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The politics of destination marketing: Assessing stakeholder interaction choice orientations toward a DMO formation, using the Thomas-Kilmann Conflict Mode Instrument

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ABSTRACT

Destination Management Organisations (DMOs) are very much a part of the Scottish tourism landscape in 2011. Some regional tourism stakeholders have created DMOs to market and manage their respective regional attractions, with the aim of increasing visitors to the area. However, there are parts of the country where, rather than a regional DMO, there exist several small DMOs. These are made up of businesses within locality clusters that, although geographically proximate, are in competition with one another for the tourism custom (effectively forming destinations within destinations). This is the current situation in the North-east of Scotland where, more recently, some industry stakeholders have questioned the wisdom of competition rather than collaboration between these micro-destinations. It has even been suggested that collaborative promoting would provide better exposure and overall economic benefits to all localities within the region.

But while the idea may be appealing, research evidence pointing to better destination performance due to stakeholder collaboration rather than competition is not entirely conclusive, and is particularly unclear about the potential impact of competitive conflict in such collaborations; instead, this idea is based on assumptions arising from findings in extant literature about the effects of collaboration in business. This paper considers the situation in North-east Scotland, and whether in fact business leaders are disposed to the idea of a regional model for collaboration.

As a prelude to the potential creation of a “super” DMO to serve the region, this issue is explored through a survey of business leaders. The Thomas-Kilmann Conflict Mode (hereafter called the TKCM) is adapted to provide an evaluative framework, with discussion of the assertiveness versus cooperativeness needs of tourism business stakeholders in the region. Initial findings indicate that on balance, tourism businesses (as expressed by their managers/owners) are persuaded by the attractiveness of collaboration in some activities, but would nevertheless prefer a certain degree of competition. In addition, organisational size and membership of existing destination management networks appear to moderate the interaction choice preference. Recommendations focus on the need to initially identify mutual areas of collaboration as well as those areas in which healthy competition can be promoted. It is also suggested that a model that allows several area DMOs to loosely coordinate toward regional action might be preferred to a model in which the various organisations are replaced by one regional DMO, as this will ensure confidence and trust in actions at the regional level.

This paper directly relates to the conference’s track on The Politics of Place Branding and aims to contribute to participants’ understanding of the reality of conflict in destination marketing.

DMO, destination marketing, collaboration, competition, conflict, Thomas-Kilmann

1. Introduction

Critical discourse on collaboration is almost unanimous that it is good for business, especially where there is a need, or it is expedient, for organisations to share resources, pool bargaining power and/or achieve interdependent strategic objectives (Wang and Xiang, 2007). For example, a destination marketing organisation (DMO) is a form of alliance that involves the coming together of stakeholders within an area or region, for the purpose of crafting, promoting and marketing the destinations image and attractions to potential visitors (Buhalis, 2000). It is common to find conclusions about the positive impact of such an alliance in various aspects of tourism, especially in the marketing of places. For instance, collaboration enables businesses to effectively market the destination (Pearce, 1989) by finding the right balance between sharing and hoarding resources and knowledge in order to enhance the destination's competitiveness against other destinations (d'Angella and Go, 2009), and to increase overall profitability of the local tourism industry (Bramwell and Sharman, 1999).

The concept of collaboration implies that there is collective action to a purpose, and that this action involves organisations who are otherwise at competition with one another. In fact, collaboration has been defined as the "formal institutionalised relationships among existing networks of institutions, interests and/or individual stakeholders" (d'Angella and Go, 2009, p.430) and as "a process of shared decisions among key stakeholders of a problem domain about the future of that domain" (Gray, 1985). These definitions imply that collaboration cannot arise without conflict *a priori*, and that collaboration itself is a state of conflict, given that parties involved are expected to sacrifice their natural state of competitiveness. However, while businesses may collaborate to achieve desired outcomes, they remain primarily competitive rivals, with differing business priorities (Sharma and Kearins, 2010). Rivalry and differing priorities naturally involve underlying, and sometimes outright, conflict. Indeed, the body of extant literature on partnership and organisational collaboration clearly identifies and discusses conflict as an important dimension (Kumar and Dissel, 1996; Sharma and Kearins, 2010; Farrier et al. 2010). Yet, in the tourism literature the benefits of collaborative relationships have been extensively discussed (Bramwell and Sharman, 1999), while little attention has been paid to the reality of potential conflict inherent in these relationships (Dredge, 2006; Hampton et al. 2008), as a result of which tourism researchers have called for more studies directed at evaluating the conflict construct in relation to collaboration in tourism business (Huxham and Vangen, 2000; Hampton et al. 2008). It is against this background that this paper explores the application of the theoretical ideas surrounding the notions of collaboration and conflict as a prelude to the foundations of a DMO creation in the North-east of Scotland.

The aim of this research is to explore tourism managers' attitudinal dispositions toward the development of a DMO by applying the TKCM as a framework for the understanding of their interaction choices (conflict resolution modes), and the impact that this can have on the success of the proposal. In utilising this approach, our research does not focus on conflict that arises in the course of collaboration, but instead explores whether understanding managers' orientations toward conflict resolution can help predict their disposition to collaborate in marketing a tourism destination. The attraction of this approach is that the TKCM framework has been successful in predicting the interaction choices and bargaining styles of executives and professional subgroups (Shell, 2001), and although it employs individual-level analysis, we consider it suitable for analysing inter-organisational relations as these relations are anchored and choreographed by individuals representing the interests of organisations (Sharma and Kearins, 2010; Borkowski, 2010). To our knowledge, the TKCM has never been applied to assess orientation toward tourism collaboration before.

However, this research does not make any specific propositions or hypothesise on the existence of any relationships; instead, our objective is to provide an exploration and description of patterns emergent from the empirical application of the Thomas-Kilmann Conflict Mode Instrument (TKI). For this reason, we explore a number of themes as summarised by the following questions:

- Can the successful formation of a DMO be influenced by the interaction choices of its constituent stakeholders?

- Can the TKCM framework help explain stakeholder willingness to participate in a regional DMO?
- Can TKCM help explain stakeholders' preference for a DMO structure?
- In general, what are the interorganisational interaction choices of tourism business executives in North-east Scotland?
- Are there differences in interaction choices according to location, business size and previous experience with a DMO?

The answers to these questions are useful to both practice and research. Understanding the antecedents and prerequisites to a collaborative venture is essential for its success (Lovelock, 2002; Bramwell, 2004), and since DMOs are typically a form of collaboration, it is relevant to consider what factors might lead to its constitution and success. Collaborative structures have to address issues of complexity and ambiguity from their very inception if their intended advantages are to be sustained (Huxham and Vangen, 2000) and a destination marketing model should consider components of leadership, resources, clarity, and the need for committed people (Kerr, 2006; Hampton et al., 2008; Sharma and Kearins, 2010).

Peter, I'm not sure we need the section below, down to 2. – although I've worked on it!

The rest of this paper is structured as follows. A general overview of the tourism sector in North-east Scotland in order to delineate the geographic scope of the empirical study, a review of literature on the relevant concepts and models of business-to-business collaboration. The literature review leads to a presentation of the TKCM framework as adapted to the undertake primary research, after which there is discussion on the methodology and empirical findings. The last section discusses the findings and the implications of this for destination marketing and a DMO in North-east Scotland.

2. Overview of Tourism in North-east Scotland

The presence of oil in the North Sea provides the region with a valuable source of employment and is a physical resource that sets the region apart from many other peripheral areas. 29% of UK tourist trips to Aberdeen and the larger North-east region were for business purposes, which is significantly higher than the national figure of only 16%. The same is the case for overseas visitors to Aberdeen, as 27% state business as the purpose of their visit, against the Scottish national figure of 17% (VisitScotland, 2009). There is no doubt that the oil industry has had a pronounced impact on the regional economy and it is the oil industry that is responsible for the two micro economies that are evident in the region.

For some 25 years (since the oil crash of 1986) Aberdeen has enjoyed a strong micro-economy. For example, strong demand for accommodation in the city has delivered healthy profits for hotels in the area, with many city centre and airport hotels reporting 100% occupancy on mid-week nights. This in turn has prompted new operators to enter the market in recent years and now the supply and demand is more or less in balance.

In 2011 the regional Tourism industry operators reported sound profitability and optimism about future trading. That said, there is a view expressed that increased prosperity lies in collectively marketing and promoting the region, as well as working in partnership with other businesses operating across the region. However, some stakeholders are concerned that these collective efforts are currently not happening (AGCC, 2011).

In the more peripheral areas to the north and west of the region (classified as the shire areas) the local economies still tend to be dominated by the declining industries of agriculture and fishing. As a consequence the oil industry tends to have a reduced impact in these areas (Nash and Martin, 2003). In contrast, tourism in the city of Aberdeen has greatly benefited as a result of business generated from the oil and gas sector, as illustrated by its impact on the hotel sector in the city,

where 74% of custom is related to the oil and gas industries. The corresponding figure for shire hotels is only 17% (Tourism Intelligence Scotland, 2010).

Out-with Aberdeen city, the more peripheral areas of the region encounter difficulties associated with their remoteness. This is supported by the Scottish Office who suggests that the region has 96% of its land that can be classified as either “wholly less favoured or partly less favoured” (1995, p.6). The beneficial impacts of the oil industry do not tend to extend out to these regions. The dependency in the more remote areas communities on “local economies consisting of a few low growth industries makes the area highly vulnerable to changes in external conditions” (Scottish Office, 1995, p 21). This is also true of the areas’ tourism industry which “is very underdeveloped in the northern part of the region where visitor numbers are low and there are a lack of major visitor attractions and appropriate hotel/guest house accommodation” (Scottish Office, 1995 p.17).

The challenge for the region as a whole is to secure economic benefits that do indeed extend to the peripheral communities. Any future destination management needs to address the needs of these differing geographic areas. The initial consultation on the DMO project in North-east Scotland is focused on whether there should be one super-DMO for the region or a DMO that is essentially an alliance of existing/new area DMOs. Secondly, business leaders have to decide the functions of the DMO, key of which are the proposals that it should provide marketing, lobbying and booking portal centralisation.

3. Literature Review

In an increasingly competitive global environment, all destinations (be they cities, districts, regions or countries) need to differentiate themselves from one another if they are to attract tourist spend and the resulting economic and social benefits this brings to the destination (Baker and Cameron, 2007)

a. Developing a regional DMO

Wang and Fesenmaier (2007), accurately state that “the fragmented nature of the tourism industry requires a substantial degree of co-ordination and collaboration among the variety of different players in destination marketing.

Accepting that levels of co-ordination and collaboration are necessary to bring new or increased business, how does this sit with the individual business need to compete and win business in the operating environment that is the destination?

A major challenge to its creation relates to the dilemma that a DMO must reconcile: to rally individual stakeholders interests around a brand model while preserving their decision making autonomy (Gnoth, 2002). This is because DMOs represent alliances which involve the giving up of some level of autonomy and the surrender of power, and while they can vary in shape and form, some common characteristics are that they are representative of various interests within the stakeholder community (Buhalis, 2000). They involve cooperation toward the achievement of a common objective and imply willingness to sacrifice some individual interest for the common good (Williams et al. 1998). Hence it is important to determine a-priori the disposition of individual businesses within a community prior to establishing a DMO. This is particularly important where there are existing networks of business cooperation, because the relationships in these networks may be set and may be difficult to break, replace or integrate (Dredge, 2006). Buhalis (2000) states that there are different types of destinations requiring different marketing strategies, hence the form and structure that a DMO takes would depend on the unique attributes of the region it is to represent, as well as the collective and individual aspirations of the stakeholders.

Although several factors have been identified as important prerequisites for the success of DMOs and other tourism collaborations (see Gretzel et al. 2006) it is surprising that one dimension that has not been examined is the individual managers' interaction choices as reflected by their orientation toward conflict resolution. The surprise arises because it is known that collaboration involves conflict, either as conflict between the collaborators or as conflict arising from compromising ones' business interest for the sake of benefitting the whole (Dredge, 2006; d'Angella and Go, 2009) and that this naturally leads to bargaining and negotiation to achieve common ground. Then, it becomes logical to argue that orientation to conflict and its resolution may provide capacity for predicting successful collaborations. Using network theory as the basis for criticism of existing collaborative planning theory, Dredge (2006) suggests that the effects of conflict within a network of collaboration must be critically evaluated as this can provide opportunity for "better process design, increased quality of collaboration, learning and innovation" (p.5701).

The advantages of collaboration are numerous (Wang and Xiang, 2007), as a result of which it holds many attractions for a destination marketing strategy. According to the WTO (2004:10): "...destination marketing covers all the activities and processes to bring buyers and sellers together; focuses on responding to consumer demands and competitive positioning ; is a continuous coordinated set of activities with efficient distribution of products to high potential markets; and involves making decisions about the product, branding, price, market segmentation, promotion and distribution".

Across the Scottish tourism landscape, several examples can be found of regional collaboration through destination marketing organisations. However, and in spite of the reported advantages, not all areas of Scotland have successfully developed a regional DMO model. For instance, in North-east Scotland, there exist several fragmented community DMOs, each interested in, and designed to, market the specific community's tourism attractions both to local and international visitors (AGCC, 2011). The result of this is that while some communities have been very successful in promoting their attractions, there is no regional-level understanding of what the North-east tourism brand is, nor is there a clear expression of the region's image as a tourism destination. This may constitute a disadvantage to the region's ability to grow its tourism, as far back as 1995, Palmer and Bijou argued that a free market solution to destination marketing in which there is no collaboration among stakeholders gives rise to a number of potential problems for them.

b. Conflict in destination management collaboration

The issue of conflict and collaboration within destination management has received some attention in recent times from tourism researchers. As a result, a number of theoretical and conceptual frameworks have emerged. Wang and Xiang (2007) proposed an integrative framework of collaborative destination marketing based upon the interorganisational models of resource dependency theory, transaction cost theory, strategic management theory and networking theory. They argued that individually, these theories did not adequately provide a comprehensive theoretical foundation for understanding tourism marketing alliances and networks within a destination. The conceptual framework they proposed is defined by four constructs that emphasised the nature and dynamics of destination marketing. These are: (i) the precondition construct, which defines the commercial, social and environmental conditions giving rise to the alliance and network formation; (ii) the motivation construct, which explains why organisations choose to enter alliances and strategic networks to achieve specific goals; (iii) the process construct, which examines the dynamics of collaborative processes such as structure, form, governance and conflict resolution; and (iv) the outcome construct, which describes the consequences of the collaboration. Commenting on the conflict sub-construct

Raising concern over the uncritical adoption of collaborative and communicative planning ideals as tools for managing tourism networks, Dredge (2006) argues that an important arena for future tourism research should include an evaluation of conflict and cost and benefit distribution approaches as embodied in the network theory. Dredge suggests that network theory provides a basis for understanding how boundaries of tension, conflict and instability existing between policy communities can be managed. In the network theory view, constellations of power within tourism

policymaking give rise to boundaries of difference and conflict which are not necessarily wasteful but can also be sites of learning, creativity and innovation (Dredge, 2006). Alternatively, d'Angello and Go (2009) apply stakeholder theory to the description of tourism alliance configurations. Similar to Friedman and Miles (2002), they propose that stakeholder configurations within a tourism destination fall into one of four categories: inclusion, opportunism, compromise, and competition. However, while d'Angello and Go (2009) successfully applied the Friedman and Miles model to categorise stakeholder participation, this model can be criticised for its failure to explicitly consider the potential impact of conflict resolution orientation as the basis for understanding stakeholder interaction choices. Furthermore, this model is similar to the previous models discussed, in the sense that it does not clearly address the antecedents of stakeholder alliances and their structures. The categorisations within Friedman and Miles' model are similar to the TKCM framework. Nevertheless, in order to adequately evaluate the antecedent effects of conflict orientation on destination marketing collaboration, TKCM is considered more appropriate. This is because TKCM expressly utilises conflict orientation as a variable upon which different collaborative styles can be inferred (Figure 1). In the next section, we further develop our position by describing TKCM and relating its applicability to the concept of destination marketing.

c. The Thomas-Kilmann Conflict Mode Instrument (TKI)

The Thomas-Kilmann Conflict Mode Instrument (TKI) is the means by which TKCM is applied. It assesses behaviour in conflict situations (i.e. situations in which the concerns of two or more parties appear to be incompatible) on the basis of two dimensions of behavioural predisposition (Thomas and Kilmann, 1977). These dimensions are based on the management research of Blake and Moulton (1994) and are (a) *assertiveness* – the extent to which a party attempts to satisfy its own concerns, and (b) *cooperativeness* – the extent to which a party attempts to satisfy the other party's concerns. From the above dimensions, five methods of approaching conflict (also referred to as interaction choices) can be defined, as follows. 1) **Competing**. This is an assertive and uncooperative mode in which one party pursues its own objectives and concerns at the other(s)' expense, using whatever power seems appropriate to achieve advantage. 2) **Collaborating**. Collaboration tends to see conflict as a problem to be solved. This is both assertive and cooperative because the parties aim to actively work together in finding a mutual solution or alternative that satisfies all (e.g. to avoid competing for some resources or address a mutual threat) while at the same time maintaining independence of action toward meeting individual objectives (e.g. by retaining competition for some resources). 3) **Compromise**. The compromise mode describes the middle ground between assertiveness and cooperation, in which the objective is to find an expedient, mutually acceptable solution that partially satisfies all parties. This method addresses an issue more directly than avoiding, but does not explore it in as much depth as collaboration. 4) **Avoiding**. Avoiding is neither assertive nor cooperative. In this mode, a party does not pursue its individual goal or interest, but at the same time, there is no attempt to satisfy the other party's concerns. Rather, the strategy is to avoid the conflict situation by withdrawing, sidestepping or postponing the issue. 5) **Accommodating**. Accommodating is the extreme opposite of competition and describes an unassertive, cooperative mode. A party neglects its own interests and concerns in order to satisfy those of another. This might take the form of selfless generosity or charity, obeying another person's order, or yielding to a view of point even where there is reasonable ground for counter-argument.

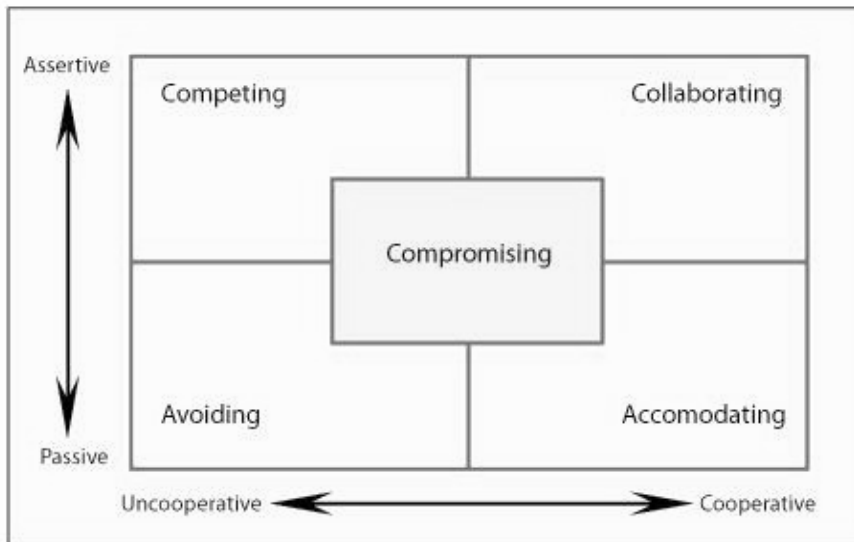


Figure 1. The two-dimensional model of conflict handling behaviour

(source: Thomas and Kilmann, 1977)

Conflict-handling tactic	Definition	Interorganisational interaction application	Interorganisational interaction example
1. Competing	The pursuit of own concerns at others' expense	Organizations employing this strategic intention try their very best to win issues and secure their own interest at the cost of others in the interorganisational interaction	A party might conceal its actual costs to appear as a competitive partner in a joint project. In this way, it strengthens its own market position, but at the same time risks project failure if the related costs become unmanageable
2. Accommodating	Neglecting own concerns for the satisfaction of others' concerns	Organizations employing this strategic intention are obliging in their interaction around interorganisational issues	A party might decide to agree on a joint solution they believe is in the best interest of the other party, as a gesture of goodwill aimed at maintaining the interorganisational link and building social credit for future issues
3. Avoiding	No immediate pursuit of either own or others' concerns	Organizations employing this strategic intention avoid confrontation and show indifference toward interaction around interorganisational issues	A party might want the interorganisational relationship to be a legitimizing arrangement in theory rather than in practice. It thus shows no interest in being active in taking and following joint decisions
4. Collaborating	Attempts to find solutions fully satisfying both own and others' concerns	Organizations employing this strategic intention aim to find integrative solutions in interaction around interorganisational issues	Each part may be open about the value they can add to the relationship by revealing comprehensive and truthful information about themselves and suggest how this could be integrated to a joint solution with the other party
5. Compromising	Attempts to find solutions partially satisfying both own and others' concerns	Organizations employing this strategic intention aim to find expedient solutions in interaction around interorganisational issues	A party may restrict its provision of too much detailed information at once because this can be to their disadvantage if they still have to negotiate and compromise to find an acceptable solution

Table 1. Tactics and interorganisational interaction (source: Thorgren and Wincent, 2010)

A key attraction of the TKI is that it addresses the problem of social desirability associated with conflict style measurements. It pairs simple, equally desirable (or undesirable) phrases representing each conflict attitude and forcing subjects to make a choice between statements in each pair. There are

30 pairs of statements with 12 statements representing each of the five conflict style methods. Hence the maximum score per style is 12 and the minimum is 0. According to Shell (2001), the simplicity of statements, their repetition and the need for respondents to select them as against other, equally compelling or repelling statements minimises social desirability variance.

Methodology

84 executives with decision making authority were randomly selected from a list of participants and asked to complete a licenced paper version of the TKI during five tourism management workshops (an average of 17 candidates per session) in exchange for management training fees discounts. These workshops were held as part of a wider local tourism network development week which involved workshops, networking and exhibition events organised by the local chamber of commerce and VisitScotland (National Tourism Organisation). The executives were informed that completion of the TKI would help identify any employee conflict management training they might require, and that there were no right or wrong answers. In each section, once the questionnaires were returned, participants were debriefed and asked to rate the ease or difficulty of completing the TKI. Participants were then informed that they would receive feedback on their choices within a few weeks, and were thanked for their contributions.

Two weeks after the final workshop, an online questionnaire was sent to the 84 participants to solicit their views on the creation of a destination management organisation in the region; however after a follow up reminder only 81 participants fully completed the online questionnaire. The questionnaire instrument was deliberately designed to be simple and easy to complete, as the objective was to obtain preference patterns for correlation with the interaction choices in the TKI. Hence, two types of scales were used (appendix i): (i) a 3-point scale (agree – neutral - disagree) was utilised following statements describing the formation, purpose, and desirability of a DMO; (ii) multiple and single choice options were used following statements describing the structure and content of the DMO.

4. Results

a. Context/Background

61% of research participants were from within the city of Aberdeen while 39% were from Aberdeenshire and the surrounding countryside. In terms of tourism activity, 39% of respondents were hoteliers and accommodation providers, 21% were tourism attraction businesses, 12% were heritage and historic sites, 12% were tourism shops and retailers, 9% were provenance food and drink providers, and 7% were tourism event organisers. The results showed that most businesses were small in size, with fewer than 50 employees (52%), followed by medium sized, with 50 to 250 employees (37%), while businesses with more than 250 employees accounted for 11% of respondents.

b. Assessment of TKI Scores

The raw scores were averaged on the five modes in order to arrive at aggregate scores for all respondents. This was considered to be the most appropriate method in obtaining an overall mode classification for tourism leaders in the region. Secondly, a mean-difference analysis was conducted on the interest variables of: location, size and previous alliance experience in order to establish whether these affected the interaction mode choices and the preferred DMO structure of respondents. Finally, overall TKI scores were calculated and assigned to respondents on a bi-polar rating, in order to plot the regression between assertiveness/cooperativeness needs and DMO acceptance/functions. The details of these analyses are presented below.

Group Interaction Choice

The overall group performance on the five interaction choices shows that in general, respondents were favourable of a collaboration approach (Figure 2). The scores from the TKI show that average group score for collaboration are highest at 10.67, followed by compromise at 9.48. The least preferred choice is avoiding, with a score of 6.95. (Table 2). However, the results reveal that there are some significant differences in how the TKI was rated, based on location, size of business and previous experience with a DMO.

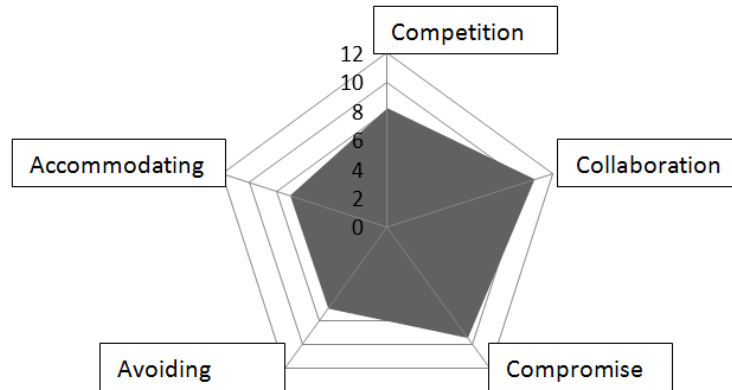


Figure 2. Group rating on conflict approach and interaction choice

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Competing	81	8.07	2.747	-.936	.267	.466	.529
Collaborating	81	10.67	1.194	-.407	.267	-.740	.529
Compromising	81	9.48	1.726	-.170	.267	-.502	.529
Avoiding	81	6.95	2.872	-.751	.267	-.386	.529
Accommodating	81	7.06	3.682	-.475	.267	-.713	.529
Valid N (listwise)	81						

Table 2. Descriptive statistics of group ratings on conflict approach and interaction choice

Location versus interaction choice

To check the effect of location on interaction choice, two analyses were conducted – cluster identification and mean comparison. Initial cluster analysis identified two major clusters along the lines of location (Figure 3). Cluster one contains mostly businesses within the rural areas of North-east Scotland and reveals a wide gap between their rating for collaboration and the other interaction choices. This cluster appears to clearly prefer collaboration over the other choices. Cluster two contains mostly businesses within the city and immediate locations. It would appear that while these businesses also prefer collaboration, they are nevertheless more diverse in the choices they are ready to make. For example, both compromise and competition scored very highly with these businesses. The mean comparisons on all interaction choice scores between the two locations reveal significant differences. City-based businesses are more preferential of competition ($p=.20$) than rural businesses; contrariwise, rural businesses are keener to collaborate ($p=.006$) than are city businesses (Figure 4).

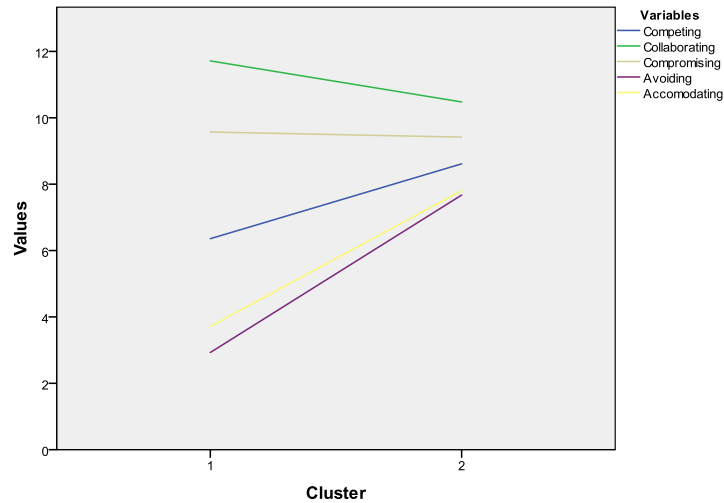


Figure 3. Primary cluster centres

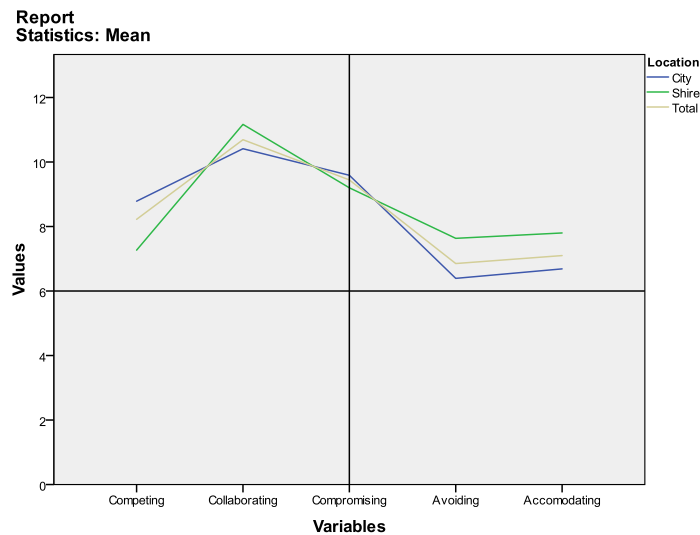


Figure 4. Mean difference in interaction choice based on location

Location versus preferred DMO structure

Overall, respondents prefer a regional DMO structured on the basis of a loose alliance between existing area DMOs. There is no significant difference between city and shire organisations in this regard (Figure 5). However, it would appear that more city than shire organisations prefer a single super DMO ($p=.001$). Similarly, there are some differences in the DMO functions that are preferred by city and shire businesses. Whereas city businesses would like the DMO to primarily undertake marketing as opposed to lobbying ($p=.041$), shire organisations would prefer the DMO to be more of a lobbying than a marketing body ($p=.046$). There are no significant differences between the locations on the provision of a single booking portal by the regional DMO ($p=.9$), although overall support for this is around average.

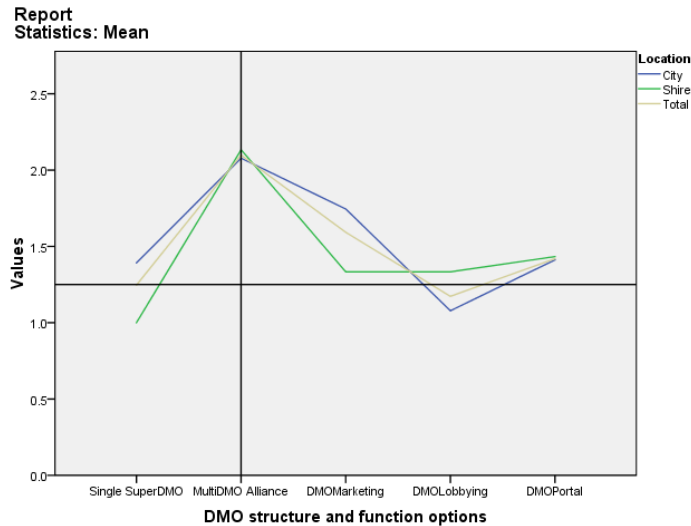


Figure 5. Mean difference in DMO structure and function based on location

Size versus interaction choice

Three organisational sizes were compared: large (L), medium (M) and small (S). In general, all sized organisations preferred a collaborative approach toward interorganisational interaction (Figure 6). However, large organisations appeared to be more oriented toward competition than medium or small organisations, but this difference is not found to be statistically significant. Interestingly, small organisations appear to be less likely, on average, to choose an “avoiding” strategy than medium or large organisations ($p=0.11$).

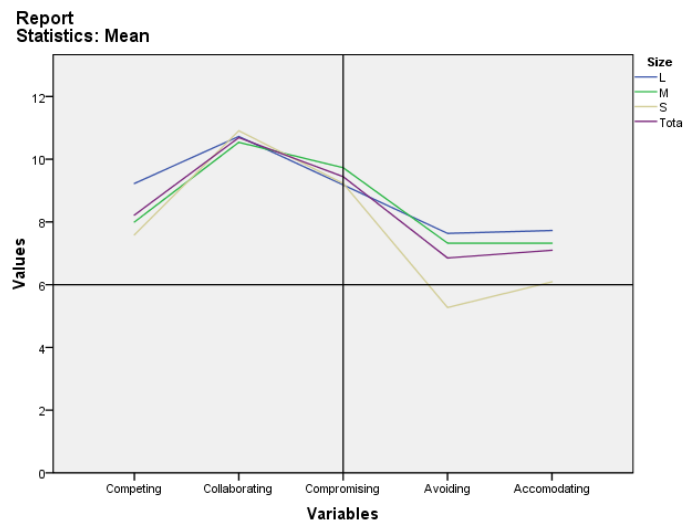


Figure 6. Mean difference in interaction choice based on size

Size versus DMO structure and function

Consistent with the rest of the findings, organisations of all sizes rated a multi-DMO alliance as the preferred structure with no significant differences in the level of rating (Figure 7). The most significant difference between organisational sizes appears to be on the preference for a DMO booking portal, where it would appear that large businesses particularly like this DMO function, followed by smaller businesses, but medium businesses are not equally persuaded.

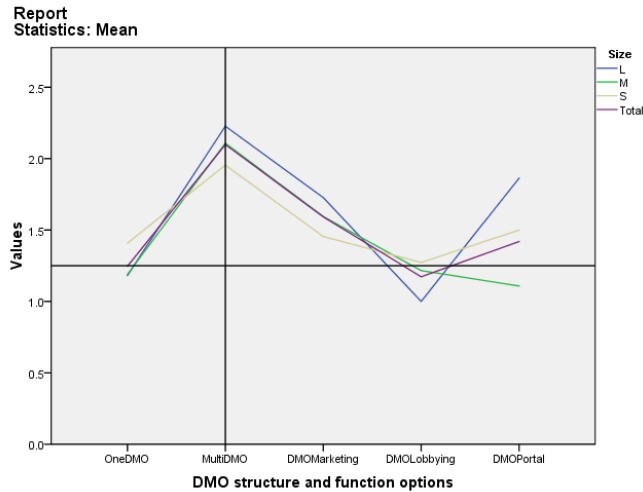


Figure 7. Mean difference in DMO structure and function based on size

Previous alliance experience

Belonging to an alliance in the past appears to have an effect on the preferred interaction choice of the organisation (Figure 8) but not on the DMO structure and function. Businesses that stated that they had been members of a DMO-like alliance in the past were likely to prefer collaboration as opposed to competition, while businesses that had no experience of such alliance were more willing to consider competition ($p=.017$). Similarly, businesses with experience of alliances were more likely to use an avoiding or accommodating strategy than businesses without similar experience.

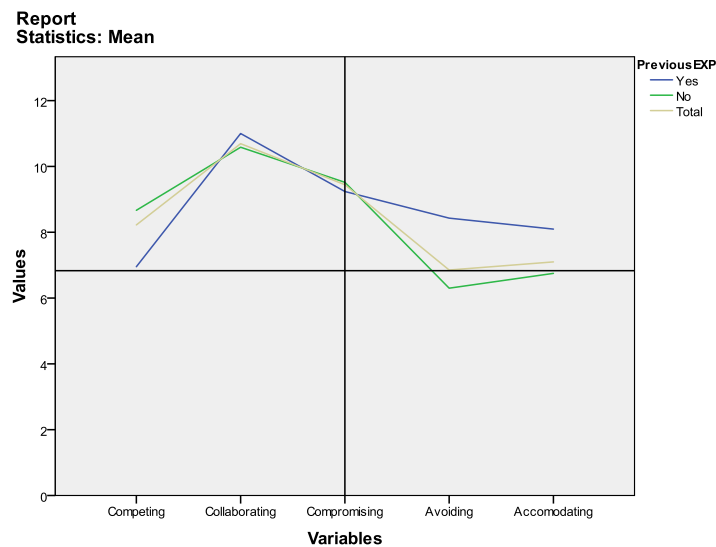


Figure 8. Mean difference in interaction choice based on previous experience

c. Predicting DMO acceptance and function preference from TKI Score

In the final analysis, consideration is given to whether the TKI scores converted to a scale of 1 - 5 (assertiveness = 1 versus collaborativeness = 5) can predict overall acceptance of a regional DMO as well as its functions, using regression techniques. The results (Table 3 and 4) show that interaction choice (as modelled by the TKI choice) is a potential predictor of DMO acceptance, and that acceptance can be predicted by approximately 12% if interaction choice is known ($F=10.36$, $p=.002$; $R^2=.116$). However, this is not the case with the DMO's preferred function set, as knowing the interaction choice does not appear to predict preference for any particular DMO function ($F=.274$, $p=.602$).

	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.386	1	3.386	10.357	.002
Residual	25.824	79	.327		
Total	29.210	80			

R	R Square	Adjusted R Square	Std. Error of the Estimate
.340	.116	.105	.572

The independent variable is Interaction Choice.

Table 3: Regression results for interaction choice and DMO acceptance

5. Conclusions and Discussion

Understanding the relationships between tourism organisations in a destination is a vital prerequisite to the success of many collaborative destination marketing initiatives (Terpstra and Simonin, 1993). This work finds the tourism organisations in the North-east of Scotland ready and willing to embrace the creation of a regional DMO.

Both the businesses in Aberdeen city and those in the rural communities broadly support a collaborative structure. This can be interpreted as the stakeholders preferring one integrated grand strategy as opposed to a number of business level strategies.

Interestingly the rural businesses report a greater desire for a super DMO.

In terms of Wang and Fesenmainer's 2007 theory, the main motivation for organisations in Aberdeen and North-east Scotland for entering the DMO or marketing alliance is seen to be "cluster competitiveness". Recognising that the destination does not have a single magnet, businesses are seeking to pull visitors and hold them longer through complimentary offerings: accommodation, attractions, retail and such like.

There is an acceptance that Destination marketing is required and can work on Aberdeen. The hub of Aberdeen city with train and airport links (direct flights from Germany as of autumn 2011) will continue to be the tourists' arrival point. That said the tourism product relies on attractions such as the distilleries, castles and Royal Deeside which are all located in the rural communities in the surrounding area. A key strength of regional tourism product is the fact that the countryside is easily accessible from Aberdeen city, and that the offerings in the city and countryside are complimentary – re-enforcing the win-win from collaboration in a super DMO.

Wang and Krakover in their 2008 work pick up on the notion that both cooperative and competitive relationships can co-exist.

They go on to comment “In the tourism context, in order to provide the products and services for consumption, destinations have to effectively coordinate resources and capabilities between participating businesses, which require both cooperation and competition. In which case there is no concern with city businesses and larger organisations tending more towards a slightly more competitive stance. In reality this would be expected with similar graded/star rated accommodation providers (Jurys Inn, Hilton Double Tree, and Park Inn for example) competing for business.

6. Recommendations

The case for the creation of a DMO is obvious. This body can bring a co-ordinated approach to Destination marketing bringing all stakeholders together, and pooling resources and funding. In practice in Aberdeen and NE this may be a tall order. The well established private and public sector stakeholders each have their own political agenda. In practice giving up control of real budgets and ownership of these to a super DMO is a real challenge for the leadership of the DMO.

DMO co-ordinated co-operation between: Dyce airport, VisitScotland, the Aberdeen City and Shire Hotel Association, the Chamber of Commerce, Scottish Enterprise, Aberdeen City Council and Aberdeenshire Councils can bring new business to the area. Support for new routes into the airport is a very practical example how co-operation can work successfully, and deliver benefits for all.

Baker and Cameron (2007) confirmed in their work “the importance of branding and the development of a strong brand and strategy for promoting it”. This is currently absent in the Aberdeen and North-east Scotland destination. Only a super DMO can realistically tackle this major failing in the marketing of Aberdeen and the North-east of Scotland.

Scotland has witnessed a number of DMOs being created, and ultimately there will have to be some shake out in terms of mergers and acquisitions across the country. The Aberdeen and Grampian DMO can learn from those that have been created and develop with sufficient scale to ensure longevity of the DMO.

Accept that co-operation and competition will continue. Collaboration within the new DMO in marketing to new markets and the support for this is not challenged. Price competition among accommodation providers in Aberdeen will continue. This will result in operators taking super profits during times of excessive demand (oil week), but most aggressive competition when the leisure 3 day market is being chased and higher occupancy sought through discounting. The greatest danger here is when premier products, traditionally seen as 4 star and 4 star + properties, and practically may be the new entrant corporate hotels,

discount down to a level that takes them into the price range of lower quality providers. This would force the lower rated providers to cut their rates to preserve their occupancy, and the price war would be destructive to all stakeholders in the medium to long term.

The DMO would be advised to co-ordinate marketing initiatives targeting the 3 day leisure market by presenting accommodation offers in clear price bands to prevent the damaging consequences of such a price war.

Stakeholders should move to a vehicle to test collaboration in practice. Currently the VisitScotland Growth Fund is under-subscribed. A joint application to this fund from: accommodation providers, the National Trust for Scotland (NTS), a car hire firm, and Grampian Transport Museum to bring new business to the Don Valley area would be a worthwhile pilot.

Many of the environmental forces or pressures identified in previous studies that lead to collaboration among potential partners are present in the North-east of Scotland, namely: there are existing networks in which all the tourism stakeholders are known to each other and can see benefits in collaboration (Fyall & Garrod, 2004); the spectre of reduced economic contribution from the oil/gas industry bringing potential partners together (Crotts & Wilson, 1995); the pace of technological change which means individual operators are not able to compete successfully when acting alone (Poon, 1993). However, there is a lack of visionary leadership, which is thought to be one of the pre-requisites that lead to collaboration among potential partners (Fyall, Callod, & Edwards, 2003).

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