THE COSTS AND IMPLICATIONS OF INTER-FIRM COLLABORATION IN REMOTE AREA TOURISM
Pascal Tremblay and Aggie Wegner

Objectives of Study

Relatively small and remote destinations such as the Northern Territory rely heavily on public–private sector cooperation for a large range of marketing and planning activities. Destination organisations generally see it as part of their role to enhance collaborative partnerships related to such activities, but are concerned about the representativeness, inclusiveness and sometimes weak levels of participation in such ventures. Collaboration can be defined as 'a process of joint decision making among key stakeholders of a problem domain about the future of that domain'. It means working together and may involve joint activities.

For businesses, collaboration demands can be perceived as reasonable or overwhelming. Given the pressures to collaborate and participate in a variety of cooperative ventures supported by public agencies, businesses are left with the challenge of deciding in which (if any) such collaborative initiatives available they should participate, being aware but imperfectly informed as to the likely requests for their inputs in various forms. Designing and integrating the operation of collaborative initiatives in ways that reduce costs to individual businesses (through greater scope economies) and make their relative private benefits more tangible and recognisable is clearly a desirable objective of both private firms and destination management agencies.

This report had as its primary objectives:
- To determine the factors that hinder and/or foster collaboration between tourism and/or non-tourism businesses
- Identify the respondents' perceptions of:
  - Costs
  - Benefits
  - Risks
  - Current barriers, and potential actions to encourage collaboration between tourism and/or non-tourism businesses
- The information is then used to identify gaps, future opportunities and possible directions for collaboration in regional areas.

Methodology

To acquire a rich set of research results, a combination of qualitative and quantitative methods, complementing each other, was selected. This study used the purposive sampling technique, occasionally referred to as judgement sampling. This method is very useful for gaining a deeper understanding of the selected individuals. Purposive sampling was regarded as the most suitable approach because it involves the selection of information-rich respondents with experience and potentially engaging in collaborative activities.

The sample frame involved businesses in the Top End Region and Darwin as well as Central Australia and Alice Springs. Businesses were asked about the collaborative initiatives they have been offered, their reasons for participating or not participating, their views on costs and benefits, and the strategies they think would help both identify which initiatives they should be part of, and would return greater benefits from initiatives.

The empirical research component was through personal interviews. These face-to-face in-depth interviews and telephone interviews based on focused, open-ended as well as closed-ended questions provide the primary data source for the project. The research advanced for this project is exploratory in its attempt to address the following questions:
- How do tourism businesses conceptualise collaboration in the first place? Do they have the same broad outlook on widespread types of capabilities and assets or do they restrict it to a small number of dimensions?
- How do they think about advantages and disadvantages associated with collaboration? Do they formulate those in terms of resources or other costs?
- Do the basic variables of size, location/distance, or type of business function determine the perceptions of costs and benefits from collaboration, and the business relationship to other organisations?

Key Findings

Overall, the respondents indicated their interest and desire to collaborate and saw the benefits collaboration will bring to their businesses and the tourism sector as a whole. The findings can be grouped and summarised as follows:

Areas of collaboration

- Most respondents identified marketing and sales as areas they collaborate with others.
- The main collaborative activity currently taking place is networking and building relationships.
- All respondents selected marketing and regional development as areas they considered it feasible to collaborate.

Factors hindering collaboration

- Financial and time were the costs respondents associated with collaborative activities.
- Remoteness (distance) and business size was perceived as a barrier regarding collaboration.

Factors fostering collaboration

- Perceived key benefits of collaboration were: gaining a better market/sector position and helping each other.
- Good communication and building relationships/networks amongst partners will make it easier to collaborate.
- Respondents thought that the availability of support material will encourage collaborative efforts amongst businesses.
- The majority agreed that smaller businesses, particularly smaller business in remote locations, would benefit most from collaboration with others.
- The top two areas of additional opportunities for collaboration were: advertisement/marketing and product development, such as package deals.
- Improving individuals' behaviour and goodwill was identified most often as an area of additional opportunity for collaboration.
- The need for a vision and clear goals was considered as important when participants spoke about collaboration in tourism.

Participants' general comments with regards to tourism and collaboration

- For participants it is 'very important' to collaborate with others in marketing.
- The majority of businesses participating in this study categorised themselves as an accommodation provider, followed by an attraction provider, and tour and transport.
- Most visitors are sourced by 'word-of-mouth' followed by websites and online marketing.
- The vast majority of respondents were involved in tourism more than 10 years.

Future Actions

In order to improve the level of collaboration and take the respondents' suggestions and recommendations into account, the following actions can be proposed:

- the adoption of a strategic approach by NTOs and RTOs to support collaboration and entrepreneurship
- the appointment of a champion to act as a facilitator amongst business and between business and tourism organisations and associations
- government incentives and support material to encourage, help and foster collaboration
- stronger involvement of tourism associations with businesses in areas of product development (e.g. package deals), marketing on a whole region basis and not just the key attractions
- involvement on a community and council level to plan and develop joint events.