

Collaborative Challenges among Stakeholders on Tourism Destination Competitiveness

Nur Shahirah Mior Shariffuddin^{a*}, Wan Mohd Adzim Wan Mohd Zain^b,
Muaz Azinuddin^c, ^{a,b,c}Faculty of Applied Social Sciences, Universiti Sultan
Zainal Abidin, Malaysia, Email: ^{a*}shahirahmior@unisza.edu.my

Tourism Destination Competitiveness (TDC) is now becoming important in efforts to enhance a destination's overall performance, with emphasis placed on the strategic management of its development. It is fundamental that a destination's management sustain the destination's competitive advantage in terms of its resources that are rare, inimitable or irreplaceable. However, many studies on TDC downplay the critical role of a destination's management in protecting the resources and maintaining socioeconomic prosperity. As such, this study aimed to explore the importance of Destination Management Organisations (DMOs) in the cooperative work between governments and private organisations in tourism planning and development, particularly for Perhentian Island. A qualitative approach using semi-structured interviews with stakeholders was applied in this study. Findings revealed that government tourism agencies continue to disregard the importance of engaging with multiple stakeholder groups in the planning process. This lack of integration could be the missing component in building up Perhentian Island as a competitive destination.

Key words: *Tourism Destination Competitiveness; Destination Management Organizations; competitive advantage.*

Introduction

Tourism destination management is perceived to be important in maintaining destination competitiveness and is an important factor to survive in today's dynamic and saturated tourism market (Enright & Newton, 2005; Zainuddin, Radzi & Zahari, 2013). Through the understanding of Tourism Destination Competitiveness (TDC), a destination's management will be able to sustain the destination's competitive advantage through the resources available

(Barney, 1991). A destination that is capable of maintaining its competitive advantage would be inclined towards innovative practices in competitive strategising as well as attracting tourists (Fernando, 2015). This is also essential to provide long-term benefits for the destination when emphasis is put on the important resources. Based on this premise, many of the policymakers and practitioners engage closely in this field, considering the significance of destination competitiveness towards the development of a destination.

The key element in a tourism development sustaining its success is a reasonable level of consensus on the desired directions for the destination (Ritchie, 1993). This is formed through stakeholder partnerships alongside efficient policy outcomes and value delivery (Kort, Verweij & Klijn, 2016). In other words, the success of a destination is determined through the effectiveness of cooperation and collaboration between stakeholders that are associated to a tourism destination (Ruhanen, 2009). However, studies have discovered that high levels of complexity and challenges related to stakeholder involvement exist in tourism planning (Hatipoglu, Alvarez & Ertuna, 2016; Lemmetyinen & Go, 2005; Ruhanen, 2009). As stated by Hall (1996), collaborative arrangements may not be satisfactorily inclusive in nature, as issues may escalate during the partnership. Acknowledging these gaps, the present study evaluates the interactions of the stakeholders of Perhentian Island in achieving destination competitiveness.

Literature Review

The Role of the Government

A common understanding among destination hosts and tourists regarding the role of the government is to establish appropriate guidelines and strategies for a destination (Bhuiyan, Siwar, Ismail & Islam, 2011; Komppula, 2014; Ruhanen, 2013). This role requires the creation of policies that provide the destination with creative and innovative marketing approaches that highlight the destination's renowned tourism products to tourists (Fernando, 2015). For a destination to be successful, the government holds the key in employing proper social and economic practices within the tourism sector as well as creating or adding innovative value to tourism goods and services (Martínez, Galván & Lafuente, 2014). These practices need to be inclusive of the public, private and hybrid stakeholders, given their importance in managing the services, infrastructure, and primary and secondary tourist products of a destination (Zee & Vanneste, 2015).

Apart from creating and implementing policies, the government's role also includes promoting tourist destinations. This requires the government to set a clear strategy campaign for tourism destinations such as small islands to avoid the dispersion of resources and overlapping roles and responsibilities between islands (Cucculelli & Goffi, 2016). Testa and

Sipe (2006) suggested that tourism marketers should place emphasis on practising traditional methods in employee training and identify tourist attractions that are seemingly problematic. The implementation of traditional methods is important considering the complexity of the inter and intra linkages of various stakeholders. These connections need to be well-managed as they are fundamental in destination competitiveness through the growth of market share, number of tourists, tourist receipts, re-visits, residents' quality of life and value to local services and products in the long run (Fernando, 2015). On the other hand, dynamism in the tourism market demands the stakeholders to recognise different trends in formulating their marketing approaches. This is highly relevant in the communication between tourists and tourism providers that has been transformed significantly with the emergence of the social media phenomenon, especially in relation to their business strategies and tactics (Minazzi, 2015). Consequently, destination management must facilitate and sustain competitive advantage through these changes on economic, social, demographic, political, technological, and environmental levels (Dwyer et al., 2014).

Destination Management Organisation

Collaborative work between government agencies and private organisations in tourism planning and development has the potential to positively influence a destination's economic growth and quality of life (Stankova, 2014). The overall collaboration by these tourism practitioners as the primary unit for TDC research is also known as Destination Management Organisations (DMOs). A DMO is regarded as a management and marketing organisation for maintaining tourism development of the destination and tourism system with a hierarchical leadership (Murphy & Murphy, 2005; Pike & Page, 2014). Given their supposed roles in a tourist destination, it is interesting to note that these DMOs have little control over a destination's resources and destination marketing as these partnerships are unlikely to be successful, despite the importance of strategic management of the destination's valuable resources (Line & Runyan, 2014). Therefore, in realising the importance of resources' strategic management, both strengths and weaknesses of the destination need to be first identified to execute a suitable marketing policy to achieve destination competitiveness (Martínez et al., 2014). With this in mind, it is equally important to note that DMOs need to operate within the constraints of available resources in delivering the goods and services to meet tourist requirements (Dolnicar & Ring, 2014). This heightens the role of strategic management as these resources are able to generate income from the production and development of tourism goods (Martínez et al., 2014). Hence, the development and management of destination resources should be emphasised as a part of tourism strategies and policies (Pansiri, 2014). In order to address this, key elements such as sustainable development, marketing, planning, organisation, operations, strategic alliances, destination networks and impact assessments are necessary as these constitute destination management and strategies (Buhalis, 2000; Grängsjö, 2003; Lee & King, 2006; Pansiri & Courvisanos,

2010; Pearce, 2001).

Tourism marketing should facilitate the development of a destination's strategic objectives, to ensure that the objectives can be accomplished. Accordingly, good tourism marketing approaches that encompass strategic marketing and management is advantageous to a destination, allowing it to attract more tourists and become more competitive. However, it is essential to note the lack of destination competitiveness studies that take into account the vital relationship between the destination and the organisations who manage the marketing for a destination (Line & Runyan, 2014). This has subsequently led to insufficient observations being made with regard to strategic management perspectives on collaborative work among stakeholders for the purpose on achieving a destination's competitive advantage.

Research Methodology

In Malaysia, tourism planning is placed under a federal system that comprises three different layers of government, namely federal, state and local (Hasliza, Saad, Khalid, & Abidin, 2015). Tourism strategic development planning started in the 1970s with the establishment of the Malaysian Tourist Development Corporation (TDC), which has evolved to become Tourism Malaysia, and includes efforts from the government to promote niche products and events for the country's destinations (Ahmad, 2005; Ministry of Tourism, Arts and Culture Malaysia, 2015; Salmond, 2010). It is apparent that niche products of island destinations in Malaysia are becoming popular. This is particularly true for Terengganu, the state that received the highest tourist arrivals for its marine parks (Department of Marine Park Malaysia, 2017). It is important to note that the economy of the state is driven by the tourism industry — the sector will replace the oil and gas industry as the biggest contributor to Terengganu's economy (The Star, 2017). Among the islands in Terengganu, Perhentian Island has recorded an impressive growth in tourist arrivals to 180,569 in 2016 from 88,219 in 2008 (Tourism Terengganu, 2017). As cited by Jaafar, Abdullah and Ismail (2016), a report by Tourism Malaysia Terengganu stated that 90% of the 287,149 foreign tourists in 2011 visiting Terengganu were travelling solely to visit Perhentian Island. For this reason, Perhentian Island has become one of the most prominent small island destinations in Malaysia (Ismail, King & Ihalanayake, 2011). Perhentian Island is hence chosen as the setting of this study.

In order to achieve the aim of this study, semi-structured interviews were conducted. The set of acquired data consists of eight semi-structured interviews with stakeholders who are directly involved in the tourism planning, development and management of the island. The participants were chosen from various working backgrounds including the public and private sectors. They were chosen based on their dominant position in the marketing and promotional segments of Perhentian Island. The requirements included three basic qualities: (i) the expertise and knowledge in tourism development that meet the conceptual and informational

needs of the study; (ii) the ability to express their understanding and opinions on destination competitiveness; and (iii) the willingness and availability to share their experiences (Azzopardi & Nash, 2016). Therefore, the selected interview participants include top senior officials as well as other officers in the organisations that manage the tourism marketing and promotional activities on Perhentian Island.

Findings

During the interviews, the main discussion centred on the issues in collaborative work in destination management. This element is vital as it is considered to be among the core components in a destination competitiveness model (Crouch & Ritchie, 1999; Dwyer et al., 2004; Dwyer & Kim, 2003). According to Crouch (2011), destination management comprises the government and the industry players maintaining destination competitiveness and socioeconomic prosperity, which is influenced by tourist demand and situational conditions, such as the environment. Informants' point of view on this matter was subsequently highlighted.

Informant 1 revealed that there have been issues in the promotion of Perhentian Island as a premier ecotourism destination by the two government tourism agencies, Tourism Malaysia Terengganu and Tourism Terengganu. Informant 1 perceived that there might be different expectations regarding the outcome, regardless of the fact that the government tourism agencies were planning for and promoting similar destinations.

“...as the host of the state Tourism Terengganu would also want something apart from the project, so we should work together. However, there are difficulties in that matter. This is regarding the marketing activities between the state and federal tourism agencies, who don't liaise or communicate with each other.”

Such conflict in promotional activities can confuse tourists and affect the management of natural resources of a destination. Similarly, **Informant 3** has also been facing difficulties in communicating with the state tourism agency. Instead of both government tourism agencies working together for the community on the island, only Tourism Malaysia Terengganu monitors the villagers' well-being.

“Tourism Terengganu does come over to do their research here but don't communicate with us as much as we do with the federal agency. However, when we go to meetings on the development of the island, the inputs and directions are the same for both government tourism agencies, which is to promote Perhentian Island as a premier ecotourism destination.”

From the perspective of a private stakeholder, **Informant 5** knew that issues regarding the working gap between the two government tourism agencies exist. In the same vein, Nasir Mansor Ibrahim & Othman (2017) stated that the overlapping administration of Perhentian Island has resulted in coordination issues. It is common to have duplications of work and lack of communication given the situation that there are two government tourism bodies for the state of Terengganu.

“The main question that people keep asking about the two tourism agencies in Terengganu is what are the differences in terms of their job? Because there might be duplications. For example, both of these agencies advertise Terengganu on the same channel at overseas expos and the visitors can see there are two booths representing the state. This can definitely create confusion for the visitors especially when both of these agencies do not communicate with each other in regard to their focus on promoting the destination.”

The competency of these bodies in playing their role for the well-being of Perhentian Island was also doubted by other tourism stakeholders. They opine that there is a lack of support from the government especially towards the informants working as hoteliers and travel agencies. Their expectations were more of the support from the government instead of the other way around. As representatives from luxurious accommodations on Perhentian Island, **Informants 5** and **6** raised the issue that the government reached out to them for support.

“...when the government has a big event, they will ask us to sponsor or give free vouchers for their lucky draw. For us, that’s the kind of support we have given them, which is supposed to be the other way around. Of course, in their defence they will say “Hey, I’ll be going to Singapore, do you want to open a booth with us?” and again we have to pay the same amount as the other participants.”

“I am a member of the Malaysian Association of Hotels and from time to time I try to support the activity of the tourism authorities in Terengganu. We as hoteliers always give support to them if they have anything or organise certain functions that we can participate in.”

Both hoteliers showed that their support towards the government tourism agencies are important. Subsequently, **Informant 7** has lost confidence in the government wanting to support other stakeholders’ businesses, even though Malaysians were encouraged by Malaysia’s former Prime Minister Datuk Seri Najib Abdul Razak to establish business ventures to generate income.

“We have gone through this so many times. The government thinks that as a travel agency, all we want is their money, but the thing is we have our own plans and we just need their support.”

Informant 4 is also having trouble gaining the government's understanding regarding the consequences of tourism development on marine life when no proper guidelines are provided, and no appropriate planning is carried out.

"...just imagine that when the state develops new buildings and the construction affects the sea. When this happens, we usually refer this issue to other departments that are associated with the activity (...). We just hope that they follow our advice on any new developments on Perhentian Island. What is important is that they do not affect the underwater ecosystem. It is obvious that there are tourism developments on Perhentian Island because the island is beautiful, filled with natural resources that attract people to come and make business from it, but the uncontrolled development has always been our main issue."

This statement indicates that it is necessary for any developments on the island to prioritise the preservation of underwater marine life, such as through green practices. **Informant 4** is of the opinion that the government tourism agencies are not fully committed to protecting and preserving the island and marine life when it comes to the tourism development on the island. Apart from promoting the destination, the role of the government also includes providing support and guidance for stakeholders and the local community. As mentioned by Informant 5,

"That's why I always need a very strong helping hand behind me, for instance, the government."

This is mainly because the authority held by the government allows their plans for the destination to be perceived as more achievable. As suggested by Azzopardi (2011), it is important for the government and its agencies to be transparent in their commitment to tourism and show their endeavours to meet the different interests of the ministries, departments and the private sector towards tourism development. Many scholars (Cinner, 2005; Kaza, 1988; Kenchington, 1988; White, 1986) support the idea that the main feature in the success of a marine protection area like Perhentian Island is the commitment of both state and federal agencies in delivering their roles, apart from the community's continuous involvement (as quoted in Nasir et al., 2017, p. 168).

Conclusion

The findings of the study are anticipated to provide a better understanding on the issues faced by stakeholders on the development of Perhentian Island towards achieving destination competitiveness. The results of this study demonstrate the importance of strong alliances between the government tourism agencies and other stakeholders in developing the island. Collaboration among these stakeholders is necessary in tourism planning in order to improve



the economic growth of the destination (Stankova, 2014). Undoubtedly, the impact of a collaboration between public and private sector stakeholders on the strategic advantages of competitive dimension and productivity improvement cannot be undermined (Armenski, Dwyer & Pavluković 2018).

Perhentian Island is experiencing a lack of coordination and understanding among the government tourism agencies and the other stakeholders, and this is partly due to having different goals. This is very common in tourism destination management as some goals may address profit and economic return while other goals focus on various environmental and social outcomes (Crouch, 2011). However, it should be noted that collaborative efforts provide strategic leverage for a destination to build networks and gain exposure to different organisations in various fields. The institutional support of stakeholders to establish public policy is important for a destination like Perhentian Island, which is likely more vulnerable to destruction due to high tourist volumes and increases in visitation. Hence, it is necessary that the partnerships gain consensus on their responsibilities, so as to achieve a successful tourism program implementation (Ho, Chia, Ng & Ramachandran, 2017).

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