from medical treatments, and moving towards fitness and wellness, often accompanied by an increase in facilities for recreation. It is suggested in this paper that this represents a turning point for the thermal spring health tourism product, with the focus changing from using thermal water primarily for the treatment of illnesses, to helping already healthy people become even healthier. In the light of current developments, the historical development and geographical distribution of thermal spring tourism is discussed, with new developments highlighted, particularly those involving local communities.

M.S. Boekstein and J.P. Spencer<sup>(3)</sup> have studied International trends in health tourism. In the light of the rapidly growing demand for healthy holidays in other parts of the world, it may be that a potentially lucrative natural resource, mineral-rich thermal water with a long tradition of healing, is not being adequately utilized as part of the Western Cape's tourism offering. This literature-based article traces the development of thermal spring health tourism internationally, and questions why such an industry is not being developed in South Africa, and in the Western Cape in particular, given the excellent resources currently available. Recommendations are made for location-specific medical and wellness thermal spring tourism product development in the Western Cape that focus on the utilisation of locally available natural resources and benefit local communities.

Justin M. Nolan and Mary Jo Schneider<sup>(4)</sup> have studied medical tourism from the perspectives of complementary and alternative medicine. Tourists travel to Arkansas' mountain regions to experience, appreciate, and consume multiple aspects of otherness, including sacred sites and pristine and authentic peoples and environments. A largely unexplored aspect of this consumption of authenticity is alternative medicine, provided to tourists and day travelers in search of physical and emotional restoration. Contemporary medical tourism in Arkansas has promoted access to folk health systems, preserving them by incorporating them into tourists' health care services, and also has attracted new and dynamic alternative medical practices while encouraging the transformation of existing forms of traditional medicine. Ultimately, the blend of alternative, folk, and conventional medicine in the Arkansas highlands is evidence of globalizing forces at work in a regional culture.

James Clark-Kennedy & Marc Cohen<sup>(5)</sup> tried to explore the characteristics, motivations and experiences of hot springs bathers. This paper performed a cross-sectional observational study through an online Qualtrics survey to assess the characteristics, motivations and experiences of visitors to Australia's largest commercial hot spring. Analysis revealed that "relaxation," "peace and tranquility," "indulgence" and "escape" were the most important motivators for bathing. Most respondents reported general health benefits (98%) and better sleep (82%) from bathing, one third experienced fainting/dizziness. One third of respondents also had medical conditions. Significant benefits were reported for back pain, arthritis, stress/anxiety, depression and insomnia. These results suggest that while relaxation is currently the major driver of hot spring visitation, balneotherapy warrants consideration from Australian health practitioners and insurers as a complementary therapy.

Eojina Kim, Lanlung (Luke) Chiang & Liang (Rebecca) Tang<sup>(6)</sup> have investigated wellness tourists' motivation, engagement, and loyalty. The purpose of this study was to investigate tourists' motivation and its relationship with engagement and loyalty at wellness tourism destinations. Specifically, tourists' motivation was evaluated via four components: prestige and luxury; novelty and knowledge; self-development; and relaxation and escape. Tourists' engagement was assessed from two perspectives: experiential and reflective. The study confirmed the impact of tourists' motivation on engagement, which consequently leads to loyalty. The present research provides industry practitioners with strategies to understand and predict tourists' behavior in wellness tourism destinations.

Medical tourism is a rapidly growing sector of the current thriving tourism industry. Hot springs are a global industry and a growing segment of the health tourism sector. In addition, there are rising expectations for complementary and alternative medicine as ways of contributing to improving medical services, but yet no previous research has focused on the medical tourism and the complementary and alternative medicine using hot-springs resources.

### **3 The significance, objectives, and methods of this study**

#### **3.1 Medical tourism and regional revitalization using hot-springs resources in Japan**

Japan's medical tourism efforts began in 2009 with a research conference on inbound medical tourism organized by the Japan Tourism Agency. It defined medical tourism as travel to another country for the purpose of receiving medical services. Medical services can be grouped into the three main types of examinations, treatment, and cosmetic/health-improvement services. Thus they include a wide range of services such as cosmetic and health-improvement services, not just the examinations and treatment conducted by medical institutions.

In recent years, medical tourism promoted by local governments in cooperation with private-sector organizations and others has been attracting considerable attention. In Japan, the continued flow of population from rural to urban communities has led to a concentration of more than 70% of the population in urban areas. At the same time, the population of mountainous regions, which account for about 70% of Japan's land mass, is only a little more than 10% of the total. Progressive depopulation and ageing in such regions has led to the risk of the disappearance of settlements themselves. (A settlement is the smallest unit in which municipal governments conduct administration, consisting of a collection of multiple homes in a certain area and serving as the basic unit in residents' daily lives.) According to a study by the Ministry of Land, Infrastructure, Transport and Tourism of Japan, 191 settlements disappeared from 1999 through 2006 and another 93 has disappeared by 2010, in addition to the further disappearance of 174 settlements by 2015 (including 27 in the areas affected by the tsunami during the 2011 Great East Japan Earthquake). In addition, a 2014 report by a private-sector organization of experts had a considerable impact when it pointed out the possibility that 896 local governments—about one-half of their current number—could disappear in 30 years.

Against this backdrop, in 2014 the Japanese government announced a policy of designating special regional revitalization zones intended to create autonomous, sustainable communities by stimulating industry and employment in rural areas through regulatory reforms limited to specific regions. Following this announcement, three areas in the cities of Semboku, Akita Prefecture and Sendai, Miyagi Prefecture and in Aichi Prefecture were designated special regional revitalization zones.

Of these, the greatest amount of attention has been attracted by the city of Semboku, Akita Prefecture, which proposed medical tourism taking advantage of its hot-springs resources. It is well-known that Japan has one of the largest numbers of hot-springs resources in the world. A study by the Ministry of the Environment showed that in FY2015 the nation had more than 3100 hot-springs areas and approximately 27,000 hot-spring sources, from which about 2.6 million liters of water flow every minute. High-temperature sources with temperatures of 42° or higher accounted for about 45% of the total. Furthermore, Japan has about 13,000 lodging facilities, with capacity for more than 1.3 million people. However, attempts to promote medical tourism using hot-springs resources have only just begun in Japan, and the efforts by Semboku are a significant subject of interest.

**Fig. 1: A map showing the study area<sup>(7)</sup>**



### **3.2 Possibilities and issues regarding complementary and alternative medicine using hot-springs resources**

In Japan, which has systems of universal health insurance and subsidies for high medical care costs, the increasing burden of medical care costs on the treasury is becoming a severe problem. Factors behind this are rising medical care costs accompanying medical advances and the ageing of the population.

Another problem is increasing patient distrust of doctors and medicine. Issues behind this are side effects of medicines and the increasing “black box” nature of medical care resulting from advances in medical technology.

Under such conditions, there are rising expectations for complementary and alternative medicine, which are less invasive to the patient, as ways of contributing to improving medical services while also lessening the burden of medical care costs on the national government.

The city of Semboku mentioned above is an area that includes not only hot springs with a diverse range of water qualities but also ones in which hydrochloric acid is a main ingredient—a rarity anywhere in the world. Its waters are said to have the highest acidity in Japan. For this reason, patients suffering from a variety of conditions use its springs for hot-spring cures. This is why Semboku’s medical tourism efforts are attracting so much attention, as an attempt to develop the possibilities and identify the topics involved in complementary and alternative medicine.

### **3.3 Research objectives and methods**

In light of the above considerations, this paper will report on the results of a study concerning the following two points, by focusing on medical tourism in the city of Semboku, Akita Prefecture.

First, it will report on the results of a study of attempts to revitalize the area by using hot-springs resources to attract both domestic and international medical tourism, from a regional-revitalization perspective. This study employed the methods of reviewing reference literature concerning the city of

Semboku and interviews with managers and users of the services of Tamagawa Hot Spring Co., Ltd., a company that is expected to play a role in Semboku's medical tourism.

Second, it will report on the results of a study on the possibilities for and topics involved in complementary and alternative medicine using hot-springs resources. The method employed in this study was that of long interviews with cancer patients using Tamagawa Hot Spring.

## **4 Findings**

### **4.1 The city of Semboku's vision for medical tourism as a special regional revitalization zone and the efforts of Tamagawa Hot Spring Co., Ltd**

The city of Semboku, Akita Prefecture is one of three areas designated special regional revitalization zones in phase two of the designation of strategic zones by the Japanese government's Council on National Strategic Special Zones. While each of the other two zones (the city of Sendai, Miyagi Prefecture, and Aichi Prefecture) is an urban area, Semboku is the only one that is an underpopulated area, and since it also is an area in which the ageing of the population is pronounced, there are high expectations for the city's initiatives.

One of Semboku's proposals involves medical tourism. Typical examples of the purposes of medical tourism include health examinations such as comprehensive checkups, cosmetic and plastic surgery, and organ transplants and regenerative medicine. Semboku, meanwhile, has proposed enhancing its medical care system by promoting a new type of medical tourism based on hot-spring cures taking advantage of the diverse types of hot-spring waters in the city, along with improving its environmental conditions to accept doctors from overseas. It is thought that these efforts should make it possible to resolve the city's doctor shortage, to restore its emergency hospital facilities, and to put empty hospital space to effective use, among other results. The main regulatory reforms it has proposed include permitting doctors from overseas to engage in examination and treatment freely, including services for Japanese patients, enabling use of public health insurance for hot-spring cures, and easing the requirements of facilities eligible for tax deductions for medical expenses.

Tamagawa Hot Spring Co., Ltd. can be identified as one of the companies expected to play a role in medical tourism in Semboku. Tamagawa Hot Spring's waters are among the few in the world to include hydrochloric acid as a main ingredient, and with a pH value of 1.2 they are considered the most acidic in Japan. Many patients also come here for its radium hot springs, said to have low-dose radiation hormesis effects that promote natural healing powers and long have been known to be beneficial in combating skin disease, rheumatism, asthma, and periodic paralysis. In recent years the spring also has attracted numerous cancer patients in addition to general leisure travelers and tourists. Through means including opening offices for consultation with nurses permanently on site, in addition to efforts in the areas of facilities and dining, it provides services based on consideration for mental and physical health.

Through efforts such as these conducted over many years, Tamagawa Hot Spring is making substantial contributions in the area of hot-spring cures, since its main business is tied clearly to resolution of social issues. It also is making substantial contributions in the area of employment, for example by creating new jobs in facility maintenance and management that can be handled by non-specialists in order to secure year-round instead of seasonal employment even though the number of visitors decreases massively during the winter season.

However, the Great East Japan Earthquake and a fatal avalanche that occurred in a neighboring natural stone bath area the following year forced a dramatic drop in its earnings, and in October 2016, while this study was underway, a decision was made that Tamagawa Hot Spring would receive rehabilitation assistance from the Regional Economy Vitalization Corporation of Japan (REVIC).

REVIC will provide rehabilitation assistance to Tamagawa Hot Spring Co., Ltd., which operates two facilities—the Japanese inn Tamagawa Onsen and the hot-springs hotel Shin-Tamagawa Onsen—and its parent company Seki Naoemon G.K. REVIC will acquire management rights to the company through investment of 49.4 million yen each with a consortium of nine local companies including Akita Bank and Akita Chuo Kotsu. Current management of the company will resign, and new directors dispatched from REVIC and Akita Bank will take over its management starting in April 2017. The aim is to complete rehabilitation in two to three years, following efforts such as capital investment in new elevators and remodeling of the guest rooms along with improvements in dining and customer service.

Interviews with current management conducted after the decision on rehabilitation assistance showed that the company had invested a large amount in construction of the new hotel, and when the number of guests fell dramatically due to the Great East Japan Earthquake and the fatal avalanche at the natural stone baths, it found itself unable to repay the loan. Since the businesses of the two facilities Tamagawa Onsen and Shin-Tamagawa Onsen are going relatively smoothly, plans call for maintaining a staff of about 100 persons while continuing to manage them as has been conducted through now, with no changes in vendors or other matters even after the change in company management.

At the same time, since the facilities are located inside a national park their maintenance and management costs are high. This in addition to the fact that it is impossible to avoid a massive decrease in guests during the winter season because the road to the facilities is closed then were identified as challenges faced by management.

On the other hand, interviews with guests using the facilities for purposes such as to treat illness or prevent its reoccurrence shows that there was some concern that the change in management might result in a major change in management policies, perhaps leading the facilities to focus more on guests coming for tourist or leisure purposes.

## **4.2 Possibilities and issues in complementary and alternative medicine**

We conducted semistructured long interviews with 11 cancer patients undergoing complementary and alternative medicine at Tamagawa Hot Spring. These interviews showed the following points with regard to matters including topics and issues involved in the domain of complementary and alternative medicine and service quality and quality of life (QOL) for medical services in terminal care.

### **4.2.1 Objectives and impetuses for complementary and alternative medicine**

Only one of the 11 patients had chosen complementary medicine from the start without undergoing any standard treatment at all. The other 10 consisted of patients who had undergone standard treatment but switched to alternative medicine for reasons such as a lack of other treatment methods because standard treatment had been ineffective or an inability to continue treatment due to string side effects and patients who were undergoing complementary treatment while continuing standard treatment, for purposes including indirectly improving the results of such treatment or preventive purposes in preparation for the period after the end of standard treatment

#### **4.2.2 Assessment of and satisfaction with standard treatment, and trust in doctors**

Only two patients had switched to alternative medicine due to dissatisfaction with standard treatment or distrust of doctors. The other nine evaluated the medical services they had received under standard treatment positively or were satisfied with them to some degree. They were able to build basic relations of trust with their doctors even if they had encountered experiences such as differences of opinion with the doctors on cancer treatment.

#### **4.2.3 Decision-making in choice of treatment methods**

All subjects were of the opinion that patients themselves should make final decisions on their choices of treatment methods.

#### **4.2.4 Satisfaction with Tamagawa Hot Spring**

All subjects evaluated the effects of Tamagawa Hot Spring positively or were satisfied with them to some degree. However, on the subject of loading conditions, including meals and service, the degree of satisfaction was lower for the older of the two facilities.

#### **4.2.5 Issues of costs of alternative medicine**

All subjects identified cost as an issue in continuation of alternative medicine treatment such as hot-spring treatment at Tamagawa Hot Spring.

#### **4.2.6 Issues of information regarding alternative medicine**

All subjects identified as issues the neutrality and accuracy of information on matters such as the effects of alternative medicine treatment.

#### **4.2.7 QOL during treatment**

All subjects stressed “smiles” (both of themselves and of those around them) and “enjoyment” (of meals and other activities) as elements of QOL during treatment.

#### **4.2.8 Feel of healing during treatment**

All subjects stressed a feel of healing, based on their own physical conditions

#### **4.2.9 Physical burden**

All subjects preferred treatment that placed a lower physical burden on their bodies.

#### **4.2.10 Progress of research on alternative medicine and promoting its understanding among doctors**

All subjects felt that research on alternative medicine in Japan was behind that in other countries and that doctors did not understand it sufficiently. They hoped for progress on research in the field and promotion of an understanding of it among doctors.



## 5 Conclusion and Future prospects

From the above research results, we summarized a SWOT analysis about Tamagawa Hot Spring Co., Ltd. which the authors considered.

	Strengths	Weaknesses
Internal origin	<ul style="list-style-type: none"> <li>• hot-springs with a diverse range of water qualities</li> <li>• hot-springs in which hydrochloric acid is a main ingredient-a rarity anywhere in the world</li> <li>• the highest acidity hot-spring in Japan</li> <li>• radium hot-springs having low-dose radiation hormesis effects</li> <li>• opening offices for consultation with nurses permanently on site</li> </ul>	<ul style="list-style-type: none"> <li>• the degree of customer satisfaction including meals and service is lower</li> <li>• aging facilities</li> </ul>
External origin	<ul style="list-style-type: none"> <li>• a special regional revitalization zone</li> <li>• variety of tourism resources</li> <li>• high degree of public safety and spirit of omotenashi (hospitality) have become widely known</li> <li>• numerous tourists have started to visit Japan from Asia, Europe, North America, and elsewhere</li> <li>• the increasing “black box” nature of medical care resulting from advances in medical technology</li> <li>• side effects of medicines</li> <li>• increasing patient distrust of doctors and medicine</li> </ul>	<ul style="list-style-type: none"> <li>• the Great East Japan Earthquake</li> <li>• a fatal avalanche that occurred in a neighboring natural stone bath area</li> <li>• the facilities are located inside a national park their maintenance and management costs are high</li> <li>• the road to the facilities is closed during the winter</li> <li>• a massive decrease in guests during the winter</li> <li>• costs in continuation of alternative medicine such as hot-spring treatment</li> </ul>
	Opportunities	Threats

Fig. 2: A SWOT analysis about Tamagawa Hot Spring Co., Ltd.

Japan is known worldwide for its high degree of public safety. It also is home to a wide variety of tourism resources, including hot-springs resources. Furthermore, in recent years its spirit of omotenashi (hospitality) and high-quality service have become widely known, and numerous tourists have started to visit Japan from Asia, Europe, North America, and elsewhere. Under such conditions, the city of Semboku’s medical tourism vision can be expected to play a leading role in regional revitalization. The hot-spring cures at Tamagawa Hot Spring also can be expected to open up new possibilities for complementary and alternative medicine.

Still, as noted above, in addition to various other challenges the effects of the Great East Japan Earthquake still remain strong. Furthermore, this is the first time REVIC, which secured management rights to Tamagawa Hot Spring, will proceed with rehabilitation through a 50-50 joint investment with local businesses.

For this reasons, we intend to continue studies in the future to consider the possibilities and topics of this case in greater depth as a model case for regional revitalization along with complementary and alternative medicine.

## Acknowledgments

Part of this research was supported by JSPS KAKENHI Grant Number JP15K03802, 25380630, and a research grant from the Institute of Industrial and Economic Research of Hannan University (2016, 2017). We appreciate the considerable cooperation of Tamagawa Hot Spring Co., Ltd. and its guests in conducting this study. The authors greatly appreciate.

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# **Creative cities network for marketing touristic products: an analysis on literary cities**

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## **ABSTRACT**

In recent years, countries have started to focus on alternative tourism types other than sea-sun-sand triple in order to increase their share in tourism due to increasing tourism competition. They have started to attach high importance to region-specific promotions instead of country-specific ones for the marketing of touristic products. Given that international labels and tags attached to cities or regions increase their brand value and the number of visitors. The Creative Cities Network, created by UNESCO, provides a competitive advantage for the marketing of tourist destinations. The title of Literature City is one of seven different themes that formulate the Creative City concept and has been given to twenty cities so far. What features of these cities stand out most and the selection parameters are the main concern of this study. Content analysis is made on the interviews conducted with the authorities executing the application process. As a result, prestige, recognition and efficiency stand out as the most significant variables for creative cities network.

**Keywords:** Literature city, UNESCO, destination marketing, local development

## **1. INTRODUCTION**

UNESCO Creative Cities Network, founded by UNESCO in 2004, is an initiative that brings together cities from diverse regions with different income levels, capacity and population to work in creative industries (UNESCO, 2015). Due to their historical and cultural backgrounds and the dynamic structures that hold together various cultural actors, cities are seen as places which have the power to produce and discover new dimensions of creativity. The objectives of the network are determined as follows:

- Strengthening the creation, production, distribution and use of cultural goods and services at local level,
- Encouraging creativity and creative expression among particularly fragile groups, including women and young people,
- Enabling access to and participation in cultural life, promotion of the use of cultural goods,
- Incorporating cultural and creative industries into local development plans.

The program aims to improve the creative, economic and social potential of cultural industries run by local actors and thus supports UNESCO's cultural diversity objective. The Creative Cities Network has been shaped around seven themes that can be chosen by cities according to their creative industry sector preferences, which will direct their skills and their energy. These themes are defined as literature, film, music, craft and folk arts, design, gastronomy and media arts. By 2016, the Creative Cities Network has 116 members from 54 countries (UNESCO, 2016).

## **2. LITERATURE**

Literature, which is defined as any poem, play, story, novel, discourse created in poetry or prose form with the intention of arousing aesthetic sense, excitement, is also an art of expressing events, thoughts, emotions and dreams through language, either verbally or in written form (TDK(Turkish Language Association), 2016). Literature, known to be as old as human history, defined itself in the XVIII. Century in the way we sense it today and had widespread cultural interaction with tourism in the past. However the interaction between literature and tourism is significantly rising today because of the widespread culture tourism that has gained importance in recent years (Özdemir, 2009). When the relational dimensions of literature and tourism are examined, it is seen that factors such as the

desire to visit places described in literary works (Çimen, 2013), the impact of literature in destination selection (Özdemir 2009: 45), the tendency to know different cultures and people with the inspiration of literature (Özdemir 2009: 45), the temptation of literary heritage (Özdemir 2009: 45) stand out as well as the importance of literature for urban image (Çimen, 2013).

Authors have an unprecedented influence on the creation of urban image and branding with their works. For example; Kafka undertook the creation of cultural image for Prague, Hugo for Paris, Dickens for London, Yahya Kemal and Orhan Veli for İstanbul (Özdemir, 2009). Aforementioned writers and many others have become so identified with the city they belong to, that mentioning one's name is evocative of the other; Mevlana comes to mind with Konya, Yasar Kemal and Çukurova are mentioned together, Prince Islands in İstanbul is associated with Sait Faik.

Also, when a region or destination is the subject of a literary composition also the attractiveness of that region or destination increases. For example; the book *Hell (Inferno)*, written by the American writer Dan Brown and published in 2013(Habertürk, 2016), attracts attention with mentioning Istanbul in some sections. Some of the tourism agencies, considering this multi-selling book will enhance Istanbul's reputation and develop cultural tourism, organize 'Dan Brown' tours covering historical peninsula (Habertürk, 2016). All these examples bring branding to minds. The concept of brand in terms of tourism is expressed as "the attempt to create an identity in the perception of consumer or visitor about the supplied tourism products" (Doğan et al., 2014). Today, competition is not only between products or firms but also between countries and cities. Therefore, the role of literature is significant for cities that want to gain competitive advantage by creating their own brand with the benefit of specific characteristics. Many features like scientific, religious, and artistic values belonging to the historical periods, language, architectural structures, local cuisine, festivals, exhibitions, fairs, museums, arts and crafts etc. are signs of cultural attractions that enable any place to be a tourist attraction zone (İçellioğlu, 2014). In this sense, it can be said that among today's attraction factors of marketing activities, the cultural heritage that a region possesses could be more important than other attraction elements of tourism (Edwards, Griffin and Hayllar, 2008). However, the transition to a new design/presentation style and to completely redesign and implement activities within this transition is based on creative individuals and organizations or international programs. Beginning in 2004, *UNESCO Creative City Network* emerges as one of the programs that focus on creativity. Participating in the UNESCO Network program could be a very powerful and successful marketing tool for cities. Through UNESCO 'Creative Cities', a city may have the opportunity to introduce the best of the arts field through its creative prism of its history, art, traditions, cultural heritage and tourism potential and to offer new experiences to both visitors and locals (Ajanoviç and Çizel, 2015). On the other hand; the fact that literature tourism destinations are fed from past cultural sources shows that there are common points with film tourism. The analysis of long-term traditional structure of a geographical region with common aspects of literature is common in both types of tourism (Connell, 2012). In addition, some literary texts geographically defining tourist attractions can provide valuable information that enables tourists to discover the attractions of the cities they visit (Johnson, 2004).

### 3. METHOD

The descriptive approach among qualitative research methods is preferred as a method in this study. Qualitative research is defined as "a qualitative study of the perceptions and events in a natural and realistic way"(Yıldırım and Şimşek, 2011). Descriptive studies describe a given situation as precisely as possible. Identification of the case is the starting point of all research efforts (Büyüköztürk et al., 2012). Cities that are given literature city title cities by UNESCO have been identified with this purpose. Apart from reviewing the documents regarding the cities and required conditions for the title,

the current situation is dealt with a descriptive approach and content analysis is made on the restricted data such as the interviews with the administrators of the network member cities.

The Aim of the Study; is to explain and evaluate innovation and creativity in the context of literature, cities that have identified as a strategic element of sustainable development, international

partnerships between cities within the partnership of public sector and private sector, professional organizations, communities, non-governmental organizations and, cultural institutions; also to show brand effect of the 'Creative Cities' network in the marketing of touristic products.

**Significance of the Study;** The competition between tourism destinations is increasing. Cities that want to stand out from the crowd are looking to develop local goods and present them as an attractive value so that the visitor might want to buy. These values need to be accepted, registered, tagged and branded in order to be subject of change. The relationships between literature and tourism have become more apparent with the influence of globalization. It is important how cities are able to uncover and strengthen literary assets (bring them into a competitive position). Many cities, that want to stand out for literature theme in Turkey, can find good practice examples, collaborations and opportunity to compare and contrast with their own processes.

**Data Collection Method;** Secondary data sources such as UNESCO data, reports, web pages of cities, written sources such as tourism pages and interviews with administrators are used. Also information on tourism statistics of Edinburgh, the first city receiving the title, is researched. Since the other cities are holding the title for a short period of time, only interviews, written sources and qualitative data are included regarding them. The statements of the process governing people are subjected to content analysis and key words are presented in a table.

#### **4. FINDINGS AND DISCUSSION**

*Literature;* is one of seven creative industries with media arts, film, music, craft and folk art, design, gastronomy identified by UNESCO for cities network. Members are communities made up of cities as local government systems and their numerous public sector/private sector, professional organizations, non-governmental organizations, cultural institutions, etc.

UNESCO has set the following criteria and characteristics to guide the cities that want to join the network as a literature city:

- The quality, quantity and diversity of publishing houses and publishing enterprises
- The quality and quantity of educational programs focusing on local or foreign literature in primary, secondary and higher education
- Urban development in which literature, theatre and/or poetry plays a primary role
- Experience in hosting literary events and festivals to promote local and foreign literature
- Libraries, bookstores and public or private cultural centres dedicated to the preservation, promotion or dissemination of domestic and foreign literature
- Efforts to translate and publish literary works from various national languages and foreign languages
- Active use of media, including new media, to promote literature and strengthen the marketing of literary products

The rules concerning the execution of the cities' membership to the literature network are determined:

- Cities can join the network indefinitely. They can also leave the network whenever they want as long as they inform UNESCO.
- Selected cities can use UNESCO's name and logos under specified circumstances.
- Cities have to inform UNESCO every year about their relations to other local, international cities in the process of implementing policies and activities.
- After two written reminders, if the city does not inform and does not fulfil its commitments, UNESCO may ask the city to leave the network.

- Following the leave from the network, cities cannot use UNESCO name and logo in the expressions connected to membership of the city. The major cities that are designated as City of Literature (UNESCO, 2016):

*Edinburg (Scotland):* Edinburg, was designated as the first City of Literature in 2004 by UNESCO. Edinburgh City of Literature Foundation, is founded on the basis of promoting a world-wide enlightened approach in literature and bringing out modern and different things. It has a heritage that comprises centuries of literature. It is place where famous writer, poet and dramatists such as Arthur Conan Doyle (Sherlock Holmes), Walter Scott (Waverley), and JK Rowling (Harry Potter) were born and that hosted them.

*Melbourne (Australia):* Melbourne, Australia, was designated as the second City of Literature by UNESCO on August 2008. Melbourne, has the largest publishing network and host four literature festivals: Melbourne Writers Festival, Overload Poem Festival, Alfred Deakin Innovation, Exposition and Developing Writers Festival. Most of the books that are borrowed are from Melbourne libraries in Australia and having the Wheeler Centre, which is a sound literature centre, makes Melbourne a significant literature centre.

*Iowa City (USA):* Designated as City of Literature by UNESCO in 2008. They started the first Innovative Writership master's program with Iowa Writers Studio in the first Fine Arts department. The city raised 25 writers awarded with Pulitzer Prize<sup>1</sup>. Iowa Public Library, comes forefront with the mobile library application, activities for children and the collaboration with other libraries.

*Dublin (Ireland):* Dublin was designated as City of Literature by UNESCO on 20 July 2010. Dublin, is strongly associated with James Joyce<sup>2</sup> but also Nobel Prize winners George Bernard Shaw, WB Yeats, Samuel Beckett and Seamus Heaney<sup>3</sup> are from here. Dublin has -the highest literary prize bestowal- International IMPAC Dublin Literature Prize. The revenues of the writers that live in the city is untaxed. (Dublincityofliterature, 2016).

*Reykjavik (Iceland):* Designated as City of Literature by UNESCO on 2 August 2011. Reykjavik may be the only country that has a word in its language 'Jolabokaflo' to express the workload before Christmas. Reykjavik values medieval literature, Iceland epics and Poetic Eddas (Medieval Iceland poetic narration books).

*Norwich (England):* Designated as first City of Literature of England by UNESCO in May 2012. Norwich writers have changed the World. Thomas Paine's common sense epistle, the first English book was written in 1395 by Julian of Norwich who affect the course of the American Revolution. It was the first refugee city fort he threatened writers and was a founding member of International Cities of Refugee Network (ICORN). It covers for 5 percent of English publishing sector and maintains its position as a centre of excellence.

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<sup>1</sup> It is a prestigious award given by Columbia University in New York City, in areas such as journalism, literature and music. The Pulitzer Prize, the largest and prestigious award in America, was founded by a journalist named Joseph Pulitzer from the Jewish heritage of the 19th century.

<sup>2</sup> Dublin is actually the city of Joyce. Although he has spent his life in continental Europe, he constantly talks about Dublin in his novel and his story, and events happen in Dublin. There is even a story book called Dubliners (Dubliners). He is also aiming to rebuild Dublin in the same way, looking at his own books. Yeats is on the poetry side of literature. They also have a political side, choosing themes for their Irish myths, customs, traditions, lifestyles they wrote in the Irish Resurrection Movement. The aim is to develop an Irish awareness over the Irish culture to be built, leaving the differences in the fragmented Irish society aside. The grave is in Sligo. He is one of the founders and administrators of Theathe Abbey.

<sup>3</sup> Seamus Heaney is born in Derry, Northern Ireland (London). He lived in a farm called Mossbawn, where he lived until his education, studied at the university in Belfast, taught in the same department, moved to the Republic of Ireland in 1997, and lived there until 2013.

*Krakow (Poland)*: Krakow was designated as City of Literature by UNESCO in 2013. It is the cradle of Polish language and literature and the city of Polish writers than won the Nobel Prize. It has some of the most beautiful and valuable monastery escritiores and libraries and with its two literary festivals it is a developing book market.

*Dunedin (New Zealand)*: Dunedin; was designated as the 8th City of Literature together with Prague, Heidelberg and Granada on December 2014. Dunedin legends and stories are home to the ancestors of the Kai people who have been woven for centuries by oral history and traditions. It is also seen as a unique centre for excellence in books, book history, print culture and new platforms and publishing models.

*Heidelberg (Germany)*: was designated as City of Literature in 2014 with Dunedin, Prague and Granada. Heidelberg is home to the oldest university in Germany, the Institute of Translation and Interpreting. The Medieval German poetry book Manesse Codex is here and there are fifty publishing houses in the city.

*Granada (Spain)*: Granada, Dunedin, Prague and Heidelberg were designated as the City of Literature on the same day, December 2014. Granada, which has been a centre for literature for centuries, has many places such as Alhambra where poems written on stones have been on since ancient times, as well as nearby El Centro Federico Garcia Lorca. More than 10,000 people attend the Internacional de Poesia de Granada Poetry Festival annually, and Granada is a partner of the HAY Festival.

*Prague (Czech)*: Prague, Dunedin, Heidelberg and Granada were designated as "City of Literature" together in 2014. Since the collapse of communism, the city has been bursting with innovation and literature. There are about 200 libraries in the city and it is one of the cities with the most bookstores in Europe. Writers such as Franz Kafka, Max Bod and Jaroslav Hašek adopted it as a hometown, and the airport is named after the statesman and writer Vaclav Havel.

In December 2015, in addition to the above eleven cities, nine more cities were awarded with the UNESCO City of Literature title.

*Baghdad (Iraq)*: Baghdad is a city that hosts a large number of libraries, museums and theatres. Bayt Al-Hekmah science centre, which is composed of a library and translation centre established in the city of Baghdad by the Abbasids at the beginning of the 800's is in this city. The United Nations Arabic Language Day is celebrated from 2010 onwards. Tayyib al-Mutanabbi, one of the 10th century famous Arab poets, is from here. The children's culture house that was founded in 1969 is making efforts to love literature for young people.

*Barcelona (Spain)*: It is a cosmopolitan city of the Catalonia district. Catalan and Spanish are spoken in the city. Literature festivals and publishing with a strong history comes to the fore. It has been the place that many novels such as *The Shadow of the Wind* by Carlos Ruiz Zafón and *The Cathedral of the Sea* by The Ildefonso Falcones it is place that story is experienced within.

*Ljubljana (Slovenia)*: Slovenia is the capital of music and art with a population of 283 thousand. It hosts many cultural and art festivals including 14 international festivals. Throughout 2010, UNESCO has been declared the world's book capital. In Slovenia, 5,300 books were published in 2014. 1,315 of them are about novels. 66% of the printed works were published in Ljubljana.

*Lviv (Ukraine)*: It is a city with a population of 723 thousand in the western part of Ukraine. It reflects reflect the Polish heritage in Literature and architecture Lviv hosts 45 bookstores, 174 libraries and 54 museums. The libraries serve 334,000 readers, representing 45% of the city. Founded in 1586 in Lviv, Eastern Europe has the oldest and still operating The Assumption



Brotherhood printing house.

*Montevideo (Uruguay)*: It is the capital city with a population of 1 million 400 thousand located on the southern coast of Uruguay. It is Uruguay's centre of art and literature. It hosted writers such as José Enrique Rodó, Carlos Vaz Ferreira, Julio Herrera y Reissig, Delmira Agustini and Felisberto Hernández In 1900. Since then it is known as the Athens of the region. The author and journalist Eduardo Galeano whose books are translated into many languages is from Montevideo.

*Nottingham (England)*: The city is located in Nottinghamshire. It is a known destiny with the famous hero Robin Hood. At the same time, national literary masters Lord Byron and DH Lawrence are symbols of the city. It hosts a wide range of literary organizations such as The DH Lawrence Heritage, Nottingham Writers' Studio, Nottingham Theatre Building, Literature Festival and Nottingham Word Festival.

*Óbidos (Portugal)*: It is a town with 11 thousand inhabitants north of Lisbon. It is a place that contributes to the promotion of the culture that Festivals, seminars, meetings, concerts, reading and writing sessions and writing and reading. It has a variety of literary events including poetry, photography, children's literature, design and creativity, travel, adventure and nature, gastronomy, wine and addiction, history and religion and many other themes. A literary village is established in Obidos where all activities related to literature can be organized.

*Tartu (Estonia)*: Estonia is the second largest city with a population of 97 thousand. There is the Estonian Literature Museum in the city. The Estonian Literature Society and the Estonian Writers' Union are organizing a festival entitled Crazy Tartu to which poets, musicians and literati participate. The Library of Tartu University is the oldest library established in 1802. 3.7 million books are available, and an average of 2,000 people visit every day. The Tartu Creative Industries Centre was established in 2009 by the city council.

*Ulyanovsk (Russia)*: Ulyanovsk is a city on the eastern side of Moscow, founded on the banks of the Volga River with a population of over 500 thousand. It is Lenin's birthplace. More than 100 people live in the city. It is the city where the novelist Ivan Goncharov was born. He became famous for his second novel Oblomov (1859). There is a literature festival in its name. The historian, linguist and writer Nikolai Karamzin is from here, as well. Poets Nikolai Yazykov, Denis Davydov and Dmitry Sadovnikov lived in Ulyanovsk.

Administrators of the cities related to the acquisition of the title of City of Literature, key words in the views of the administrators are presented in Table 1. The representatives of the towns of Montevideo was not available. Besides this city, the words, resource and phrases of the views of the executives of the 19 cities were included.

**Table 1.** Views of Executives on City of Literature Title

Cities of Literature	Executive	Expressions	Resource
Edinburgh, Scotland (2004)	James Boyle	Prestige, recognition, revenue, activity	The Guardian (2004)
Melbourne, Australia (2008)	Lynne Kosky	Activities, recognition, progress	Poets and Writers (2008)
Iowa City, USA (2008)	Christopher Merrill	Collaboration, progress, projects	Events Edinburgh (2008)
Dublin, Ireland (2010)	Mary Hanafin	Market share, activity, tourist	The Irish Times (2010)
Reykjavik, Iceland (2011)	Jon Gnarr	Cultural heritage, progress, transformation	Embassy of Iceland (2011)
Norwich, England (2012)	Ian McEwan	Tourism, international	Poets and Writers

		connection, arts	(2008)
Krakow, Poland (2013)	Jacek Majchrowski	Prestige, activity, recognition	The News Poland (2013)
Granada, Spain (2014)	José Torres Hurtado	Prestige, activity, attraction centres	Granada Hoy (2014)
Dunedin, New Zealand	Dave Cull	Prestige, International market, cultural tourism	Ministry For Culture and Heritage (2014)
Heidelberg, Germany	Eckart Würzner	Recognition, collaboration, progress	Universitat Heidelberg (2014)
Prague, Czech	Jan Wolf	Recognition, attraction point, tourist	Czech Centre (2014)
Bagdad, Iraq (2015)	Basim Abdul Hamid Hamoudi	Progress, activity, collaboration	Iraq Solidarity News (2015)
Barcelona, Spain	Ada Colau	Urban progress, activity, project	SaraMartinUAB (2015)
Ljubljana, Slovenia	Zoran Janković	Progress, project, activity	Ljubljana (2012)
Lviv, Ukraine	Oleksandr Kobzarev	Promotion, progress, visitors	City Institute (2014)
Montevideo, Uruguay	-	-	-
Nottingham, England	David Belbin	Historical heritage, money, visitors	My Nottingham News (2015)
Obidos, Portugal	Humberto Marques	Image, investor, recognition	Entertainment (2015)
Tartu, Estonia	Urmas Klaase	Prestige, Project, activity,	The Baltic Times (2015)
Ulyanovsk, Russia	Sergey Morozova	Internationalization, project, progress	Ulyanovsk (2016)

City administrators often think that it is a prestige or a symbol of quality for a city that is designated. They think that they will increase their recognition of the title and they will provide international cooperation in this context. Another important statement is that the title will contribute to the development of the region in a significant way. Many administrators have expressed their views on this issue. They think that the title obtained will be a repulsive force. They also anticipate that they will be able to reach more people by increasing their activities and will welcome many visitors in the context of tourism. For this purpose, many cities create attraction centres and begin to organize tours in the context of literary roots. When they are evaluated within the scope of special interest tourism, they think that they have an effect of increasing the awareness of the title in terms of the tourist.

## 5. CONCLUSION AND SUGGESTIONS

UNESCO is the United Nations educational, scientific and cultural group that facilitates international co-operation among member states. Launched in 2004, the Creative Cities Network is designed to both promote local initiatives and global connections, as well as support the development of innovative, socially, economically and culturally prominent cities around the world. The Creative Cities Network connect cities that want to share their experiences, ideas and best practices for development. Cities can use the network to continue to be seen as centres of continuing excellence, to join the program and nurture their own creative economies, and especially to support other cities in developing countries.

Once the city becomes a member of the network, it can bring new opportunities for itself and other cities on a global platform for sharing experiences and activities based on the concept of creative tourism. The key factor here is the creation of public sector/private sector partnerships that play an important role in the new economy, helping small businesses to unlock their entrepreneurial and creative potential. In order to support the development of cities, it is necessary for small creative businesses to have innovative competence and thus to develop powerful contemporary arts, fashion, arts, music, design schools and cities.

Destinations are regarded as a combination of tourist products that offer an integrated experience to consumers (Buhalis, 2000). Tourists perceive destinations as a whole, including local communities and service providers. Before traveling, they develop an image based on previous experiences about destinations, mouth-to-mouth rumours, press reports, advertising and common beliefs. Along with global competition on the consumer side, new, experienced, demanding and intellectual tourists are having a significant effect in repositioning destinations. Tourists are increasingly following recreational and educational experiences with special interests in their travels. This is what makes the destination themes even more crucial.

When we look at through globalization perspective, people, residential areas, styles, and local features similar to each other gain importance. In this process, it is important that local people participate in the process of innovation, branding and labelling. The ability to develop a sustainable development model depends on the extent of participation. Valuable products lead to income and welfare increase especially in rural areas. The concrete effects of UNESCO's literary label will be present more explicitly in the future (5-10 years). Statistics can be compared better at that stage. Future research studies can be conducted on cities which introduce innovation in areas such as gastronomy, film, music, handicrafts and folk art, design, and media arts with a deeper focus on innovation processes.

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