Critical Review

Destination collaboration: A critical review of theoretical approaches to a multi-dimensional phenomenon

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Abstract

The literature on destination marketing and management has expanded rapidly in recent years and much of this growth has focused on attempting to understand the dynamics of the destination “system”, particularly in the context of the increasingly competitive market environment in which destinations find they now operate. Rather less attention has been paid, meanwhile, to the potential for collaboration to enhance destination competitiveness and contribute to broader destination development goals. While there has been some research into the role of destination marketing organisations, the literature has largely ignored the different ways in which collaboration may take place within and between destinations, often simultaneously. These different dimensions of destination collaboration are outlined in the paper and termed “organic”, “mediated intra-destination” and “mediated intra- and inter-destination”. Recognising these different dimensions raises an important question for research into destination marketing and management: how well do the existing theories of collaboration explain and inform destination collaboration both within and between destinations? The paper attempts to address this question, beginning with a critical analysis of the various theoretical approaches that have been advanced in attempting to understand inter-organisational collaboration. Five such approaches are identified and each is briefly outlined. The paper then applies these theories to each of the three forms of destination collaboration, drawing out the different implications they have for how collaboration is undertaken. As such, the paper highlights the need for a more sophisticated, multi-dimensional approach to theorising destination collaboration.

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1. Introduction

The number of studies published on destination marketing and management has grown considerably in recent years; indeed, it can be argued that there is now a substantial body of academic work in this area (Bornhorst, Brent Ritchie, & Sheehan, 2010; Ritchie & Crouch, 2003). Starting with the early conceptual studies conducted by Gunn (1972) and Butler (1980), and through the subsequent theorisation of the subject by researchers such as Inskeep (1991, 1994) and Shaw and Williams (1997), the body of research focusing on destination marketing and management has arguably now come of age, even if it might still have some way to go before it reaches full maturity.

The body of research focusing on destinations has long recognised that the destination is not only the primary arena for tourist consumption (e.g. von Friedrichs Grängsjö, 2003; Fyall, Garrod, & Tosun, 2006) but also comprises a complex web of inter-organisational supply relationships (e.g. Buhalis, 2000; Sautter & Leisen, 1999). As Manente and Minghetti (2006, p. 23) point out, a destination is essentially a ‘group of actors linked by mutual relationships with specific rules, where the action of each actor influences those of the others so that common objectives must be defined and attained in a co-ordinated way’. This has led writers such as Pike (2005) and Jamal and Jamrozy (2006) to question the logic of applying the established marketing and management theories in the context of destinations. Such theories tend to assume that organisations will best meet their objectives by competing against their rivals (Buhalis, 2000). For destinations, however, competitiveness is necessarily a function of how successfully their constituent components work together to deliver the tourism product. Chen and Paulraj (2004) go so far as to argue that if the organisations operating within destinations wish to succeed
in achieving their objectives, they must re-orientate their organisational strategies toward the achievement of “collaborative advantage” rather than “competitive advantage”. This brings to the fore questions regarding how and how well individual components collaborate in the destination. Indeed, some researchers have already responded to such questions (e.g., Buhalis & Cooper, 1998; Palmer & Bejou, 1995; Pavlovic, 2003; Prideaux & Cooper, 2002; Tefler, 2001; Wang & Fesenmaier, 2007; Wang & Pizam, 2011). One additional, and critical, point to raise here is how one actually defines a destination in a geographic context and what implications such a definition has on collaboration? For example, while Orlando in Florida represents the most-visited “local destination” in the USA, the State of Florida is widely viewed as a destination in its own right, as indeed is the USA as a whole (Wang, Hutchinson, Okumus, & Naipaul, 2012).

Wang (2008a, 2008b), meanwhile, argues that collaboration is a natural response to the marketing and management challenges of destinations; indeed, there are few, if any, alternative strategies for destinations to adopt. The inherently complex, inter-related nature of destinations implies that destinations are best understood as composite entities: systems made up of various components that may work with or against one another. This, in turn, introduces the fundamental challenge of how the various interests, perspectives and behaviours of stakeholders may best be brought together so as to capture the destination’s collaborative potential to the full. In responding to this challenge, many destinations worldwide have introduced Destination Marketing Organisations (DMOs) to facilitate collaboration between the various components operating within them. Accordingly, a number of studies have focused on DMOs and their roles in destination-level collaborations (e.g., Bornhorst et al., 2010; Morgan, Hastings, & Pritchard, 2012; Paraskevas & Arendell, 2007). Collaboration among individual components within the destination can, of course, be attempted with or without the facilitation of a DMO. This paper will refer to the latter instance as “organic” collaboration and the former as “mediated intra-destination” collaboration (see Fig. 1).

While there has been a considerable amount of research focusing on collaboration between organisations within destinations, rather less attention has been focused on collaboration between destinations. Returning to the example introduced earlier, how does Orlando collaborate with the State of Florida, the USA, or with other local, regional, national or international destinations? And how effective are such collaborations? As well as involving collaboration among organisations within the destination, destination collaboration can also take the form of individual or groups of components within one destination collaborating with similar components or groups of components in other destinations. When this takes place independently of a destination-wide strategy led by a DMO, essentially it is another form of “organic” collaboration. When collaboration is between two or more destinations, however, collaboration is taking place simultaneously both within the destinations and between them. This will be referred to in the paper as “mediated intra- and inter-destination” collaboration (see Fig. 1). Studies that have examined collaboration between destinations tend to suggest that mediated intra- and inter-destination collaboration is not only possible but also increasingly desirable (see Darrow, 1995; Henderson, 2001; Naipaul, Wang, & Okumus, 2009; Scott, Cooper, & Baggio, 2008a; Sigala & Marinidis, 2010; Teye, 1988; Wahab, 1996). The underlying assumption in these studies is that collaboration within the destination is a necessary but not sufficient condition for the achievement of their objectives; collaboration with other destinations is also required.

Theories of inter-organisational collaboration have attempted to answer three main questions: what are the antecedents of collaboration; how can successful collaboration best be promoted; and, what are the major barriers to collaboration? Recognising the different dimensions within which collaboration may occur in the destination context does, however, raise an additional and very important question for research into destination marketing and management: how well do the available theories explain and inform collaboration across these different dimensions and, more importantly, what recommendations do they suggest for organisations wishing to maximise their collaborative advantage? The task of the following section of the paper is therefore to review the literature pertaining to each of the main theories of organisational collaboration. For convenience, these will be collected into five major theoretical approaches. The paper will then proceed in Section 3 to examine how each of them has been applied to collaboration within and between destinations, both in the presence and in the absence of DMOs. The final section will then draw conclusions for destination organisations wishing to maximise their collaborative advantage.

### 2. Theoretical contributions to understanding the collaborative marketing and management of destinations

Several authors have argued that the role of collaboration in destination marketing and management is generally under-researched. On the one hand, some have argued that the relative paucity of research in this area might be due to the difficulties researchers typically face in gaining access to the people responsible for marketing and managing destinations (e.g., Formica, 2002; Murphy, Moscardo, & Bencendorff, 2006; Okumus, Altinay, & Roper, 2007; Pike, 2004; Vengasayi, 2006). On the other hand, it might be legitimate to point out that researchers often lack the methodological tools required to examine collaborative relationships in the destination context. Indeed, most academic research on destinations has tended to focus on examining competitive relationships between organisations and destinations at the market level. Much of this work has been based on the theories of competitive strategy, such as those of Porter (1980, 1998). Examples include the work of Gilbert (1990), Poon (1993) and Buhalis (2000). The last of these has been particularly influential, remaining one of the most heavily downloaded articles in the field of tourism marketing and management. The research skills that are used to study competitive relationships between organisations are not, however, necessarily well-suited to studying collaboration either within or between destinations.

Given the lack of a critical mass of empirical work on collaboration in the destination context, academics have attempted to apply theoretical frameworks from the broader organisational collaboration literature. Many different theories have been advanced, and different writers have found it logical to

#### Dimensions of destination collaboration

![Fig. 1. Dimensions of destination collaboration.](http://example.com/fig1.png)
group them together in different ways. Oliver (1990), for example, organises the various theories of inter-organisational collaboration according to six determinants or “critical contingencies”: necessity, asymmetry, reciprocity, efficiency, stability and legitimacy. The first of these can hardly be said to represent collaboration, however, given the mandatory rather than voluntary nature of the relationships involved.

Most of the literature of inter-organisational collaboration tends to focus on three broad theoretical perspectives: resource dependency (Pfeffer & Salancik, 1978), transactions cost (Williamson, 1975) and relational (or social) exchange theory (Dwyer, Shurr, & Oh, 1987). It can be argued, however, that this triad of theoretical perspectives can provide only limited insights into collaborative relationships in the destination context (Wong, Mistilis, & Dwyer, 2010). Wang and Xiang (2007), meanwhile, conclude that no single theoretical perspective is currently able to explain the complex nature of destination collaboration. The purpose of this section is to review the various theoretical frameworks that can potentially be applied to understanding collaboration within and between destinations. The theories will be arranged into five groups: (i) resource-based theories; (ii) relationship-based theories; (iii) politics-based theories; (iv) process-based theories; and (v) chaos-based theories.

2.1. Resource-based theories

Within this grouping are three related theoretical approaches, all of which have strong roots in the broader management literature: resource dependency theory, strategic management theory and microeconomic theory. Resource dependency theory seeks to explain why individuals and organisations rely upon one another (see Barney, 1991; Donaldson & O’Toole, 2002; Emerson, 1962; Faulkner & de Rond, 2000; Grant, 1991; Hamel & Prahalad, 1994; Ulrich & Barney, 1984). The theory is based on two assumptions: the first is that resources are scarce and the second is that organisations require sufficient power if they are to leverage these resources successfully. In the context of destinations, the resources concerned might be unrestricted public goods, such as parks and beaches. Alternatively, access might be restricted to resources such as a labour force with specific skills or experience, access to markets or location. As Fyall and Garrod (2005) note, however, irrespective of the nature of the resources concerned, organisations operating in a particular context rarely have comprehensive access to all of them in the amounts and of the quality they desire. This, in turn, represents a source of environmental uncertainty in the market environment. Organisations may therefore seek to limit their dependence on other organisations for access to the resources they need by attempting to acquire access to them. Managing resource dependency may thus be regarded as a fundamental component of corporate or organisational strategy (Medcof, 2001).

Under resource dependency theory, then, organisations use power-conflict assessment to determine whether they should compete or collaborate with others. Collaboration is fundamentally about balancing the greater dependency involved in the collaboration process with the opportunity to gain improved access to resources through such arrangements. It should be noted, however, that increased mutual dependency is not seen as a desirable outcome of collaboration, as it would be under relational exchange theory (see below), but as a commitment that organisations are compelled to make if they are to achieve their strategic objectives (Long, 1997). As such, collaboration should only be entered into with extreme caution. Because of this focus on reducing uncertainty, switching costs are also a key consideration. These are the resource costs involved in forming and dissolving collaborative relationships, which may turn out to be substantial. Indeed, this potential outcome is recognised by Wood and Gray (1991a, 1991b), who suggest that collaboration may actually increase uncertainty when it involves establishing a range of new inter-organisational relationships and dependencies.

Some writers have argued that resource dependency theory is better understood as a theory of power relations. Indeed, issues of access to resources are fundamentally bound up in the exercise and balance of power (e.g. Oliver, 1990). More recently, Ford, Wang and Vestal (2012), building on earlier studies by Pfeffer and Nowak (1976) and Pfeffer (1992), have drawn much the same conclusion. This paper does not, however, share this view. While access to resources is indeed bound up with power issues, and while collaboration may indeed represent a means by which organisations can attempt to increase their control over access to a resource, resource dependency theory essentially seeks to explain collaboration as a means by which organisations try to reduce the uncertainties of a turbulent external environment. Furthermore, Fyall and Garrod (2005) point out that while collaboration may actually create uncertainty by increasing the complexity of the problem domain as inter-organisational relationships are formed, this complexity can be an indispensable resource in itself. Indeed, complex environments often contain many excellent opportunities for organisations to resolve common issues arising from the turbulence of their shared external environment. At this point, resource dependency theory and relational exchange theory meet: while the former views increased complexity as an unavoidable price to be paid for collaboration, the latter views it as a shared resource in which collaborative opportunities can emerge and be exploited.

Related to the theory of resource dependency is strategic management theory. This also emphasises the basic conditions of scarcity and collective problems as the basis for collaboration. In contrast to resource dependency theory, however, strategic management theory sets out to explain the means by which organisations attempt to minimise the external threats they face and capitalise upon external opportunities by collaborating with others (Fyall, Oakley, & Weiss, 2000). It also examines the extent to which collaborative actions regulate the selfish behaviour of organisations in order that collective gains can be achieved to the benefit of the entire collaborative domain (Gray & Wood, 1991; Long, 1997). In its broadest sense, strategic management theory is concerned with the management processes and decisions that determine the long-term structure and activities of the organisation (Flagstad & Hope, 2001). Similarly, Rumelt, Schendel and Teece (1994) argue that due to competition and uncertainties in the external environment, organisations have important strategic choices to make if they are to achieve their goals. For destinations, such strategic choices may include the selection of a destination vision, the choice of products and experiences to offer, and the design of organisational structures and forms of governance to define and co-ordinate activity.

Gulati (1998) suggests that strategic management theory can be used to help understand five key issues in the study of collaboration arrangements: (i) their formation; (ii) their governance structure; (iii) their dynamic evolution; (iv) their performance; and (v) consequences for the performance of new entrants to such arrangements. This approach parallels the views of Webster (1992), who argues that effective inter-organisational relationships typically go through a number of distinct stages. The formation of strategic collaborative arrangements is one of the final stages, which normally leads on to the creation of a stable network of stakeholders within which trust and commitment are developed. The purpose of the collaborative arrangement is thus to move each of the stakeholders towards the achievement of some long-term, strategic goals. Webster (1992) goes on to argue that strategic collaborative arrangements are long-term working
relationships among stakeholders, which involve the commitment of capital and management resources with the objective of enhancing their combined competitive position, or “collaborative advantage”.

Microeconomic theory, meanwhile, represents a distinctive approach to understanding collaboration, even though it shares many of its concepts with other approaches, such as the use of shared resources and interdependence in the value-creation process (Gray & Wood, 1991; Weaver, 2009). Microeconomic theory portrays collaboration as a means by which organisations attempt to maintain or improve their productive efficiency (Ross, 1973), with a particular focus on the motivations for forming collaborative arrangements, various barriers to their formation, the methods of their formation, and their governance. Weaver (2009) suggests that there have been three major revolutions in the inter-organisational environment, each of which has provided opportunities for the strategic reconfiguration of organisations by unbundling certain non-core functions and creating less formal, “relational” linkages with other organisations that can provide those functions instead. These revolutions comprise changes in production technology, changes in transactions behaviour and institutional changes. Weaver (2009) argues that the critical difference between microeconomic theory and other economic theories in the context of explaining collaboration at the destination level is that the latter are more limited in scope, tending to view inter-organisational relationships from a bilateral rather than a multilateral perspective. As such, economic theories tend to focus on how organisations should achieve efficiency in the relationships they have with other participants in the collaboration. This tends to overlook the dynamics of the relationships between these partners or the efficiency of the social system within which they operate (Gray & Wood 1991).

As a subset of microeconomic theory, transaction cost theory focuses on the costs organisations face as they undertake market transactions with other organisations (Joskow, 1985; Selin & Beason, 1991; Wood & Gray, 1991a, 1991b; Williamson, 1975; Zajac & Olsen, 1993). Collaboration may be a more efficient means of making such transactions than competition and, under such circumstances, organisations that employ collaboration to make their transactions will achieve better performance than those that do not. The magnitude of transaction costs will also be an important factor in determining whether new stakeholders will wish to enter into existing collaborative relationships (Barney & Ouchi, 1986; Williamson, 1975, 1985).

Transaction cost theory also explores the barriers to inter-organisational transactional efficiency (Fyall et al., 2000) and proposes ways to overcome them (Long, 1997). One such barrier, that is well-established in microeconomic theory, is the “free-rider” problem, wherein one or more participant decides not to make a full contribution to the shared resources of the collaboration or its work (Long, 1997; Fyall et al., 2000). This may ultimately lead to the collapse of the collaborative arrangement, as more and more of the participants attempt to “free ride” on each another. If, however, such behaviour can be curtailed, the benefits of collaboration can be shared more evenly. Collaborative arrangements will then become more efficient in economic terms than competitive arrangements (Jarillo, 1988).

Despite making positive contributions to understanding the dynamics of collaboration, Gulati (1998) identifies three drawbacks of applying transaction cost theory in the destination context. The first relates to each transaction being treated as independent from all previous transactions, which is clearly not generally a good assumption. The second refers to the dyadic nature of most forms of collaboration, which raises the question of whose costs are in fact being minimised. Transaction cost theory also tends to focus on the costs of collaboration, under-emphasising the benefits available. The third relates to the structural emphasis of transaction cost economics, which tends to neglect the actual processes involved in collaboration. Collaboration is a fundamentally dynamic phenomenon, requiring continuing exchange and adjustment on the part of participants. Arguably, the structural approach is not able to recognise these dynamics (Fyall & Garrod, 2005).

2.2. Relationship-based theories

The theories reviewed in the previous section of this paper are driven by the scarcity of resources. Relational, stakeholder, network and game theories of collaboration are, in contrast, all driven by an acknowledgement and acceptance of mutual dependency, and the need for reciprocity in the pursuit of shared interests (Dwyer et al., 1987; Macaulay, 1963; Macneil, 1980).

Relational (or “social”) exchange theory is predicated on the assumption that the more complex the problem domain, the more attractive collaboration will be to organisations operating within it (Levine & White, 1961). Even though self-interest may still be the underlying motivation for most organisations entering into collaborative arrangements, collaboration may in some circumstances be identified by organisations as the best way to serve their own interests (Donaldson & O’Toole, 2002). The basis of relational exchange theory is thus on the formation of relationships rather than the conduct of transactions, while the theoretical focus is on the relational structures that organisations can adopt in order to facilitate collaboration. These structures are essentially social and interpersonal, involving two-way interaction between key personnel in each of the participating organisations.

Given these contingencies, it may be in the interests of organisations working in a particular problem domain to develop joint management structures within which to address shared problems. As such, one of the predictions of relational exchange theory is that the boundaries between organisations will become blurred. Over time, therefore, organisations that collaborate will become more closely linked to one another, forming a kind of network (Fyall & Garrod, 2005). Such co-working requires the development of trust and commitment between collaborating organisations. These forces serve to mitigate and, where necessary, moderate the power relationships that exist within the network. In doing so, a culture of equity and fairness is created under the relational exchange approach.

Stakeholder theory, meanwhile, originated as a theory of organisational management and is based on the premise that organisations have an array of different stakeholder groups. Accordingly, most of the studies developing and applying stakeholder theory have been published in the mainstream business and management literature (Garrod, Fyall, Leask, & Reid, 2012). Freeman (1984, 1994, 2010) is widely acknowledged to have established the conceptual and critical foundations of the theory, with further contributions by Clarkson (1995). A stakeholder is defined as “any group or individual who can affect or is affected by the achievement of an organisation’s objectives” (Freeman, 1984, p. 6). Accordingly, Jones and Wicks (1999) argue that stakeholder theory is based on four distinguishing features: (i) the theory focuses on managerial decision-making; (ii) the organisation has relationships with constituent stakeholder groups, which both affect and are affected by its decision-making; (iii) these relationships at least partly determine outcomes for both the organisation and its stakeholders; (iv) that the interests of all stakeholder groups have intrinsic value, with no set of interests dominating the others.
Two controversial issues in stakeholder theory relate to the legitimacy and salience of particular stakeholder groups. Legitimacy refers to the extent to which a particular group is able to affect the organisation’s decision-making, which depends on the power the group has to compel the organisation to attend to their interests. It is also concerned with the extent to which the stakeholder group is affected in practice by the decision-making, which depends on how much the organisation needs to include the group’s interests in their decision-making (Friedman & Miles, 2002). Salience, meanwhile, refers to the extent to which the interests of all stakeholder groups are treated equally in the organisation’s decision-making. Mitchell et al. (1997) argue that a stakeholder group that lacks salience will be accorded a lower priority in the organisations decision-making compared to a group that has high salience. Even though a group may have legitimacy in the organisation’s decision-making, it may not have its interests included in their decision-making because it lacks salience. Inter-organisational collaboration is interpreted by stakeholder theory as a manifestation of the organisation’s attempts to determine and incorporate the interests of its corporate stakeholder groups (i.e. suppliers, clients, rivals, etc) into their decision-making.

One area of collaboration research that has developed rapidly in recent years is based on network theory (or “social” network theory). Network theory examines the complexity of relationships between entities – such as individuals, groups and organisations – interacting in a social space (Mouge & Contractor, 2003). By examining such relationships, network theory is able to provide valuable insights into the flows of information and exchange of resources between such entities (Haythornthwaite, 1996; Jarillo, 1988). Early studies in the field contributed to the ideas advanced by Christopher, Payne and Ballantyne (2002) on “network competition”; whereby organisations no longer compete as individual entities but through relational networks, where customer and consumer value is created through collaboration. One must also recognise here the contributions of the broader customer and consumer value is created through collaboration.

By examining such relationships, network theory is able to provide valuable insights into the flows of information and exchange of resources between such entities (Haythornthwaite, 1996; Jarillo, 1988). Early studies in the field contributed to the ideas advanced by Christopher, Payne and Ballantyne (2002) on “network competition”; whereby organisations no longer compete as individual entities but through relational networks, where customer and consumer value is created through collaboration. One must also recognise here the contributions of the broader marketing literature, including studies by Palmer (1996), Porter (2000), Sheth and Parvatiyar (2000), Gummesson (2002), and Ritter and Gemunden (2003), which contribute to a multidisciplinary explanation of collaboration.

Network theory is increasingly being applied in the context of destination research (e.g. Baggio, 2011; Scott, Baggio, & Cooper, 2008b). This has in part been driven by the fact that many of the destination’s natural assets, such as beaches, parks and rivers, tend to be jointly owned. Beritelli’s (2011) empirical study provides evidence of the importance of networks in explaining collaborative behaviour among tourism organisations, with only relational and communication variables having a significant influence on collaborative behaviour. This is in keeping with the views of Gulati (1998) and highlights the significance of trust. By interacting with one another, collaboration participants not only share information but also build up mutual trust. This is an essential feature of the “learning destination” outlined by Erkuz-Ozturk and Eraydin (2010).

The central goal of game theory, meanwhile, is to gain a better understanding of human and organisational behaviour (Brandenburger & Nalebuff, 1995; Fennell, 2006; Von Neumann & Morgenstern, 1944). As such, game theory is concerned with strategic decision-making of two or more individuals or organisations interacting in a context with interdependent “payoffs” (Cachon & Netessine, 2004; Parkhe, 1993). Such situations might involve firms competing against each other in a market or organisations operating alongside one other in a destination. Under such circumstances, the success of one party’s choices depends critically on the choices made by another (Fennell, 2006; Jafari, 2000; Zhang, Song, Huang, & Chen, 2010). Stabler, Papatheodorou and Sinclair (2010) suggest that game theory can be useful in predicting and handling conflicts, explaining competition, enhancing collaboration and modelling the emergence of collaborative arrangements between the organisations comprising a destination. Liang and Yang (2005) and Sheng (2011) use game theory to explain one of the key tasks of destination management, which they argue is to establish the right balance (or “equilibrium”) between collaboration and competition among constituent organisations.

2.3. Politics-based theories

This approach comprises four closely related theories: political theory, power-relations theory, corporate social performance theory and institutional theory. The first, political theory, explores the disposition of power in society (Gray & Wood, 1991; Keohane & Nye, 1977). In doing so, a major focus is on assessing the balance of power between states, organisations, groups and individuals (Kelly, 2006). From the perspective of collaboration within and between destinations, political theory has been used to analyse the power dynamics and the distribution of benefits among the participants of a collaborative arrangement (Fyall et al., 2000). Studies of this kind seek to identify who has power to control the resources that affect the success of the collaboration. They also seek to analyse the consequences of an uneven distribution of power and resources among participants in the partnership (Wood & Gray, 1991a, 1991b). Issues of accountability, legitimacy in the community, and who are the winners and losers from collaboration are therefore important research issues in this context (Long, 1997).

Many of the concepts employed in political theory are highly applicable to destination collaboration: particularly those of authority, power, trust, and credibility. Destination collaboration can be seen as an under-researched area of interest from a political theory perspective (Bramwell, 2011; Matthews & Richter, 1991). Indeed, Burns and Novelli (2007) suggest that the inter-linkages between the issues of political power, identity and tourism development at the destination level need to be better examined, articulated and understood. Healey (1996), meanwhile, argues from a political theory perspective that successful destination marketing and management requires the use of collaborative and inclusionary consensus-building practices. Such practices create three kinds of shared capital between collaborators: (i) social capital, which includes trust, flows of communication and willingness to exchange ideas; (ii) intellectual capital, whereby a mutual understanding of shared problems and solutions is developed; and (iii) political capital, which involves establishing formal or informal agreements and implementing joint projects.

The foregoing arguments are further emphasised in works by Altinay and Bowen (2006) and Doorne (1998), who examine the political power struggle among different groups interacting at the destination level. These studies identify the unequal distribution and misuse of power as representing key barriers to effective collaboration among the participants in various destination planning and development projects. Bramwell (2011), meanwhile, notes that governments often play an important role in facilitating successful collaboration between tourism stakeholders at a destination level. They have the power, for instance, to incentivise or penalise participants to encourage them to collaborate more energetically (Bianchi, 2004).

The second theory in this section, power relations, might be considered to be a subset of political theory insofar as it is concerned with the power individuals and organisations have to impose their will or advance their own interests (West, 1994). It is considered particularly appropriate as a means of theorising...
destination collaboration because power is typically distributed unequally among the various organisations and groups based in the destination (Reed, 1997; Wearing & McDonald, 2002). Reed (1997) therefore argues that theories of tourism collaboration must incorporate an understanding of power relations if they are to help us to understand why collaborative efforts succeed or fail. Gill (2007), meanwhile, suggests that attempts to understand and explain tourism collaboration must go beyond considering who is included and excluded to examine the nature of the power relations that underpin collaborative relationships. Although it is often assumed that collaboration can overcome any power imbalances by involving all potential participants in a process that addresses their interests (Reed, 1997), a number of studies suggest that this is not necessarily the case. Jamal and Getz (1995), for example, argue that issues of power and authority need to be addressed at every stage of the collaboration process. This can be done by ensuring that all legitimate participants are included and that a suitable convener is identified at an early stage to facilitate the collaboration process. Where power is not initially equal, Jamal and Getz (1995) suggest that a local authority (e.g. local government) might be the most suitable convener, especially when there are important issues to address regarding the collaborative project’s future growth and development, or when specific problems need to be resolved before the collaboration can move on. One problem with these proposals is that they do not explain why, how, and under what conditions participants holding relatively more power would be willing to release it to others holding less. Furthermore, reliance on local authorities to convene power assumes that these authorities will be neutral arbiters of collaborative decision-making (Fyall, Fletcher, & Spyridis, 2010). Political theory suggests, however, that governance institutions always have their own agendas to follow in formulating and implementing policy (Hollinshead, 1990; Reed, 1997).

Corporate social performance theory, meanwhile, examines how organisations respond to their stakeholders’ interests and how they then manage to increase their social and institutional legitimacy (Fyall et al., 2000). From the perspective of developing inter-organisational collaborative relationships, Wood (1991) argues that corporate social performance theory can be useful in assessing the degree to which the principles of social responsibility motivate actions undertaken by the collaboration, the degree to which the collaboration employs policies and programmes designed to manage its relationships with society and the environment, and the social and environmental impacts of the processes involved. In this regard, Hing and McMillen (2002) propose that stakeholders make judgements about the corporate social performance of inter-organisational collaborative arrangements according to the degree of congruence between their expectations of the performance of the collaboration and its actual performance. Clarkson (1995), meanwhile, suggests that stakeholders in a collaborative endeavour need to perceive both fairness and balance in the distribution of the increased wealth and value created through the collaboration. Following on from the work of Clarkson (1995), Boesso and Kumar (2007) note that organisations are increasingly expected to be accountable for their actions, and that this accountability increasingly extends beyond their financial and market performance. They go on to suggest that the more critical the stakeholder resources are to the organisation’s successful performance, the more seriously the organisation will address the demands of the stakeholder concerned, communicating its efforts through voluntary disclosures and other forms of reporting. This approach is closely related to legitimacy theory, which suggests that there is an implicit or explicit “social contract” between the organisation and the society in which it operates (Lieberman & Nissen, 2008). Successful organisations take care not to break this contract.

The final theory in this section, institutional theory, is often applied in tandem with negotiated order theory (Modell, 2006), in that both seek to explain the order in which various social entities are organised and the roles that local actors play in any given organisation (Strauss, 1978). Both theories attempt to understand the processes of change as well as the contextual nature of order in societal institutions. Negotiated order theory also raises the question of the symbolic and perceptual aspects of collaborative relationships (Fyall et al., 2000). It does so by employing notions such as negotiation, bargaining, mediation, collusion and compromise to try to understand the behaviour of stakeholders with diverse interests (Strauss, 1978). Negotiated order theory therefore may therefore be used to analyse the development of shared and conflicting understandings among the participants, as well as the structures, processes, limitations and possibilities of collaboration (Wood & Gray, 1991a, 1991b). When institutional theory and negotiated order theory perspectives are combined, it is possible to understand how institutional rules trigger negotiations between stakeholders, while recognising that such negotiations are institutionally embedded (Modell, 2006). The key feature of institutional theory relates to how the organisation goes about securing the legitimacy of its actions (Scott, 2001, 2004) insofar as organisations strive to achieve legitimacy from institutional actors by adjusting structurally to various institutional influences (Gray & Wood, 1991).

To explain the issue of legitimacy more fully, institutional theory employs three supporting approaches: regulatory, normative and cognitive (Scott, 2001, 2004). While the regulatory approach interprets legitimacy as conformity with standards (Vargas-Sanchez, & Riquel-Ligero, 2010), the normative approach considers legitimacy as a moral obligation that goes beyond legal contracts and governmental requirements. The cognitive approach, meanwhile, suggests that organisations seek legitimacy by adopting structures and behavioural patterns that have been previously approved and accepted as correct: so-called “socially constructed acceptations” (Vargas-Sanchez, & Riquel-Ligero, 2010). According to this view, participants in collaborative arrangements act in accordance with “rational myths”, which are the institutionalised beliefs or rules of the game (Scott, 2001, Guthrie and Petty (2000) and Kyriakidou and Gore (2005) argue that in order to gain legitimacy, collaborative arrangements often imitate one other, undergoing isomorphic changes and becoming more homogeneous over time.

2.4. Process-based theories

In the context of attempting to analyse and explain collaborative relationships, life-cycle theory and development process theory both seek to understand how such arrangements emerge, evolve, decline and disappear over time, as well as to determine common features in their dynamics and evolution (Jap & Anderson, 2007; Ring & van de Ven, 1994). Both try to explain the means by and conditions under which the stakeholders involved negotiate, execute and modify the terms and outcomes of collaboration (Güth, Schmittberger, & Schwarze, 1982). They also seek to identify the determining factors for partners to join, continue with and end collaborative relationships over time.

A substantial number of life-cycle models have been proposed in order to gain an improved understanding of inter-organisation collaboration. Some of these apply specifically to collaboration among tourism organisations (e.g. Caffyn, 2000). In spite of the considerable amount of energy that has been put in to developing such models, however, there remains no consensus as to how many life-cycle phases there are, how long each phase lasts or the most important phase for the success of the collaboration (Wang
Nor is there consensus as to when collaboration actually occurs. For example, while Greiner (1972) argues that collaboration occurs only in the final stage of the process, when the inter-relationships between project participants reach maturity, later studies by Selin and Chavez (1995), Ring and van de Ven (1994), Lowndes and Skeletter (1998) and Caffyn (2000) all argue that effective collaboration can emerge at much earlier stages. Quinn and Cameron (1983), in contrast, argue that the beginning and end of the project life cycle are the two most important stages. Wang and Fesenmaier (2007), meanwhile, conclude that the potential of the latter stages of collaboration to generate successful outcomes depends on the specific context in which the collaboration takes place. They go on to argue that the lack of consensus, both under life-cycle and development-process theory, can at least partly be explained by the case-specific nature of many of the studies conducted.

Developmental theories, meanwhile, argue that all collaboration is shaped around four key concepts (Ring & van de Ven, 1994): uncertainty, reputation, role relationships and the concept of “private ordering”. The last of these seeks to serve as the primary “dispute resolution” mechanism among participants, whereby participants in the collaboration understand and accept the differences in their inter-personal relationships. Hence, excessive uncertainty is likely to affect the successful development of collaborative arrangements because it will affect the ability of participants to trust one another. Negative personal relationships, meanwhile, can serve to disrupt the sharing and modification of the evolving structure of the collaboration. In this regard, trust and commitment, or reputation for fair dealing, are key criteria for successful collaboration (Ring & van de Ven, 1994).

2.5. Chaos-based theories

Chaos theory and its companion, complexity theory, both attempt to describe how complex systems function (McKercher, 1999). Chaos theory, as defined by Seeger (2002, p. 239), comprises a ‘broad set of loosely related theoretical and meta-theoretical orientations to the behaviour of complex non-linear systems’. With its origins in the study of mathematics, chaos theory holds that predictable linear relationships rarely exist in reality. Instead, most systems are non-linear, highly complex, subject to random disturbances and highly sensitive to the conditions under which they began to operate. Depending on these factors, a given system can yield significant different outcomes. This makes forecasting and longer-term prediction almost impossible. Chaos theory attempts to understand the outcome of re-grouping the various elements of the system, from which a new order eventually emerges, and deals with issues such as random organisation, anti-order and unpredictability (Russell & Faulkner, 2004; Zahra & Ryan, 2007). For collaboration generally, chaos theory provides an explanation for the means by which collaborative arrangements self-organise and self-renew according to their so-called “initial conditions”. It also introduces elements of chance and opportunism into the analysis of collaboration processes, and attempts to explain the means by which such arrangements are able to re-establish stability, restructure themselves and attain a sense of order.

Complexity theory is closely allied to chaos theory (Stacey, 2000) in that it focuses on how organisations adapt to their environments and the means by which they cope with uncertainty. Parry and Drost (1995) were among the first to discuss the role of chaos in the context of tourism and hospitality, while Edgar and Nisbet (1996) were perhaps the first to question the applicability of conventional management concepts in the hospitality domain with long-term strategic planning and forecasting typically assuming equilibrium conditions, a static system, and linearity in the processes taking place. Due to the diversity and complexity of relationships that exist among and between the various components of a tourism system, McKercher (1999) argues that chaos theory is of particular significance in the context of destinations. While Faulkner and Russell (1997) suggest that chaos and complexity provide an alternative conceptual framework to explain tourism-organisation and destination development, proponents of the theory also argue that significant shortcomings exist in the conventional understanding of a tourism system, wherein the relationships between different elements of the system are linear, stable and static (Baggio, 2008). In reality, the destination system might be better characterised as chaotic, non-linear and non-deterministic (Baggio & Sainaghi, 2011), especially in view of the many recent crises that have beset the industry (Faulkner & Vikulov, 2001; Russell & Faulkner, 2004; Ritchie, 2004). Finally, and with regard to the specific context of destinations, McKercher (1999) claims that an appreciation of the chaotic nature of tourism may force public- and private-sector stakeholders to reconsider their roles in tourism and destination development, particularly in terms of seeking better collaboration opportunities and exploiting them more effectively.

3. Application of theoretical approaches

The purpose of the previous section has been to introduce the various theoretical approaches that underpin collaboration in the context of destinations. It has also sought to provide a critical review of the relative merits and contributions of such approaches. This section seeks to deepen the debate by evaluating each of the five theoretical approaches as they can be applied to the three different dimensions of collaboration: organic collaboration; mediated intra-destination collaboration; mediated intra- and inter-destination collaboration. In attempting to understand collaboration in the specific context of destinations, it should be emphasised that each of the three dimensions has its own merits, and specific circumstances will dictate which is the most appropriate. However, it is not the purpose of this section to discuss the relative merits of each approach; rather, the goal is to bring about a deeper understanding of each collaboration dimension, along with the particular dynamics of collaboration under such circumstances. This is done by reviewing the evidence of previous studies grouped according to the five theoretical perspectives outlined above and summarised in Fig. 2.

3.1. Organic collaboration

3.1.1. High sector specificity

Collaboration by individual components of the destination outside of any destination-wide strategy is not uncommon and is indicative of the high sector specificity frequently found among hotels, restaurants, transport providers and attractions. Such organisations tend to have more in common with similar organisations in other destinations than they do with other organisations in their own destination. They also demonstrate a different set of loyalties in that although many are good collaborators, they often operate in competing destinations with loyalties primarily determined by company shareholders rather than destination stakeholders. This is not to say that they fail to understand the benefits of collaboration, it is merely that their models of operation, and economics, are predicated by their involvement in multiple, and often competing, destinations. Where collaboration does take place, however, it tends to be in the form of consortia, ranging from informal groupings to the highly formalised sector
organisations. Such arrangements tend to focus on joint activities such as sector-specific promotions, web development, and staff recruitment, training and development (Fyall, Garrod, & Leask, 2001; Watson & McCracken, 2002). While the benefits of mediated intra-destination collaboration are well rehearsed, it is frequently only at the sector level where individual components feel comfortable to collaborate. For example, it is often only at the individual sector level that similar approaches to marketing, training, systems, web development, forms of reporting, accounting and performance measurement exist. This favours the use of sector-specific knowledge and discourages a mediated intra-destination-wide learning approach (Weidenfeld, Butler, & Williams, 2010a; Weidenfeld, Williams, & Butler, 2010b).

Resource-based theories are well-placed to explain such behaviour. Such theories seek to explain organic collaborative behaviour by the existence of asymmetries in the ability of individual organisations to leverage scarce resources and gain access to knowledge. Destinations tend to be ill-equipped to handle the complexity of organisational learning across the destination as a whole (Baggio, 2010; Schianetz et al., 2009). Few are able to boast of the destination-wide infrastructure needed to support such activities, particularly in the context of research, measuring effort and monitoring performance (Morgan et al., 2012). Such infrastructure is more likely to exist at the sector level.

Transaction cost theory is particularly well suited to explaining organic collaboration. Indeed, the desire on the part of individual components to minimise their transaction costs may hinder or even prevent destination-wide “buy in” to more mediated intra forms of collaboration. Organic collaboration is more likely under such circumstances, even if it tends to be somewhat ephemeral in nature.

3.1.2. Close sector proximity

Relationship-based theories are characterised by an acceptance of mutual dependence and reciprocity among organisations. In the destination context, particularly at the more local level, close sector proximity among the organisations involved frequently results in informal collaborative activity based upon pre-existing relational networks. For example, most destinations have well-established professional groups in the form of hotel associations, attraction networks and restaurant groups that can, and often do, serve as conduits for building and maintaining organic collaboration across destinations, albeit often on a sector-specific basis (Dredge, 2003). This can also occur within “regional” and “national” destinations but clearly the greater distances increase the level of complexity involved.

Although stakeholder theory stresses the contribution that others within the destination can make to the individual component’s overall success, it also has the potential to explain organic collaboration. Indeed, stakeholder theory emphasises the importance of the support, complementarity and knowledge of other components of the destination, which may in turn serve as a catalyst for broader collaboration within or between destinations. Network and game theories have similar contributions to make in explaining collaboration in that they encourage individual components to acknowledge their relationship to other “spaces” that lie beyond the traditional decision-making boundaries. These boundaries will still be limited, however, by the contingencies

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Fig. 2. Synthesis of theoretical contributions to the three dimensions of destination collaboration.
of the particular destination sector. In the context of hotels, for example, the boundaries for many consortia are determined by joint market reach, product fit and the desire to combine marketing and branding strategies (Sigala, 2004).

3.1.3. Low sector risk, high sector knowledge and learning

While politics-based theories also focus on the dynamics and the distribution of benefits within a network of partners, they are particularly concerned with identifying who has the greatest power to access resources and knowledge, as these will be the players that make or break the collaboration. With power relations theory, the emphasis is usually on the difficulties of collaboration, including the possibility that collaboration may dilute or even eliminate the individual participant’s influence or power within the destination (Fallon, 2001). Distrust among participants across the destination is often quoted as a barrier to mediated intra-destination collaboration, with individual components more secure with the context of their own particular sector. Such behaviour is often driven by the perceived lower risks and higher sector knowledge and learning to be gained from organic collaboration as a sector rather than mediated intra-collaboration as a destination. Even so, individual sectors are not free of the impediments to collaboration associated with imbalances of power. In the hotel, attraction and restaurant sectors, for example, significant disparity frequently exists between corporate-branded components and their independent rivals (Holverson & Revaz, 2006; Imrie & Fyall, 2001; Sheehan, Ritchie, & Hudson, 2007). Under such circumstances, corporate-branded players have often chosen to opt out of collaborative arrangements, leaving the independent sector to “go-it-alone”. Much of this activity therefore tends to be highly focussed and short-term in nature, with membership subject to annual renewal such as in the case with Best Western (Fyall & Garrod, 2005).

Corporate social performance theory, meanwhile, examines how individual organisations respond to the interests of their stakeholders, albeit in the specific context of how they are managed in order to achieve social legitimacy. Collaboration often presents challenges to participants, particularly when there is real and perceived conflict between the interests of individual participants in a collaborative arrangement and the interests of the collaboration as a whole. Not only can such conflicts impact negatively on the short-term outcomes of collaboration but they can severely impede longer-term developments through the disintegration of personal and professional relationships within the collaboration. The key challenge, therefore, is for all those involved to manage their individual and collaborative connections to leverage core capabilities, create value for customers and, in some instances, dissolve boundaries. The “localisation” agenda currently being implemented in England is a good example of this, in that the emergence of Local Economic Partnerships (LEPs) has not only created a new form of collaboration in the destination landscape but has also brought out a “forced” reaction from destinations with regard to what is the “legitimate” organisational form to satisfy government demands and to attract external funding; these two not necessarily being the same thing (Pugalis, 2011). Hence, although established with the intention of boosting competitiveness and increasing the overall performance of destinations across England (see Coles, Dinan, & Hutchinson, 2012), the inclusion of broader destination remits, as a vehicle to achieve institutional legitimacy, has been a disincentive to engage for many individual organisations. This is especially the case when sector-specific reservation systems account for a high percentage of bookings. This effect can also be explained by institutional and negotiated order theory, which argues that in the case of destinations, mythical notions of “the right way” to collaborate are promulgated to convince stakeholders of membership, adoption or endorsement, when in reality it is the connectivity with sector-specific collaborative systems that drives bookings and, more importantly, business revenues.

3.1.4. High sector trust and commitment

Process and developmental theories are concerned with the processes that take place at various stages of collaboration, and seek to explain the means by and conditions under which the component organisations of the destination negotiate, execute and modify the terms and outcomes of collaboration. In this regard, collaboration on an organic basis is often built on trust, commitment and a reputation for fair dealing and can be explained by the different set of loyalties explained for individual destination components outlined earlier in the paper. For example, while many airlines, hotels and car rental companies operate in multiple destinations, many of which are in competition with each other, their operational and economic models do not easily lead themselves to collaboration within destinations. That said, although the duration of the stage or stages in which such “collaborative capital” can be built up varies depending on the objectives sought, the size of the budget allocated, the number of stakeholders, external conditions and the degree to which there is consensus on the outputs being sought, organic collaboration tends to be substantially shorter in duration, with more tightly defined goals, with many of a promotional and marketing orientation. Examples include attraction joint-ticketing arrangements, thematic branding and collaborative promotional offers (Fyall et al., 2001). Although one can argue that trust and commitment are central characteristics of collaboration more generally, the sector specificity evident in organic forms of collaboration engenders higher levels of trust and commitment as the foundations upon which such collaborative action are predicated are much stronger due to close personal and professional relationships and significantly higher levels of sector understanding.

3.1.5. High sector dynamism and flexibility

Chaos and complexity theory take a different approach to other theories of inter-organisational collaboration and derive very different conclusions. The conclusions drawn by other theoretical approaches assume that collaboration is based on fundamentally linear, stable and static relationships. While this may be more likely to be true of organic than mediated intra- or mediated intra- and inter-destination collaboration, the reality is that most collaboration tends to be shaped by chaotic, non-linear and non-deterministic pressures and processes. This is evidenced by the short duration of much collaborative activity, the frequent changing of partners and the continual need to revisit objectives in order to ensure the collaboration is able to withstand the dynamism of market conditions and external, uncontrollable forces (Ritchie, 2004; Russell, 2005). In view of the aforementioned characteristics of organic collaboration, however (i.e. high sector specificity, close sector proximity, high sector trust and commitment), the chaos and complexity of the marketplace is countered in the organic context by a more detailed and engrained understanding of sector conditions, systems and processes and, in turn, an ability to act more quickly in responding to external pressures and threats. Although shareholder views need to be considered, much time can be saved from the need to consult destination stakeholders more broadly with sector-specific needs overriding destination concerns; not always it must be said to the wider benefit of the destination.
3.2. Mediated intra-destination collaboration

Collaboration at the whole destination level has been the subject of much academic attention in recent years, with many studies exploring the rationale for, benefits, and drawbacks of mediated intra-destination collaboration. Calls for greater collaboration across the whole destination were first aired in the mid-1990s by writers such as Palmer and Bejou (1995), while others have since conceptualised mediated intra-collaboration as a form of destination “value network” (Prideaux & Cooper, 2002; Wang & Fesenmaier, 2007). In this regard, the destination literature has begun to develop a robust platform for researching mediated intra-destination collaboration (see for example Baggio, 2011; Beritelli, 2011; Dredge, 2006; Dwyer, Forsyth, & Spurr, 2003; D’Angella & Go, 2009; Erkuz-Ozturk & Eraydin, 2010; Holder, 1992; Minca & Getz, 1995; Sheehan & Ritchie, 2005; Wang & Xiang, 2007; Wang, 2008; Wang & Krakover, 2008). Other noteworthy studies that focus on mediated intra-destination collaboration include work on collaborative information-gathering (Ritchie & Ritchie, 2002), product development (Caffyn, 2000; Standeven, 1998), product marketing and promotion (Augustyn & Knowles, 2000), visitor management (Selin & Chavez, 1995), coping strategies (Bramwell & Lane, 2000), and training and employment initiatives (Augustyn & Knowles, 2000).

3.2.1. Destination “system” value creation

Resource-based theories have great potential to explain mediated intra-destination collaboration within destinations. Strategic management theory, for example, interprets the establishment of a DMO as self-interested behaviour on the part of member organisations, which are seeking to attain collaborative advantage through the effective integration of value-chain activities, management processes and decision-making. Individual organisations within the destination therefore engage in mediated intra-destination collaboration because they are seeking mutual benefit in the face of challenging economic, institutional or environmental conditions. This requires that individual participants focus on creating value through collaborations; not as an end in itself but as a means of maintaining competitiveness in the long term.

The foregoing argument is also true of resource dependency theory, in that resource “ownership” at the destination level will normally be widely distributed across the destination, resulting in high levels of interdependency. Mediated intra-destination collaboration requires a critical mass of organisations operating in the destination to recognise this and, moreover, accept that the destination operates as a “system”. When such interdependency is not recognised, or is insufficiently compelling, the strategic emphasis for individual components will tend to be on “safer” organic action, for example, through sector-specific marketing consortia or collaborative website development. Such strategies allow individual or sector-level strength to compensate for the organisation’s lack of influence or power over resources (Prideaux & Cooper, 2002). While the blurring of organisational boundaries may exist when mediated intra-destination collaboration takes place, the destination boundary is usually more distinct, offering participants a greater clarity of market positioning and helping to stimulate ever more successful “buy-in” from individual destination components.

Strategic management theory, meanwhile, supports the notion that enhanced competitive position can be achieved through the pursuit of collaborative advantage. This perspective is similar to that of resource dependency theory, in that each individual organisation making up the destination needs to accept the boundary and strategic positioning of the destination as a whole, whether this is simply through the use of a destination brand or the development of a wider DMO strategy. A strategic, inclusive mindset is necessary for the design and implementation of effective governance structures for collaboration, as well as to establish suitable means of measuring and monitoring performance (Morgan et al., 2012). Unlike resource dependency, however, strategic management theory emphasises the need for collaborating organisations to develop mutual trust and commitment, both of which can be critical to effective stakeholder buy-in to the direction and ambitions of the DMO. High levels of trust and commitment also encourage a longer-term focus on mediated intra-destination forms of collaboration, along with the commitment of resources to the DMO and its work.

This view contrasts sharply with that of microeconomic theory. Whereas strategic management theory offers a holistic approach through which individual competitive and collective behaviour can be reconciled and balanced, microeconomic theory tends to be more limited in its explanatory power when it comes to mediated intra-destination collaboration. Microeconomic theories tend to focus on management decisions driven by the need to reduce costs and minimise “free-rider” effects. This tends to ignore relationships and collaborative arrangements that may already exist upon which to build new relationships. If such structures exist, mediated intra-destination collaboration may be possible even when the transaction costs between organisations appear prohibitive. Another weakness of microeconomic theories is that they do not generally identify whose costs are being minimised. In the absence of information about the apportionment of costs, it is difficult to determine the necessary budget contributions and allocations to enable the building of trust and commitment within the collaboration.

3.2.2. High mutuality and destination learning

The need for the various organisations in the destination to come together and embrace collaboration is a central theme of relationship-based theories of destination collaboration. The emphasis tends to be on past and present personal and professional relationships as key determinants of destination-wide “buy in”. Although it is important for the contributions of individual sectors to be recognised, as well as for sector-wide representation to be included on DMO structures, there are some instances in which organic collaboration may be more appropriate, particularly when collaborative objectives, budget and timescale considerations are deemed to be important.

The need for the various organisations comprising the destination to recognise one another’s contribution is a recurring theme with both stakeholder and network theory, with both recommending the achievement of a situation in which “destination learning” takes place and is fully integrated into the destination’s operations. The desire to achieve destination learning is, in turn, driven by the recognition of mutuality and a strong sense of commitment to the strategic direction of the destination. One of the challenges with stakeholder theory, however, is the need to monitor how the degree of integration of different group interests in the DMO’s decision-making will impact on the outcomes achieved and the overall competitive positioning of the destination. Applying network theory to destinations, meanwhile, facilitates greater understanding of the relational process that impact on the flexibility of DMO structures. This will then help destinations to transcend their existing functional, structural and hierarchical boundaries.
3.2.3. Destination democracy

Under politics-based approaches, meanwhile, it is recognised that mediated intra-destination collaboration typically takes place in highly politicised environments, with local government organisations usually serving as the custodian of the resources that are necessary for the very existence and functioning of destinations. The heightened political and power-relations context highlights the importance of inclusiveness and consensus in mediated intra-destination collaboration. This includes the need for a high degree of transparency in decision-making and the internal allocation of resources. However, while DMOs are frequently lauded as a neutral player in the destination, such neutrality is burdened with what the industry perceives to be a slowness in decision-making, the development of broad rather than tightly focussed policies, and an inability to attract people with the skill set and mindset necessary to lead them effectively (Bradley, Hall, & Harrison, 2002; Fyall, 2011). This might be sought to argue in favour of more flexible, less politically charged organic collaboration arrangements. The counter-argument, however, is that the democracy of local decision-making necessitates a more equal distribution of power across destination stakeholders, as well as the provision of an environment in which incentives and rewards are open to any destination-wide organisation that is able to bring together multiple participants effectively as they compete against other economic sectors for limited funds and resources. Similarly, establishing a parity and equality of treatment for organisations comprising the destination is arguably one of the biggest challenges facing mediated intra, destination-level forms of collaboration. Another is to ensure that all destination components are actively endorsing the destination vision and put their faith fully into the creation of integrated networks or alliances across the destination as a whole.

3.2.4. Organisational embeddedness

Process-based theories are also useful for explaining the means by and the conditions under which stakeholders negotiate, execute and modify the terms and outcomes of collaboration. In this sense, such theories apply to both organic and mediated intra-destination collaboration. The key difference, however, is that whereas organic collaboration tends to be of shorter-duration with tightly defined goals, mediated intra-destination collaboration tends to last longer and be more embedded in organisations’ individual strategies. Thus, when setting their own strategies, individual components of the destination are cognisant of the wider destination strategy and acknowledge the benefits to be derived from close alignment with it. Collaboration within destinations is thus a component of choice rather than a reluctant ingredient coerced by others. The complexity of destination management, the diversity and varied interests of participating organisations, and the need to manage both public- and private-sector ambitions for the destination is acknowledged by individual components when setting their own strategies with the collective culture of the destination permeating and enhancing individual ambition with explicit reference to destination-wide strategy in individual plans (Haugeland, Ness, Gronseth, & Aarstad, 2011).

3.2.5. Flexible and proactive governance

Chaos-based theories also have much to offer in explaining and directing mediated intra-collaboration at the destination level. Changing political priorities, the dynamics and complexities of local government, the diversity of stakeholder needs, imbalances of scale, power, resource and reach, the conflicting demands of corporate and independent actors across the destination and the need for minimisation of “free-rider” effects, all combine to make the destination a chaotic, non-linear and deterministic environment for those seeking destination competitiveness. Any semblance of “stability” is rare in most destinations, especially those in cash-starved Western economies where public deficits have reached such proportions that local, regional and national governments are all struggling to accommodate the financial needs and commitment needed by hard-pressed destinations (Pechlaner & Frehse, 2010). The positive outcome of such turmoil, however, is the need for much greater flexibility in governance structures, more fleetness of foot in putting decisions into action and more proactive approaches to collaboration generally. In this regard, the challenge for mediated intra-destination collaboration is to achieve the dynamism and flexibility of organic collaboration as at the same time being innovative in either expanding the reach of the destination or pushing the boundaries of the “destination” through the development of thematic routes and trails (i.e. heritage, wine, whisky). Such initiatives, which border on intra- and inter-destination collaboration as discussed below, can provide the necessary “glue” to enhance levels of creativity through brand building, flexibility of collaborative structures built upon long-term relationships and detailed thematic and visitor knowledge, and a collective passion for their respective product and experience (Brás, Costa, & Buhalis, 2010; Bruwer, 2003; Martin & McBoyle, 2006; Prideaux, 2002).

3.3. Mediated intra- and inter-destination collaboration

Alongside of the consideration of mediated intra-collaboration within a destination, a growing number of studies have begun to explore collaboration that occurs concurrently both within and between destinations. Referred to as mediated intra- and inter-destination collaboration for the purpose of this paper, it implies that the DMO is not only concerned with effecting collaboration among the constituent organisations within the destination but is also engaged in collaborating with the DMOs of other destinations. These are often neighbouring destinations but increasingly they may be more distant, the connection being on the basis of a shared form of niche tourism such as gastronomic tourism (Hjalager & Richards, 2002) or a linear geographical feature such as a historic trading route or major river (Henderson, 2001). Studies by Bowden (1991) in the UK, Darrow (1995) in the Caribbean, Henderson (2001) in the Greater Mekong Sub-region, Teye (1988) in Africa and Wahab (1996) in Egypt have all explored mediated intra- and inter-destination collaboration. More recent studies, meanwhile, have examined the structural properties of destination networks (Scott et al., 2008a), collaboration among small neighbouring destinations (Naipaul et al., 2009) and opportunities for the exploitation of Web 2.0 through the adoption of inter-destination collaborative strategies (Stabler et al., 2010).

3.3.1. Wide market reach, risk and uncertainty

While it is clear that mediated intra- and inter-destination collaboration opens up an additional level of uncertainty over and above mediated intra-destination collaboration, resource-based theories tend to emphasise the additional opportunities that inter-destination collaboration can bring to the organisations represented by the DMO. These might include enhanced market reach, greater ability to counteract local competition, adding complementarity to destination products and experiences, or the facilitation of more cost-effective marketing and promotional activities. A cautionary note from the theory of resource dependency, however, is that new destinations coming in to the collaboration may lack familiarity with each other, and this may
necessitate greater levels of prescription and formality than would be the case with mediated intra-collaboration at the destination level. This, in turn, may have a negative impact on the performance of the collaboration. Greater challenges are also likely to exist as a consequence of the varying priorities that different destinations are likely to have while the wider reach of mediated intra- and inter-destination collaboration may also expose participants to greater risk and uncertainty, as they effectively operate not only in their own destination environment but also in the environments of partner destinations. This is almost certain to result in greater interdependency and complexity being faced by participating DMOs. Strategic management theory also identifies this potential hazard for mediated intra- and inter-destination collaboration, with more formal collaborative structures being adopted as those participating become more concerned with issues pertaining to clarity of boundaries and budgets.

Transaction cost theory, meanwhile, serves to highlight that transaction costs will exist in collaboration between DMOs and these must be considered alongside those incurred within the destination. Indeed, transaction cost relationships may be greater across existing destination boundaries, adding complexity to their audit trail and hindering the measurement of effectiveness and performance. In order to avoid non-participation by some DMOs, who may otherwise be tempted to focus their efforts on the “safety” of mediated intra-destination collaboration, mediated intra- and inter-destination collaboration requires great clarity, sense of purpose and the formalisation of governance arrangements. Failure to do so will result in disengagement and ultimate withdrawal of individual components, which in turn may compromise the longevity of the collaboration, or at least its ability to perform against the active participants’ aspirations and expectations. In extreme cases, disengagement has led to individual organisations to “switch” from one DMO to another: usually a neighbouring destination or one that closely matches their product and/or experiential proposition (Simone-Charteris & Boyd, 2010). Switching is often due to local issues rather than a lack of achievement or some combination of these. Although such behaviour contributes to the softening of destination boundaries, more problematic perhaps is the potential that it may fracture destination relationships and compromise the consistency of the “home” destination.

3.3.2. Boundary and stakeholder migration

According to relationship-based theories, the dynamism of organisational relationships can actually serve as a stimulus to the development of new destinations and destination governance forms. Such dynamics also heighten the requirement for DMOs to be less “boundary restricted” and more “demand driven” (Beritelli, Bieger, & Laessner, 2007). This realisation is vital when applying stakeholder theory to informing mediated intra- and inter-destination collaboration, in that the entire process of stakeholder identification and nomination becomes more complicated. In turn, higher risks will be attached to mediated intra- and inter-destination collaboration, as crossing destination boundaries challenges both stakeholder legitimacy and salience.

Both network theory and game theory also highlight the more challenging nature of connectivity across existing destination boundaries and the creation of new boundaries, with relationships within the destination increasingly being impacted upon by relationships between destinations, and vice versa. Essentially, this changing map of destination competition necessitates continuous dynamic evolution on the part of individual destinations as they jostle for competitive position through collaborative effort. In this respect, much will be determined by the destinations’ definitions of their own “space” (Dredge & Jenkins, 2003; von Friedrichs Grängsjö, 2003).

3.3.3. Mutual recognition and respect

Related to the above, politics-based theories emphasise the additional challenges and complexities of “cross-border” collaboration, the varying priorities of the destinations involved, their mechanisms for funding and the pressure from competitive non-tourism areas for government funding (such as welfare, health and education). As such, although mutuality and reciprocity are key characteristics of relationship-based theories, mutual recognition and respect are central to success in the context of mediated intra- and inter-destination collaboration due to the particularly high risk associated with this dimension of collaborative decision making and the pressure on political decision makers to ensure that partners and stakeholders beyond their jurisdiction are able to deliver benefits to their own destinations and, more importantly, electorates. In such a situation the power dynamics of collaborating partners is critical as is the determination of those who have access to the control of the resources necessary for collaboration to work effectively. In view of the high stakes often associated with mediated intra- and inter-destination collaboration, it is not uncommon for collaborating destinations to acknowledge sub-regional, regional and national strategies and ensure that all those of relevance are embedded within the “cross-border” collaboration. Consensus building is critical while so too is the need to avoid an unequal distribution and misuse of power (Henderson, 2001). Although common issues to all forms of collaboration, the risks are significantly higher in the context of mediated intra- and inter-destination collaboration. Hence, the very real need for deep mutual recognition and respect.

3.3.4. Simplified market-driven governance

Contributions from process-based theories are of particular benefit to collaboration between destinations, particularly in their later stages when post-collaboration outcomes are often shaped (Caffyn, 2000). Options for ending the collaboration cycle comprise dismemberment, re-grouping or revitalisation. This suggests that mediated intra- and inter-destination collaboration may have more in common with organic collaboration than mediated intra-destination collaboration as they are not constrained by borders and thus have greater flexibility to develop further, or not as the case may be. This is due to the shorter duration of many mediated intra- and inter-destination and organic collaborative agreements, the marketing bias of the strategies adopted and the less complicated governance structures that tend to be employed. Even so, where such collaboration is far-reaching, deeply embedded in wider economic strategies, and has substantial resources and political influence behind it, more similarities with mediated intra-destination collaboration can be noted (Henderson, 2001). That said, the majority of mediated intra- and inter-collaboration in the context of destinations remains market driven with simplified forms of governance a key ingredient to success.

3.3.5. High responsiveness to change

With chaos-based theories, the increasing turbulence and uncertainty in the wider environment and overall lack of linearity
and stability merely enhance the need, and benefits to be achieved from, mediated intra- and inter-destination collaboration. Where previously collaboration of such kind would have been viewed with trepidation because of the increasing risk and uncertainty involved, destination organisations at all levels are increasingly recognising the benefits of, and need for, more flexible, fleet-footed collaborative action. More problematic, however, is the need to grasp fully the need for regular change, recalibration of strategies and the reformulation of collaborative arrangements and forms of governance for collaborative strategies to continue to deliver a competitive advantage (Dwyer, Edwards, Mstillois, Roman, & Scott, 2009). As with the identification of simplified market-driven governance, the market and marketing nature of much mediated intra- and inter-destination collaboration necessitates the need for higher levels of responsiveness to change; something that is far more challenging for mediated intra-destination dimensions of collaboration to achieve in that they are generally more committed to the management of the destination and deeper engagement with all stakeholders. Although necessary for the effective management of destinations, such approaches slow down decision making and tend to inhibit the market-driven nature of mediated intra- and inter-dimensions of destination collaboration.

4. Conclusion

Destinations face an ever-growing array of challenges and opportunities. While it is not the only available strategy, collaboration is increasingly being identified as a valuable strategy for destinations to embrace, even if its full potential is rarely tapped. The introduction of a DMO is increasingly seen as an effective way of achieving collaboration among the various components making up the destination. At the same time, the DMO can also serve as a vehicle for collaborating with other destinations. Recognising that collaboration takes place both within and between destinations, and both under and outside of the governance of a DMO, raises a particularly important question for destination marketing and management: how well do existing theories of collaboration explain and inform these different destination collaborations in these different dimensions? The purpose of this paper has therefore been to consider how well the available theories of collaboration may apply across the different dimensions of collaboration and, more importantly, what lessons they suggest for organisations wishing to maximise their collaborative advantage across these three dimensions.

The first dimension is organic collaboration. This form of collaboration is rarely ideal, particularly when it only involves individual components working within a specific industry sector, such as accommodation or attractions. This is because it does not recognise or seek to harness the potential of the entire destination system to collaborate in a fully-integrated manner. However, the approach does enable individual components to make better use of their combined assets by working with and learning from one another. Individual components may simply be attracted by the convenience, simplicity, speed and short-term efficacy of organic collaboration strategies within the destination. Under such circumstances, mediated intra-destination collaboration, facilitated by a DMO, may be neither necessary nor desirable. For those individual components wishing to operate as a whole destination, the formation of a DMO may be an effective option. The role of the DMO is essentially to provide the collaborative structures necessary for the components concerned to work together to pursue their individual and collective ambitions. Such components may even feel that traditional market mechanisms provide no viable alternative to collaboration and, as such, mediated intra-destination collaboration is likely to be their collaborative strategy of choice.

Many DMOs are also beginning to recognise the value of mediated intra- and inter-destination collaboration. This does, however, require particular clarity of sense of purpose, due to the almost unavoidable blurring of destination boundaries and budgets. Collaboration allows destinations to expand their reach and tap into wider market opportunities but it also brings with it more risks and challenges related to the measurement, monitoring and the evaluation of performance, as well as introduce the potential for new “internal” competition to emerge in the form of smaller “clusters” within the larger collaboration. Destination “switching” may also occur, whereby individual components, disillusioned with the direction or achievements of the collaborative arrangements, transfer their allegiance to a different DMO.

The foregoing review identifies a number of common features shared by almost all inter-organisational collaboration theories. These include imbalances of power among participants and access to scarce resources. Collaboration theories also tend to recognise the complexity of the destination domain and the substantial costs involved in individual destination components collaborating with one another. Likewise, the desire to protect proprietary knowledge, the importance of personal and professional relationships (both established or new), the existence of networks, the crucial role of destination stakeholders (which vary in their legitimacy and salience), the desire to seek mutual benefit, and the need for trust and commitment among participants are all widely agreed to be fundamental ingredients of collaboration. A number of important insights follow which relate equally well to all three dimensions of destination collaboration. It is vital that DMOs, as well as other parties involved in managing and marketing destinations, apply these theoretical perspectives and learn the lessons they bring to destination collaboration.

The review of inter-organisational collaboration theories also identifies some crucial differences in terms of the insights to be gained by applying the main theoretical perspectives on inter-organisational collaboration across the different dimensions of destination collaboration. In other words, the different theoretical approaches have different implications when applied to organic, mediated intra-destination and mediated intra- and inter-destination modes of collaboration. For example, while resource-based theories tend to highlight substantial sector specificity in the context of organic collaboration, for mediated intra- and mediated intra- and inter-destination collaboration the emphasis is on the development of “system” value creation and wide market reach, risk and uncertainty respectively. Relationship-based theories, meanwhile, identify the significance of close sector proximity for organic collaboration, high mutuality and destination learning for mediated intra-destination collaboration, and the existence of boundary and stakeholder migration for mediated intra- and inter-destination collaborative forms. Politics-based theories identify themes relating to sector risk, knowledge and learning as being important to organic collaboration, while destination democracy is important for mediated intra-destination collaboration, and mutual recognition and respect for mediated intra- and inter-destination collaboration. Under process-related theoretical approaches, meanwhile, sector trust and commitment emerges as a critical feature of organic collaboration, organisational embeddedness for mediated intra-destination collaboration and simplified market-driven governance for mediated intra- and inter-destination collaboration. Finally, chaos-based theories identify the high sector dynamism and flexibility of organic collaboration, the flexible and proactive governance of mediated intra-destination collaboration and the high
responsiveness to change demonstrated by mediated intra- and inter-destination collaboration.

To be effective in highly dynamic and turbulent environments, it can be argued that destinations need to perform well in all three collaborative dimensions if they are to maximise their “collaborative” advantage. This requires each individual stakeholder in the destination to understand their collaborative options and the implications of adopting one of them. This requires them to have a good understanding of the various theories that underpin collaboration, so that they can do the right thing at the right time and with the right partners. For destinations to succeed in the face of a hostile market environment, less isolationism and more collaboration is needed; indeed, it will most likely be the norm in the future. Destinations wishing to perform successfully will therefore need to address the many limitations, impediments and challenges of destination collaboration. There is clearly no “one best” theory of collaboration. As such, a more nuanced and multi-dimensional theoretical approach to informing destination collaboration practice is required.

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