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Transformation of The Tourism Business from Competition to Collaboration

Ni Putu Dyah Krismawintari¹, I Wayan Susrama², Andiena Nindya Putri³, I Gusti Bagus Rai Utama^{4*}

^{1,2,4} Universitas Dhyana Pura, Bali, Indonesia, ³ Institut Teknologi Dan Bisnis STIKOM Bali, Indonesia

raiutama@undhirabali.ac.id

Abstract. Cooperation is now widespread in most branches of industry. The acceleration in the field of technological innovation and in the context of globalization, traditional and competitive promotion in business organizations is increasing, which is being replaced by collaborative relationships. This trend also applies to tourism, where fragmentation, multisector and industry independence lead to links between international organizations and decision-making. But for many organizations, appearance is very important as part of effective collaboration in order to serve consumers better. There is also the view that the success of a collaborative relationship is an important organizational factor in the tourism industry in the long term.

Keywords. competition, collaboration, fragmentation, multispectral, independence

1. Introduction

The realization that individual companies do not experience long competition as an independent unit, but rather as a collaborative network, can be of great importance for management thinking today. We are currently entering an era of competition where the winner is a company with a good structure in terms of managing partner relationships in a network committed to creating consumer and customer value in a collaboration - Christopher, Payne and Ballantyne, 2002.

Cooperation is now widespread in most branches of industry. With the acceleration in technological innovation and in the context of globalization, traditional and promotional competition in business organizations increases, which is replaced by collaborative relationships (Telfer, 2000). This trend also applies to tourism, where the fragmentation, multisector, and independence of the industry lead to links between international organizations and decision-making. In many organizations, however, appearance is very important in the context of effective collaboration in order to better serve consumers (Fyall and Garrod, 2005). There is also an opinion that the success of a collaborative relationship is an important long-term organizational factor in the tourism industry (Go and Appelman, 2001).

2. Research Methods

This study uses a desk research method with online data and information retrieval techniques, secondary sources, and other sources of scientific publications. While the analysis

technique used is descriptive qualitative analysis techniques, analogies, and a comparison of several research results and other scientific publications related to issues of tourism business from competition, and collaboration.

3. Review Studies

3.1 Tourism and collaboration

The importance of cooperation in tourism today is due to the increasing environmental turbulence and the complexity of the management of different organizations. Various encouragements away from the trend, especially the issues of globalization. It is undeniable that today's economy is influenced by globalization. Globalization breaks down barriers to economic systems and increases the desire to interact with one another (Fyall and Garrod, 2005).

In the context of tourism, Wahab and Cooper (2001) say that the continued growth in tourism demand, the expansion and diversification of the motivation to travel, and the wider expectations of tourists all contribute to the global economy. Increasing competition and the increasing number of destinations as well as the emergence of deregulation tendencies in the world tourism industry also contribute to globalization, so that tourism businesses have to be operated. The main deregulation in the civil aviation world took place in liberalization policies, resulting in an open door policy, especially between flights. This policy certainly has advantages for the centers of the aviation industry and the importance of the current strategy of the alliance of cooperation (World Tourism Organization, 2002).

3.2 The importance of collaboration in the marketing perspective

Refers to the marketing concept of management and marketing literature over the past 40 years. With the impetus for change, however, Donaldson and O'Toole (2002) found that the traditional marketing orientation is irrelevant as a driving force for companies to compete effectively due to increasingly dynamic demand and increasingly complex space marketing and the manipulation of inefficient marketing tools in global marketing.

Changes related to collaborative relationships are not easy from a marketing perspective. But something that is desirable in terms of marketing and that has been done for 15 years. For example, Gronroos (1989) and Morgan and Hunt (1994) say the purpose of marketing is to provide an ultimatum to exist, maintain, and empower the role of consumers and stakeholders in order to generate profit in order to achieve a common goal can.

The turmoil of collaborative change needs to be viewed and understood from a business perspective, as well as collaborative relationships and the needs of various tourism actors. Change is critical to collaborative relationships in the context of business approaches. Organizations need changes in philosophy, organizational management, development and cooperation with various interested parties. The development should provide a competitive advantage and generate superior added value. For example, Christopher, Payne and Ballantyne (2002) say that collaboration aims to meet consumer needs in order to generate profit.

The question to be answered is the importance of collaboration combined with a business direction that must be compatible with the marketing concept. The traditional understanding is that the concept of marketing is based on business as a changing system. Compared to the importance of collaboration through the business approach. So there are two poles of the case, in this case there are transactional and relational approaches in business. Meanwhile, continuum between the two extremes, namely the transactional approach and the relational approach. The relational approach can be broken down into two areas, the existence

of a relationship that is very important and the second that is less important. An important relationship can be a strategy for the organization in achieving the goals set.

After the importance of relational relationships in the context of business and marketing, Helfert and Walter (2002) give an argument on the importance of relational management, namely: 1) as an activity of exchange / change in the field of product services, problems and also related to people, 2). Coordination between organizations refers to the synchronization relationship with partners; Activity, existence and control as well as legal aspects, 3). Conflict resolution mechanisms related to short-term and long-term conflict resolution, 4). Adaptation, which is very important due to the different abilities of the partners.

3.3 Collaboration between organizations and relational marketing

The cooperation has been the key to the success of tourism marketing in recent years. As an example; Airlines, hotels and other local authorities who work together to make them successful. Cooperation activities manifest themselves in the form of alliances, consortia or partnerships, all of which are geared towards achieving goals. To achieve successful collaboration between international organizations in the field of marketing, including vertical, horizontal or diagonal activities. "A collaborative decision-making process between businesses and tourism organizations to address marketing issues and manage marketing and development issues".

3.4 The advantages of collaboration

In line with the definition of collaboration, the benefits of collaboration are presented by Huxham (1993), which are defined as follows: "... like creating a product as usual - which is the goal of all organizations, where not all organizations can produce and work together, this can be achieved successfully in comparison to success alone. "

The concept proposed by Huxham (1993) focused on the benefits of collaboration, which states that collaboration creates energy for the organization. This means that the results are greater than just doing activities one at a time. The focus on the benefits of collaboration is in relational marketing. With the collaboration of organizations longer can be successful, even small businesses.

3.5 The rational and collaborative motivations

Various motives underlie why organizations carry out collaborative activities, especially for collaboration in the marketing field.

- a) Motivation related to Market Share: (1) Gaining international market access, (2) Reducing barriers to entering international markets in terms of legal, regulatory, and political aspects, (3) Facing current market position, (4) Increasing current market share.
- b) Product-related motivation: (1) Filling gaps between products, (2) Expanding current products, (3) Differentiation and added value.
- c) Product and market-related motivations: (1) Entering new products or new markets, (2) Entering the industry and the complement of products being sold.
- d) Motivations related to market structure: (1) Reducing potential future threats, (2) Reducing entry barriers, (3) Technological adaptation in dealing with competitors
- e) Time-related motivations: Acceleration in entering products and markets
- f) New motivation associated with efficiency: (1) Reduce production costs, (2) Reduces Marketing costs.
- g) Motivations associated with the expansion or reduction: (1) Takes great resource, (2) Little risk, technology, and market uncertainty.

- h) Motivation to improve skills: (1) Learn skills from partners, (2) Improve skills through collaboration.

3.6 Types of collaboration

Cooperation between international organizations is something that is widely practiced, different opinions develop about what kind of cooperation is best. As an example of the directional category, it can be used more often. One of them is a horizontal collaboration where this activity is carried out between competitors among themselves. While vertical collaboration takes place between suppliers and buyers, diagonal collaboration takes place between organizations with different industries or different sectors.

There may be a simpler but very useful type provided by Terpstra and Simonin (1993). Four principles describe the collaboration between different types of collaboration, namely: 1) coverage, 2) form, 3) mode and 4) motive.

3.7 The driven for effective collaboration

Although the diversity of opinion is very high, opinion as the goal of effective cooperation is a unity in a cooperation that may be difficult to implement. One topic that is addressed in this material is how these general assumptions are aimed at improving performance. (Donaldson and Toole, 2002), Several measurements have been made that the assumption has the substance of the work of Jamal and Getz (1995). However, there are six suggestions for increasing effective collaboration based on previous research by Gray (1985; 1989). The six suggestions are as follows:

- 1) Cooperation requires recognition, which is highly dependent on planning and management.
- 2) Cooperation requires individual perceptions and / or advantages through a process.
- 3) Cooperation requires perceptions, the decisions of which come from different parties.
- 4) Cooperation depends on the perception that decisions can be implemented.
- 5) The right people are needed to initiate and facilitate collaboration.

Cooperation requires the formulation of a model that is necessary for the development and growth of tourism, the formulation of cooperation goals and objectives, regulations in planning and development are indispensable in cooperation as a monitoring and revision strategy.

3.8 Collaboration in practice

The distance factors that can facilitate physical collaboration are enormous. However, Jamal and Getz (1995) present a narrow, focused focus on critical issues that affect all levels of the collaboration process. The first is the process of legitimizing collaboration, the second is constructive power as the goal of collaboration. These two factors are the initiation and the success of the collaboration. For example, the initial exclusion of stakeholders leads to problems in implementing the decisions made.

However, the question of the legitimacy of collaborative participation is gaining in importance, especially in the context of tourism, as many organizations with different views are involved in the process of legitimizing cooperation. In some cases, difficulties in working together are related to the different value orientations of different stakeholders. On this occasion, two important topics for cooperation in marketing will be discussed, in the tourism industry companies, namely global airlines and consortia.

3.9 The alliance practice

3.9.1 Global Aviation Alliances

Although alliances are not a new term in the aviation world, some in the late 1990s developed alliances such as Star, One World and Skyteam for the airline, which includes airlines Lufthansa, British Airways and Air France. Global alliances accounted for 63.6% of air traffic, 55.8% of passengers and 58.4% of group sales (Morrish and Hamilton, 2002). Market factors are the main driving force for cooperation alliances. Because with the cooperation, airlines can fight market turbulence and overcome the weaknesses and the importance of the market. (Fyall and Garrod, 2005). Different variations of cooperation between international organizations such as the creation of cooperation codes, place blocking agreements, franchising and the frequency of inter-organizational flight programs in order to keep consumers feeling safe. The alienation for aviation can help expand the reach of the target area by reducing the restrictions of state regulations at the national level.

Not only market factors influence the alliance, but also technological developments are a driving force. Companies looking to develop technology can cut the various costs involved to help my business grow. Hanlon (1999) identified the relationship between technology and market motivation in the aviation industry such as Computerized Reservation Systems (CRS). Some cases with the CRS system require additional funding, but this alliance can reduce costs as they are shared.

In general, it can be described rationally that the growth of global aviation alliances according to Oum and Park (1977) can be identified into six, namely:

1. Consumers want flights that serve many cities, thus attracting more consumers, so that flights are more competitive by offering flights to various world destinations, and expanding the network into new territories.
2. Heavy traffic between partners can increase the loading factor and economic value. So partners can increase the frequency of their flights without increasing the number of aircraft operated.
3. The existence of an alliance will reduce costs, benefit economies of scale, and increase air traffic.
4. The frequency of flights and increasingly convenient connections, as the main factors in providing quality. With coordination with alliance partners will be able to improve the quality of service.
5. Alliances can offer more packages and travel routes than without (alone) alliances.
6. Members can benefit from using the CROSSs alliance as well as the practice of using codes. Shared flight codes recorded more than one CRS lookup. So that it can suppress competitors and get more agents to order.

Alliance matters are also handled extensively in the areas of purchasing, aircraft repair, ordering and sales, consumer incentives, marketing and advertising, and employee training. Hanlon (1999) also noted that alliances are still limited to the horizontal side and out of market motivation. Vertical and technological alliances aren't heard much yet. However, British Airway is an example of developing vertical alliances through partnerships with hotel groups such as Marriott, Hertz, Diner Club Card. The technology alliance has now been implemented by the KLM, SAS and Swissair (KSS) consortium, which coordinates the purchasing decisions.

In summary, there will be two scenarios in the future, namely the first-time concentration and consolidation of the industry through mergers and acquisitions or the creation of a broader alliance structure. The second is the explosion of individual competitive activity in response to the threat of flight discounts and increasingly sensitive pricing. Hence, collaborative marketing activities are seen as a destructive option for the aviation industry.

3.9.2 Hotel consortium

The hospitality industry is very complex, fragmented and very competitive. Many combinations of mergers and acquisitions as well as various forms of collaboration, consolidation and concentration between the industries have taken place to increase the number of the ten hotels of international chains which currently have over 3 million rooms. This shows that less than 15% of the world's total supply, only 26% of all rooms are marketed under the names of the world's 50 leading companies. (World Tourism Organization). Many hotel industries are either individually managed or owned by individuals. This complicates the future development of the hotel industry.

There are three ways for independent hotels to counter the growth of hotels with international chains (hotel chains) around their market, namely; 1). Belonging to large group hotels, 2). Exploiting the niche market and 3). Become a member of the consortium. The benefit of the first option is to join large hotel groups so that individually operated hotels can improve brand image, reputation and strength in marketing, as well as management experience and financial comfort. But the weakness is the general control and strategy is not flexible, long-term contracts and royalty payments to hotel groups. The second is to enter the niche market with the growth of large hotels, one of the niche market opportunities as hotels in the UK have done with the growth of "boutique hotels". The third works with a currently growing hotel consortium and is one of the approaches in the field of marketing. The consortium represents a collaboration between hotels that aim to increase their competence, to increase their market and competitive position compared to individual management. The consortium stands for growing cooperation all over the world.

Slattery, Roper, and Boer (1985) describe five categories of consortium hotels, such as:

- 1) The consortium in Marketing and Purchasing. Marketing activities, it is expected to increase members, reduce prices and increase savings. Prospect savings and reduce purchase costs making it attractive to members. Best Western Hotels and Consort Hotels are examples of this type of consortium.
- 2) Referral Consortium is a type of consortium, where the hotel collaborates with the airline. The hotel accepts bookings from the flight marketing system. This is a form of collaboration diagonally.
- 3) Personnel and Training Consortium, this activity is carried out with personnel development and training to improve skills. So it can reduce costs.
- 4) Reservation System, the consortium provides a reservation system for hotel chains, as well as provides a comprehensive marketing system. This reservation system is Resolution which handles 25,000 hotels, with 80 brands and 3 million rooms.
- 5) Consortium Benefits Varied, many will be obtained such as financial, operational, and marketing benefits.

4. Conclusion

It is undeniable that difficulties will increase, especially in the era of competition in tourism, as previously described both international airlines and the hospitality industry are leaders in adopting collaboration about marketing approaches in tourism. Meanwhile, Tourism intermediaries, tourist attractions, and tourism destinations have also begun to collaborate to increase revenue in the long term. However, the main goal of the collaborative alliance is to achieve prosperity in the tourism industry.

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