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INTERACTIONS AND NETWORKS IN AUSTRALIAN TOURISM

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There are many participants in the tourism network who have vested interests in tourism development. These organizations include hotels, associations of hotels and hotel owners, inbound travel agents, travel wholesalers, tourism industry associations, airlines, cruise lines, tourism promotional agencies, regional and local tourism authorities, SME tourism businesses, conference and convention centers and many more. Individuals in the tourism industry intermittently change employment. They often remain in the industry and can move between types of organizations. Their contacts, associations and personal networks remain useful and indeed are utilized.

The Interactive Approach postulated by the IMP Group (Hakansson, 1982; Turnbull and Cunningham, 1981) proposes that both suppliers and manufacturers are often involved in close, long lasting adaptive relationships. Firms within relationships must work together, share objectives, share information and also communicate clearly and precisely using a common language. Here relationship partners should have a similar point of view on the meaning of marketing strategy and related concepts including market segmentation, differentiation and competitive positioning. The “Actors, Activities, Resources” (AAR) network model (Hakansson and Johanson, 1992) is used to clarify the associations. Networks can be viewed at an aggregate level or an overall set of relationships or at a micro level (Axelsson, 1995; Easton, 1992; Moller, 1992; Moller and Wilson, 1995). In the micro level approach, the member’s position and interdependence in the network and their proximity is examined. Network leadership, planning processes, decision making and communication among network participants are also examined (Axelsson, 1995; Easton, 1992).

Ford and Hakansson (2007) state that “each person’s view of a network is based on their ‘picture’ of that network”. Network perspectives vary by participant and the issue being addressed. The pattern of interactions between network participants is crucial in defining the network and its boundaries. Ford and Hakansson (2007) develop a structure of interactions between participants in a network. Time dimensions of the interactions are sequence, ordering and trajectory. Relativity dimensions are jointness, interdependence and heterogeneity. Interaction can be problem solving both incurring costs and producing benefits.

This paper seeks to assess the nature, perspectives and characteristics of interactions in the tourism network in Australia. There are two stages of this research. The first stage obtained the perspectives of network participants on the challenges facing tourism, key growth segments, brand and promotional strategies and customer insights and satisfaction levels. Participants were also asked to provide advice to the national marketing organization on a range of developmental topics. The second stage of this research assesses the interaction patterns among network participants Network picture, network position, resource constellations, interaction, resources and activities, interdependence, adaptation, actor bonds, strategy and change are also assessed.
The relationships are political and consultative in nature. There is much interdependence and possible conflict between the network participants. The national tourism body has particular skills in tourism planning and tourism research. They also have significant resources and the ability to influence inbound tourism patterns. This paper seeks to assess and understand the interactions within this network.

**Nature of Australian Tourism Industry**

There are many participants in the tourism network who have vested interests in tourism development. These vastly different sized organizations include hotels, associations of hotels and hotel owners, inbound and outbound travel agents, travel wholesalers, tourism industry associations, airlines, cruise lines, tourism promotional agencies, regional and local tourism authorities, SME tourism businesses, conference and convention centers and many more. Individuals in the tourism industry intermittently change employment. They often remain in the industry and can move between types of organizations. Their contacts, associations and personal networks remain useful and indeed are utilized. Industry and government bodies and tourism associations facilitate networking and conduct political lobbying. Relationships with association member companies and travel industry participants are critical to their success. Business organizations such as airlines, hotels, cruise companies, etc. have commercial relationships with many firms such as suppliers, customers, service providers, channel members and collaborators. Key relationship management is practiced by many of these organizations whereby more important network partners receive greater economic and social resources.

Co-promotion of tourism events, co-funding of promotions and event and experience delivery require that network participants communicate and interact on a wide range of issues. The processes of market sensing, information sharing, sourcing promotion partners and the planning and delivery of tourism products requires considerable interaction. Communication, coordination, information sharing and interaction are required on a range of political and social issues which are relevant to the tourism network as a whole. The travel and tourism industry is also experiencing considerable environmental and structural change caused by the economic recession, structural change and consolidation, the Internet, alternative business models in travel and a changing end consumer.

Möller and Halinen (1999) state that 'no firm can afford to be a self-contained island' as key to unlocking value is often held within a wider network of relationships, a view further supported by Håkansson (1987) who claims that 'a firm's relationships are one of the most valuable resources that a company possesses.

Håkansson (1987) developed the original ARA Model, to describe the 'interplay of three substance layers of business relationships' (Håkansson and Snehota, 2005). Each of the three layers (actors, resource ties and activity) are common to all relationships but display different characteristics depending on the relationship and context in question. For example, some relationships will be rich in actor bonds. The IMP approach states that business-to-business networks involve a complex mesh of relationships are heterogeneous with all firms being interdependent and all actively setting strategy. Firms are generally involved in long term ongoing relationships.
Research Objectives

This study examines relationships in the Australian tourism industry. The IMP approach is used to study the tourism network. Network pictures are obtained from respondents and analyzed. The nature and role of social bonds and commercial friendships is examined. This study also examines the nature of personal relationships in the tourism network. The nature and roles of the investments in economic and social resources are also assessed.

METHODOLOGY

A total of 43 in-depth, semi-structured interviews with senior managers in the Australian tourism industry were conducted from August to November 2008. The interviews were predominantly conducted face-to-face and were audio taped. Interviews were conducted with senior managers in hotels, associations of hotels, inbound travel agents, travel wholesalers, tourism industry associations, airlines, cruise lines, tourism promotional agencies, travel agencies, regional and local tourism authorities and conference and convention centers. A range of theoretical concepts were explored. They are network picture, network position, resource constellations, interaction, resources and activities, interdependence, adaptation, actor bonds, strategy and change. These network informants expressed satisfaction with the interview and are willing to provide further information on the nature of their interactions, relationships and communications within the network.

RESULTS

The section provides an overview of the findings, namely the results of the primary research interviews. The aim throughout this chapter is to relate the findings to the key literature concepts previously discussed and demonstrate evidence to support the ideas generated (inductive bias).

As five research groups and views have been captured, it is important to use a systematic structure throughout, which focuses on two groups of concepts based on a review of the literature. The findings relate to interaction based around activities, resources, actors (ARA model), which inherently includes ideas of interdependence, relativity, time and jointness. The starting point for all research interviews a pictorial representation and subsequent description of the relationships (external, internal, individual) which allow that particular department or person to perform their role. The purpose is to use the network pictures as a starting place for each interviewee to discuss interaction dynamics based on their own interpretations.

In order to generate an understanding of particular research groups i.e. Wholesalers, travel agencies, hotels, transportation, inbound tour operators, industry bodies, government bodies etc, this section pulls together the various findings to form a single perspective for each group. This is purposeful as it avoids the trap of only seeing the network from a single company perspective and ‘failing to understand the dynamics and interface between others’ (Håkansson & Ford, 2002). As a result, 5 network pictures have been identified. Figure 1 shows the network for tour wholesalers. This network was derived from the several tour wholesales who were interviewed. Figure 2
shows the network for government tourism agencies, figure 3 shows the network for selected travel agencies, Figure 4 shows the network for transportation providers and Figure 5 shows the network for travel organising companies.

Figure 1 Network for Tour wholesalers

- Franchise groups
  - Retailers
- Inbound Tour Operators
- Local/International Wholesalers
- Other Travel Agents
- Direct Sale companies
- Wholesalers
- Affiliates
- Airlines
- Direct Customers
- Outbound Tour Operators
- Group s MICE/Leisure
- FIT
  - Land products
  - Car/van
  - Product Suppliers
  - Hotels
  - Trip operators
  - Retail shops
- Local Government Bodies
- International Government Bodies
- Industry Associations
Findings are consistent with Ford and Hakansson (2007) who state that "each person's view of a network is based on their 'picture' of that network". Network perspectives vary by participant and the issue being addressed. The results from the primary research
interviews reveal observations in the form of various activities between companies, including activity adaptations. A summary of activity links and adaptations are shown in Table 1. There are considerable differences between the interview groups. Activities vary by the size of the organization, time in the role, environmental pressures, corporate philosophies and characteristics, customer contact strategy and participant organizational role.

Table 1 Activity Links:

<table>
<thead>
<tr>
<th>Interview Group</th>
<th>Activity Links – key Characteristic</th>
<th>Adaptations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tour Wholesalers</td>
<td>External – strong: Negotiation activities</td>
<td>Not Really</td>
</tr>
<tr>
<td>Government Tourism Agencies,</td>
<td>External – strong: Liaison activities</td>
<td>Not Really</td>
</tr>
<tr>
<td>Travel Agencies,</td>
<td>External – strong:</td>
<td>Yes – in particular due to</td>
</tr>
<tr>
<td>Transportation Providers</td>
<td>External – strong: negotiation activities, operations activities internal – strong: links with various depts.</td>
<td>changing technology</td>
</tr>
<tr>
<td>Travel Organizing companies</td>
<td>External – strong: negotiation activities internal – strong: links with various depts.</td>
<td>Yes – new equipment and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>business models. Online - strong</td>
</tr>
</tbody>
</table>

Attachment

The various resource dependencies identified by each research group are identified below in Table 2.

Table 2: Resource Dependency.

<table>
<thead>
<tr>
<th>Interview Group</th>
<th>Dependences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tour Wholesalers</td>
<td>External Travel agencies</td>
</tr>
<tr>
<td>Government Tourism Agencies</td>
<td>External political stakeholders</td>
</tr>
<tr>
<td>Travel Agencies,</td>
<td>External: Travel transportation providers</td>
</tr>
<tr>
<td>Transportation Providers</td>
<td>External: Channel of distribution, suppliers</td>
</tr>
<tr>
<td>Travel Organizing companies</td>
<td>External: Customers</td>
</tr>
</tbody>
</table>

The nature of social bonds was investigated. Interesting perspectives on the personalization continuum are generated. Relationships vary substantially on the "very close" to "very distant" continuum. Some participants state that "it's all about relationships" where others state that the business case is critical and that "money
talks". Others also indicate that "business friendships are a façade". Social bonds are instrumental in developing trust and commitment.

CONCLUSION

Tourism network participants in Australia have different objectives, plans, needs, challenges, markets and opportunities. Through this process, the perspectives and interests of tourism organizations are assessed and compared. The perspective and attitudes of the tourism network participants become clear and their vested interests are highlighted. These tourism perspectives are framed by size of informant, location, role and objectives of the tourism organization.

The IMP approach is used to study the tourism network. Network pictures are obtained from respondents and analyzed. Network pictures are considerably different for each industry group. Activity links, adaptations and resource dependencies vary considerably. The nature and role of social bonds and commercial friendships is examined.

The next step in this project is to further understand the nature of interactions within the tourism industry as well as the benefits and costs of interaction. The patterns of interactions between participants will be analyzed using Netmap mapping software. The value of networks and relationships will be assessed with a view to providing normative advice to the industry.

REFERENCES


