

IDENTIFYING BEST PRACTICE IN NATIONAL TOURISM ORGANISATIONS: TOWARDS STAKEHOLDER RELATIONSHIP MANAGEMENT

A Craig Wight
Plymouth University
Plymouth, UK
e-mail: craig.wight@plymouth.ac.uk

ABSTRACT

The UK Leisure and Tourism sector is uniquely fragmented at government and industry level and comprises of a wide and diverse range of products and services. Tourist boards and strategic authorities are important for the thousands of small enterprises that provide accommodation, food, attractions, events, activities and travel services to tourists in Britain. These organizations provide a focal point for marketing to incoming visitors and a voice on industry issues. This paper presents a qualitative, exploratory analysis of the remit, positioning and funding of six National Tourism Organizations (NTOs) in terms of the role each plays in advising government on tourism policy issues and supporting the tourism industry. Included is some exploration of how governments and their departments consult and communicate with the various sectors within the tourism industry. The paper explores how this role is fulfilled and how the tourism industry organizes itself in order to lobby government to the benefit of the industry

Key Words: National Tourism Organizations (NTOs); Relationship Management; Tourism Infrastructure; Best Practice

INTRODUCTION

Baggio (2008) conceptualizes the tourism 'destination' as a dynamic, evolving and non-linear system that can be difficult to understand in terms of its structure and characteristics. The relationships that exist within the system are therefore seldom straightforward. This paper provides some understanding of the dynamic of NTOs as stakeholders in the infrastructure of the tourism industry based on an analysis of NTOs in France, Germany, South Africa, New Zealand, Australia and Canada. The paper combines findings from secondary research and interviews to provide some critical exploration of the motivations, values and practices of these organizations. The recommendations and findings are based on a rigorous series of structured interviews and are considered to be of particular value to tourism managers; particularly those practicing in the field of destination marketing and management, and of course, those that work in NTOs worldwide.

THE ROLE OF THE NATIONAL TOURISM ORGANISATION

Lubbe (2003) suggests that National Tourism Organizations (NTOs) represent the interests of both tourists and business suppliers and that they are tasked with planning, developing and managing tourist services. The activities of National Tourism Organizations (NTOs) are fundamentally geared towards the coordinated promotion of destinations to overseas markets (Visit Britain, 2011). The ultimate goal is therefore to increase the market share of the destination and to develop a strong brand image with clearly identified and powerfully projected brand values. The most appropriate types of public and private sector organizational structures for tourism must be adapted to the particular circumstances in each country or region. A universal understanding of the ethos and remits of NTOs globally is further complicated by the intricacies of policy and the various levels of government support each enjoys across the board. It is therefore impractical to provide a unifying definition of such organizations. Their approach to communicating with the various public and private sector bodies with which they typically interact is similarly difficult to pinpoint. Indeed, Elliot (1997) draws attention to the sheer range of public organisations that are involved directly and indirectly in tourism management at all levels of government. A multiplicity of other organisations exist such as statutory bodies headed up by appointed boards and full time managers including regulatory and marketing boards and government business enterprise organisations. The industry is therefore not straightforward to understand in terms of the relationships that are formed and maintained between all of these bodies and the industry itself. This paper is therefore developed to understand the dynamic of these relationships more comprehensively, based upon an analysis of the structures and communications strategies of six NTOs which are considered to be analogous to the UK.

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The core activities of NTOs are coordination, legislation, promotion, research and providing tourist information (Choy, 2002). It is with the coordination and research aspects of this remit mix that this paper is concerned. The role of the NTO continues to evolve (Lennon, Smith, Cockerell and Trew, 2006) and is increasingly supported by the involvement of the private sector towards a collaborative and entrepreneurial set of values. Lubbe (2003) suggests that one of the functions of the NTO is to act as a guardian of potentially endangered tourism activity national but one that is bound by the policies and rules of the countries in which they exist. NTOs increasingly rely on industry contributions for marketing, advertising and promotional campaigns. Even 'contributions in kind' are acceptable forms of support; such as familiarization visits and complementary services for journalists and trade professionals. A comprehensive understanding of the dynamics, infrastructure, challenges, budgets and 'best practice' indicators of eight analogous NTOs is presented in a seminal publication by Lennon et al (2006). The authors observe a trend towards semi-public NTOs based on partnerships between the private sector and the regional authorities. Two of the leading NTOs in the world (the Australian Tourism Commission and the Canadian Tourism Commission) have successfully operated on this basis for some time. It is also recognized by these authors that although state funding continues to dominate the sources of funding NTOs receive, there has been increasing pressure on NTOs over recent years to become more efficient in the use of funds and in terms of seeking new sources of funding. Elliot (1997) suggests that each government and each nation will pursue a unique set of responsibilities and priorities that reflect the needs and political culture of the nation state at any given time. These responsibilities change often and the NTO must react accordingly. The challenge across the West at the time of writing is for the NTO to become increasingly resourceful when it comes to managing budgets during a time of economic downturn. State funding continues to fluctuate (Lennon et al, 2006) and is seldom guaranteed as a fixed sum beyond the short term. According to research presented in this paper, such a partnership model of industry and government would appear to bear fruit in countries such as Australia, New Zealand and Canada yet it remains a key goal for relevant stakeholders in the UK.

It is worthwhile to briefly introduce the role (as far as it can be universally characterized) of tourism industry lobbying groups and channels. Such groups feature keenly in the analysis to follow and often have integral roles in lobbying government for policy change/improvements, providing support for tourism businesses and maintaining a trilateral system of communication between government departments, tourism sectors and NTOs. Over the last decade there has been considerable interest and dynamism in developing clusters and networks of private sector operators in destinations. Belonging to a cluster or network can enhance productivity, build a common industry view to lobby authorities, overcome the disadvantages of trading as a 'small business' (by undertaking cooperative actions through marketing) and can enhance growth and competitiveness (Bramwell and Sharman, 1999). This research confirms that value chains and lobbying channels are fundamentally useful fulcrums for large, incumbent tourism operators (for example hotel chains and airlines) in influencing tourism policy. However such value chains are sometimes less subscribed to by Small to Medium Enterprises (SMEs) due to structures and systems of governance which vary at local and sometimes central levels. SMEs often have limited knowledge of their role in tourism value chains (Kaplinsky, 2007) and given the complexities of the tourism industry value chains involving tourism businesses are generally highly fragmented. For SMEs in tourism, the idea of greater participation in value chains (for example through membership of lobbying bodies) is not usually a high priority since their functionality is often not understood (or not seen as 'valuable' to their survival). This research therefore establishes a baseline of knowledge surrounding strategies deployed by NTOs for reaching out to and supporting SMEs.

The structures and funding of industry lobbying bodies vary greatly and complicate any universal understanding of their positioning and operation. However, the analysis to follow attempts to move towards an understanding of the nature of lobbying in the six countries analyzed to recommend best practice and possible areas for adaptation into the UK tourism industry structure. A 2008 OECD paper outlines some of the contemporary challenges that NTOs face in what is an increasingly competitive marketplace (OECD, 2008). The paper describes the emerging dynamic of NTOs as market-oriented organizations which, by virtue of their culture and values, perform better in competitive markets. The fact that the international travel and tourism market has seen impressive growth yet increasing competition among countries and regions is highlighted (OECD, 2008). Also of interest is that fact that, during 2008, NTO budgets were seeing on-going and extensive cuts and a need to capitalize effectively on increasingly scarce resources funded with varying proportions of public and private sector funding. Amongst the issues identified as a result of these operating conditions, and which merit close attention via research, were (OECD, 2008):

- The market orientation of the NTO (such as the use of information about tourism market trends, the ability to disseminate this information to the tourism industry and to influence the suppliers of tourism products and services to implement their products and services).

- The ability to plan for and operate on a long-term basis.
- The NTO's freedom and ability to make its own business decisions on a professional and market-strategic basis.

The report produced a number of strategic, operational recommendations suggesting that the NTO budget should have a fixed component with a time horizon of more than one year and that it should be allowed to transfer funds from one year to another. It was further recommended that in addition to the fixed portion, some part of the total budget should be performance based and the NTO should be allowed, but not required, to sell projects to the tourism industry. However the research also identified the need to further investigate the responsibilities of the NTO and the challenges that it faces in maintaining well-defined relationships with national, regional and local marketing organizations which represent the wider needs of the tourism industry. It is with these issues that this paper is concerned, and the methodology below sets out the approach to gathering data from a broad range of NTO stakeholders in 6 nations.

METHODOLOGY

The findings presented in this paper are based on the application of an interpretivist paradigm that values the subjectivity of qualitative data. Semi structured interviews were designed and piloted in order to build towards a comparative data set. Therefore, the interviews were strictly scripted in order to discipline the discussions towards comparative data, free from fluctuations in the volume (but not the variety) of data. The content and scope of each case study varies because each is dependent upon the 'accessibility' of the nation's tourism system through primary and secondary research. For example, more Canadian tourism stakeholders from comparably more tourism organizations were interviewed, so the analysis of interview data for Canada is richer in terms of the quantity and variety of input. South Africa on the other hand has quite transparent systems of practice that can be accessed through secondary research (particularly through www.safricainfo.com) so the secondary research element of this case study bears more fruit than the telephone interview aspect (in the latter case, access was difficult and few responses to queries and requests for data were received). Germany proved to be a less penetrable unit of analysis and the NTO were reluctant to suggest contacts from within the private or voluntary sectors. The German analysis is therefore largely based upon secondary research.

Interviews were undertaken using a semi-structured, open ended questionnaire design that was designed in such a way as to explore the key issues in the research proposal. These were used to direct the interviews, beginning with broad issues and gradually focussing on structures and budgets. The theory behind structured interviews as a research method is that each participant is asked the same set of questions in the same way in order that any variations and permanencies can be accepted as genuine as a result of the method, and not of the interview context itself (May, 2011). The role of the interviewer is thus to facilitate discussion, but not to temper it, as may be the case with unstructured interview approaches. Interviews were carried out by telephone using the 'speakerphone' function of the Cisco telephone model used to call out. Such an approach facilitated ad-hoc note-taking whilst facilitating discussion. All interviews were recorded, transcribed and then analysed using a content analytical approach.

Three semi structured interview scripts were formulated for NTOs, private sector stakeholders and organisation representatives and academics and analysts. The three types of stakeholders interviewed allowed for some triangulation of the issues to take place by cross referencing answers and points of view to highlight permanencies and variations. For example, it was considered that asking only senior staff from NTOs to describe NTO performance would be likely to draw mostly positive feedback. However, exploring these issues with an academic or private sector individual would have uncovered a more objective point of view and it was decided it would be a more robust exercise to consider interview transcripts of all three types of interviewee. As such a strategy of data triangulation has been followed. Prior to undertaking interviews, the background of the research was explained in order to direct thinking towards the main issues. Finally, the problems that are inherent with 'fragmented industries' such as the tourism industry and with industries lacking 'joined up thinking' are (this research suggests) by and large shared concerns internationally. There is therefore no suggestion of a panacea or absolute solution to these issues. However, the research highlights some useful best practice approaches for improving trilateral climates of communication between NTOs, governments and 'the tourism industry'. Analysis of interviews was based upon extensive content analysis which is defined by Krippendorff (2004) as the systematic reading of a body of texts, images, and symbolic matter based upon:

- close reading of relatively small amounts of textual matter

- The re-articulation and interpretation of given texts into new analytical, deconstructive, emancipatory or critical narratives that are accepted within particularly scholarly communities
- The analyst's knowledge working with hermeneutic circles in which their own socially or culturally conditioned understandings constitutively participate.

Each of the 6 units of analysis are discussed individually in this section before a conclusion presents some consolidatory narrative to identify the 'best practice' elements that have broad application to the UK context.

FINDINGS AND RECOMMENDATIONS

The extent to which the governments of the six nations studied for this paper prioritize their travel and tourism sectors is varied and this is reflected in budgets and in the extent to which travel and tourism is prioritized and represented in central and regional government. There are implications here in terms of the competitiveness, globally for national tourism products. In terms of structures and budgets, Central Government investments in tourism are a measure of long-term intentions and can have spillover effects such as attracting or repelling private investment into the sector. Prioritization of the travel and tourism sectors however can be reflected in other ways such as the extent to which government and the NTO ensure national representation at international travel and tourism fairs and events and commissioning high quality destination marketing campaigns.

This research suggests that unity in tourism, and particularly the idea of 'one voice for tourism' (for example, working towards a national brand), remains an aspiration and there is no evidence present in any of the six case studies to suggest this situation has been achieved in any of the national tourism infrastructures analyzed. Instead, what emerges when taking cognizance of the stronger aspects of tourism governance that come out of the study is a picture of strong partnership working and focusing resources wisely on a short list of areas (a 'top 5' perhaps) in a backdrop of what is a universally fragmented industry that is often misunderstood by politicians. Analysis suggests that the wisest approach to forging strong trilateral links (between the NTO, government and industry) is relationship management. For example, the Australians advocate reaching out to those in business that represent the 'middle ground' (those businesses that are undecided between focusing inwards and reaching out for and making use of assistance). The Canadian, New Zealand and Australian NTOs understand that to influence government, it pays to create strong bonds and a mutual understanding with trade associations and with government departments. In the latter case, the Australian example demonstrates the need for tourism experts to be political experts. It is not enough therefore to suppose that working only with government departments directly linked to tourism will suffice to champion the needs of industry. Proactive relationship management is required in the shape of trade and networking events, partnership formations, working groups and stakeholder alliances.

There is a universal complication in tourism infrastructures internationally which is about the systems of governance of the various tourism sectors analyzed. These operate within almost impenetrable political configurations that would require a much deeper and longer investigation to provide a strong understanding upon which to base conclusions about the relationships between government departments, the NTO and the private sector. Unity of purpose amongst most of the local authorities discussed in interviews for this paper is unlikely to reach a point of emancipation any time soon and this would probably not be a desirable position to be in any way since regional tourism organizations (small and large) must continue to engineer a tourism offering that segments the nation into identifiable, iconic tourism products. The top down system of governance in France operates in a context of successful brand building and a strong international presence. What is unclear is the extent to which this historically state controlled system is behind the success of France's tourism. Perhaps elements of 'top-down' tourism governance are effective steps towards uniting the national tourism 'message' and infrastructure. France is viewed externally as 'the destination' with no particular region monopolizing this (although Paris is clearly identified with as an iconic city destination). France and Germany differ from Canada, South Africa and Australia in the sense that its regions have less autonomy over tourism (although this is changing and ODIT France's relationship with Maison de la France is leading the change). The direction of the state has traditionally been more firmly embedded in the way tourism is carried out. To illustrate the point, the Canadian Provinces would not stand for such centralized control (a consequence of this in Canada however is intra-regional competition). It is suggested that the pragmatic approaches identified above are useful points of best practice that merit consideration in terms of working towards a more cohesive tourism infrastructure in the UK.

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