

Cooperation between public and private tourism sectors in the Costa Blanca Region (Spain)

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ABSTRACT

Cooperation between public and private tourism sectors is a key factor when trying to address efforts towards common objectives, thus unifying policies and strategies. However, such cooperation does not always achieve the most suitable aims and often materialises in inefficient actions and tourism policies that can negatively affect the competitiveness of a certain destination or region, ultimately leading to a poor exploitation of the resources and skills available. Therefore, it becomes essential to identify the reasons for that inefficient cooperation, as it will permit to suggest new working approaches structured around a common objective basis.

Taking as a reference the opinion of the most representative tourism business sectors at the Costa Blanca, the present paper tries to highlight the existence of relevant failures regarding cooperation between the public administration and the business sector within the tourism context.

The paper is based on the results of several round table discussions with representatives of the most relevant tourism business sectors in the Alicante province (hotels, apartments, campsites, travel agencies, convention bureaux, etc.) complemented with a survey among the participants in those round tables carried out by means of an anonymous questionnaire. The results clearly show that inefficiency prevails in the cooperation between the business sector and the public administration. Furthermore, the participants highlight a number of specific actions that could guide administration policies and strategies towards the improvement of competitiveness levels for such a relevant economic sector in the Alicante province.

1. INTRODUCTION

Public-private partnerships are widely recognised as essential to the tourism industry. This cooperation format becomes even more necessary in those regions or areas where growth is closely linked to the development of tourist activity, as is the case in the Costa Blanca. The need for the existence of extensive cooperation between all the agents involved in tourism becomes stronger during crisis periods, as higher efficiency is required when it comes to invest the resources available. Costa Blanca is the name covering the geographical context of the Alicante province (Valencia Region) which stands out for being one of the main tourist destinations in Spain. Different tourism development models and typologies coexist within this geographical context: whereas coastal towns are associated with a sun and beach tourism model essentially based on a residential supply, inland municipalities have developed their model around formats such as rural, cultural or active tourism, amongst others. It is worth highlighting the significant role played by Benidorm as a tourism destination in the area under analysis with over 10 million overnight stays and nearly 40,000 hotel beds that make it become a destination with a unique business and tourism dynamics which distinguishes it from the other destinations located in this province.

The analysis carried out with the participation of representatives from tourism business associations at the Costa Blanca reveals a widespread perception among entrepreneurs in this sector that there is a lack of cooperation and, therefore, of coordination, both within the private sector itself and between the private and public sectors. The interviewees feel that the different administrations do not involve them as much as it would be advisable in the decision-making processes. Amongst other consequences, this leads to an increased fragmentation of interests within the sector, additionally preventing the optimisation of resources and efforts when making decisions because the actors most directly affected by those decisions are not taken into account. Although this has been the predominant situation during a period characterised by prosperity, it should definitely not continue in the context of a crisis like the one we are currently going through. Therefore, it becomes necessary to achieve that desirable cooperation between all the interest groups (stakeholders) involved in tourist activity, which can require a radical mind-set change along with the need to adopt more innovative approaches such as the opportunities derived from strengthening the links between business networks or the creation of tourism business *clusters*.

In this sense, we set ourselves as our first objective in the present paper to know the perceptions that one of those group interests, tourism entrepreneurs, has about the evolution of this sector, and more specifically, about aspects directly or indirectly linked to cooperation among *stakeholders*. The paper is consequently placed within the framework of studies which have not only analysed the perceptions of a single interest group, such as those by Clarkson et al. (2001); Cottrell et al. (2004); McGehee et al. (2006); Weaver and Lawton (2004); or Wickens (2004), amongst others. Although many authors recommend considering the interests of every group before making any decision, the opinions collected here will help to inspire the implementation of measures which can improve the operation as well as the relationships within the Costa Blanca tourism sector.

2. STAKEHOLDERS AND COOPERATION IN THE TOURISM SECTOR

As pointed out by Dudensing et al. (2011: 1453), “[s]ound tourism-based economic development strategies require interested public and private entities to share a common understanding of the opportunities, challenges, and perceptions facing the tourism industry”. Despite recognising its significance, the lack of cooperation in the fragmented tourism sector is a well-known problem (Jamal and Getz, 1995). The same authors insist on the fact that achieving coordination between government agencies, between the public and private sectors, and between private enterprises is a challenging task.

A large number of studies have highlighted the need to involve the key interest groups and to redefine the processes for making joint decisions about tourism destination planning. For Saxena (2005: 278), this needs stems “from a change in the competitive strategies that are influenced by the volatility and sensitivity of the tourism industry.”

The term ‘stakeholders’ describes “any group or individual who can affect or is affected by the achievement of the organisation’s objectives” (Freeman, 1984: 46). In general, Goeldner and Ritchie, (2003) point out that there are four major tourism stakeholders in tourism: tourists, residents, entrepreneurs, and local governmental officials. In an attempt to disaggregate these groups a bit more, Jamal and Getz (1995) identify the following as the key stakeholders in the tourism sector: *local* government plus other public organisations having a direct bearing on resource allocation; tourism industry associations and sectors such as Chambers of Commerce, Convention and Visitor Bureaux, and regional tourism authorities, resident organisations (community groups); social agencies (e.g., school boards, hospitals), and special interest groups. “As tourism planners, it is important to consider the interests or perspectives of the different stakeholder groups as defined by the roles which they serve with regard to a particular development initiative” (Sautter and Leisen, 1999: 316).

From a stakeholder’s perspective, a destination can be seen as an open-social system of multiple, interdependent stakeholders. There are many reasons for such interdependence. According to D’Angella and Go (2009), many destinations suffer from a shortage of resources to develop the

appropriate tourism strategies. On the other hand, the fact that today's society is so largely interconnected makes destinations more vulnerable to disasters and events which are likely to cause a negative impact on the reputation of those destinations, both in the private and in the public sphere. This is why destinations need to share resources and knowledge if they want to remain competitive in today's society.

Furthermore, collaboration between stakeholders can have plenty of advantages (There are many potential benefits when stakeholders in a destination collaborate together and attempt to build a consensus about tourism policies):

- The ability to avoid the long-term costs of adversarial conflicts between interest groups (Anarboldi and Spiller, 2011; Saxena, 2005).
- It ensures a certain degree of local control, the sensible use of natural resources and responsible promotion campaigns which support socio-economic growth in the region as well as environmental sustainability (Saxena, 2005).
- The opportunity to pool resources from several actors (Anarboldi and Piller, 2011).
- Collaborative relations may be more politically legitimate if they give stakeholders a greater influence in the decision-making which affects their lives. This collaboration improves the coordination of policies and related actions, and promotes a consideration of the economic, environmental, and social impacts of tourism (Bramwell and Sharman, 1999).

Nevertheless, it is also necessary to admit the existence of several drawbacks such as the greater level of complexity when it comes to decision-making, which can delay the process; the correct identification of stakeholders, or their participation capacity (Anarboldi and Spiller, 2011). In fact, the stakeholders themselves detect many risks when they collaborate with other groups. For instance, D'Angella and Go (2009) mention as drawbacks the financial risks (due to the money contributions that they might have to make), the risk involved in sharing information and knowledge and, finally, the risk of losing independence in terms of decision-making. However, cooperation does not necessarily have to be associated with these inconveniences. If properly managed, cooperation can lead to a higher degree of mutual learning derived from the possibility to access the resources and capabilities of the other collaborators (Hamel et al., 1989; Hamel, 1991; Doz and Hamel, 1998). This will most probably generate synergies and increase the destination's global competitiveness.

In short, tourism planners should take into consideration the strategic orientations as well as the needs of every interest group before making any decision and undertaking any efforts. "As congruency across stakeholder orientation increases, so does the likelihood of collaboration and compromise" (Sautter and Leisen, 1999: 316). Therefore, cooperation between interest groups will most probably "help in achieving policy goals and strengthening processes of sustainable tourism at the destination level; these can help in informing future tourism development policies" (Saxena, 2005: 279).

The following section focuses on analysing the perception of the tourism business sector taking as a reference the opinions expressed by the representatives of business associations at the Costa Blanca about the level of cooperation existing between the different groups involved in tourism, amongst other aspects. The results obtained along with the suggestions made by the interviewees can serve as the basis for the adoption of a series of measures meant to promote cooperation or improve the relationships between the different tourism agents, which are so important for the region examined.

3. RESEARCH METHOD

The study presented below is placed within the framework of the *II Jornadas Empresariales de Turismo de la Costa Blanca* [2nd Costa Blanca Tourism Business Workshop] held during the year 2010, which were possible thanks to the joint initiative of the *Cámara Oficial de Comercio de Alicante* [Official Chamber of Commerce of Alicante] and the *Instituto Universitario de Investigaciones Turísticas de la Universidad de Alicante* [Tourism Research Institute of the University of Alicante].

The seminar was organised through encounters in round tables with entrepreneurs of a single tourist activity sector and chaired by a representative of the academic world. The importance of these working sessions lies not only in the possibility for a specific activity sector to take an introspective look but also in the chance to share a joint view on global aspects of the destination which go beyond the tourism sector itself (infrastructures, public services, tourism promotion and image...). Likewise, the fact that the participating business associations come from different geographical areas inside the province provides a great variety of business models with differentiated problems and interests, hence the need for the agents involved in tourism to share the same strategic approach and join forces in order to achieve a number of common objectives. Nevertheless, these seminars are not only conceived as a way to exchange information; their actual goal is to serve as the basis for the implementation of specific actions required for each activity and facilitate decision-making by the public administrations and private enterprises in the tourism context. With this aim in mind, a decision was made to disseminate the sectorial information among all the participating sectors, from the organisation of a joint working session where the public administrations concerned were present too.

Nine tables have been organised so far, representing the most important sectors related to tourist activity in the Alicante province, namely: tourist apartments, campsites, inland tourism, transportation, travel agencies, specific forms of tourism (golf, nautical, theme parks...), conference organisers and incentives, catering and hotels. Representatives of the most relevant associations at the provincial, regional and local level for their connection to tourist activity were invited to take part in each sectorial table. In this way, a total figure of 48 business associations was reached, with 72 participants representing them.

3.1 Methodological development of the working sessions

In the course of each working session, the academic coordinator directed the debate between the participants towards a number of key aspects which had as their starting point the conclusions reached in the working sessions held during the previous edition. The purpose sought was to carry out a longitudinal study through the analysis of the perceptions about the evolution of tourist activity at the Costa Blanca during the time elapsed since the celebration of the first sessions. Similarly, an effort was made to check the degree of implementation of the suggestions and actions collected there both regarding specific sectors and in terms of public-private collaboration. All of this had as its aim to identify new needs and translate them into specific proposals with priority levels assigned to them. A questionnaire which could be completed anonymously was additionally administered to the participants for the purpose of collecting a more personal assessment about the situation of tourism at the Costa Blanca.

3.2 Description of the questionnaire provided and response level

The questionnaire was structured in its first part as a set of generic questions about the perception of the tourism sector at the Costa Blanca and its possible negative aspects. After that, the entrepreneurs were more specifically asked to express their views in relation to various aspects such as the public-private cooperation level, the maturity and possible decline of the sun-and-beach tourism model, the opportunities detected, the suitability of recent local, regional and national policies, as well as the future prospects for the evolution of the sector. The last group of questions focused on the compilation of specific proposals which provided a solution to the difficulties identified and the establishment of priorities within the action lines. The last question included in the questionnaire involved a critical self-evaluation about the aspects linked to each participant's own activity sector, among which stood out the level of cooperation between enterprises in that sector (or across different sectors).

A total of 54 questionnaires were collected, the data of which were exploited using the SPSS statistical tool. Although the results cannot be extrapolated to the whole Costa Blanca business sector, they do provide interesting trends and opinions which can prove useful both for entrepreneurs

and for the administrations in the tourism context. Some of the most significant results from this study obtained after the statistical analysis of the completed questionnaires are presented below.

3.3 Analysis of the results obtained from the questionnaire administered to participants

The business sector interviewed thought that the situation of the tourism sector at the Costa Blanca was largely influenced by the recessive economic process which was affecting the economy in general at that moment (53.7% of the opinions collected) and which compromised the good operation of this sector to a great extent. According to an equally important proportion of interviewees, in addition to the difficult economic situation, there were structural problems in the tourism sector which prevented it from achieving positive results. Thus, the problems most often mentioned by the entrepreneurs are those listed below.

Table 1: Ranking of the most important problems perceived by tourism entrepreneurs at the Costa Blanca

Detected problems	Responses %
Lack of innovation and renovation at destinations	90.7
Lack of promotion, obsolete models	59
Lack of infrastructures or need to improve the existing ones	46.3
Lack of support from the Administration (in financial aid, regulation...)	35.2
Lack of collaboration between public entities and the private sector and between tourism business sectors	33.3
Increased competition due to the emergence of new destinations	27.8
Lack of a strategic vision among political leaders	25.9
Entry of unqualified people into the profession, illegal competition	24.1
Unfavourable economic situation	20.4
Lack of professionalism in the tourism sector	16.7

As can be seen, the most outstanding problem identified is the lack of innovation and renovation at destinations essentially associated with the image, labelled as undifferentiated, excessively focused on the sun and beach product and closely linked to overcrowding and excessive urban development. The second most often mentioned problem on the list is the lack of promotion and the use of obsolete models at the distribution, which results in limited effectiveness when it comes to attract new demand segments. Other aspects mentioned refer to the lack of transportation infrastructures or the need to receive more economic support, or simply more information, from the administrations. Placed fifth on the ranking is the study object of this paper: lack of collaboration between the public and private sectors and between the actual firms belonging to the tourism sector when it comes to unify policies and strategies, offer package tours jointly, etc. Another of the aspects criticised by entrepreneurs has to do with the absence of a long-term strategic vision among the political leaders who manage public administrations. Finally, the respondents present a rather unfavourable scenario associated with external factors such as the economic situation or the growing competitiveness of new tourism destinations and internal ones like the low level of professionalism in the tourism sector as a whole or the unfair competition in specific sectors.

With regard to the measures suggested by the business representatives to improve tourism sector competitiveness levels, the following ranking of measures (table 2) was established according to how many responses identified each one of them as the most important.

It can consequently be verified that the entrepreneurs' priority when it comes to act lies in focusing on aspects related to the promotion and image of tourism destinations, with more creative promotion formulas, either reinforcing promotion in traditional markets or orienting it to other new, alternative emitting countries. A large number of respondents demanded as part of this need a higher degree of involvement by the private sector in the design of the promotion campaigns carried out by public administrations. And another improvement measure arising within this framework has as its aim to increase the level of public-private collaboration as well as that of intrasectorial and

intersectorial business cooperation (both between enterprises belonging to the same sector and between enterprises from different sectors).

Table 2: Ranking of measures perceived as necessary by the tourism business sector at the Costa Blanca

Measure	Responses %
More creative formulas for the promotion of tourism destinations	72.2
Offering a renovated image of tourism destinations	59.3
Intensifying promotion in the traditional emitting markets	57.4
Greater investment in modernisation and investment in the sector	55.6
Searching for new market segments and other countries	53.7
Focusing on the quality of both firms and destinations	50
More effective public-private collaboration formulas	48.2
Greater collaboration between tourism business sectors (with one another and with other sectors outside tourism)	40.7
More effective environmental policies both on the part of the Administration and by the firms operating in this sector	9.3

The specific analysis about the level of coordination between public bodies and private agents perceived by the business representatives shows that a vast majority of respondents considers that level insufficient and ineffective.

Table 3: Public-private coordination level

Coordination level	Positive responses %	Negative responses %
Sufficient	20.4	79.6
Effective	19.2	80.8

As for the degree of cooperation between firms within the same activity sector, the critical assessment obtained by sectors was generally low, the travel agency sector being the one that considered that its firms cooperate with one another to a lesser extent. Instead, the sector represented by the Organisers of Conferences, Conventions and Incentives was the one that best valued its level of cooperation and collaboration with other enterprises belonging to the same activity sector.

Table 4: Self-assessment of the intrasectorial cooperation level

Activity sector	Average Score
Conference organisers	6.2
Hotels	5.5
Restaurants	5.4
Inland tourism	5.4
Campsites	5.2
Transportation	5.1
Apartments	5
Specific forms of tourism	3.5
Travel agencies	3.3

Seeking to find positive aspects and opportunities in the adverse context of the recessive economic situation worldwide, an attempt was made to check if entrepreneurs perceived any opportunities or not. It was indeed verified that, according to 68.6% of the participants, the unfavourable situation offered improvement opportunities (Fig. 1).

These opportunities were associated with the possibility of making greater efforts to improve competitiveness, optimising labour productivity, developing a higher degree of creativity, and investing in R&D&i, amongst other aspects. Other opportunities are linked to the creation of new tourism offers, the search for new market segments or the strengthening of the supply which is complementary to the sun and beach product. Likewise, the difficult economic situation provides opportunities in areas such as innovation, creativity and efficiency in the promotional efforts of tourism destinations. A lower percentage corresponds to improvement opportunities in aspects like associationism and collaboration between firms in the sector. It is worth remembering that, as shown above, business cooperation allows firms to share costs, risks, resources and capabilities, which can represent an interesting strategy within the current economic context, especially for small and medium-sized enterprises, the most numerous ones within the Costa Blanca tourism network.

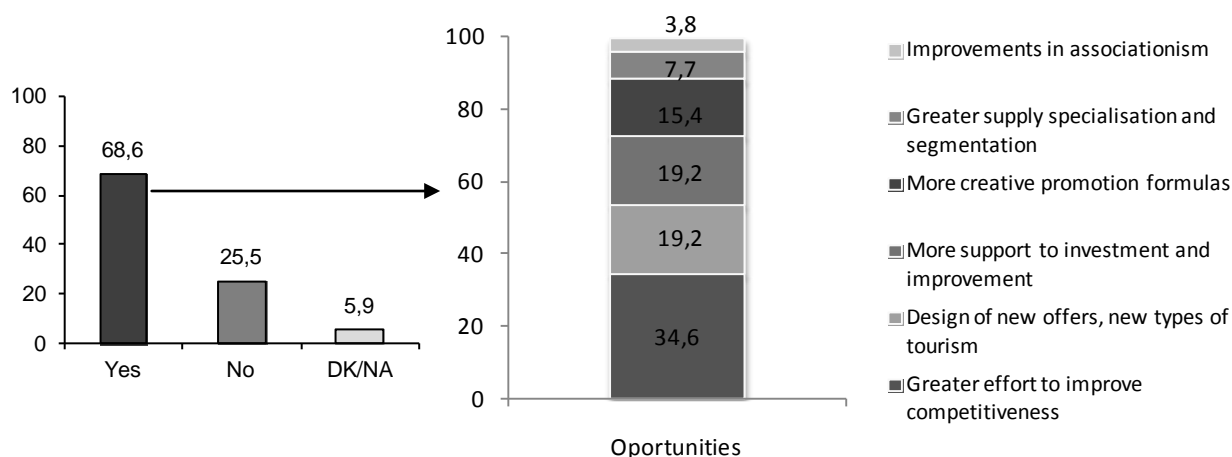


Figure 1: Opportunities perceived in the tourism sector context

Trying to specify priority action lines even more, the participants were asked to identify the 3 most urgent or necessary action lines. The results are collected in the following table.

Table 5: Action lines by priority order

Priority Level	Actions
Priority 1	Improving promotion (more investments, new strategies, brand unification...).
Priority 2	(A) Increasing tourism supply quality levels in order to improve the competitiveness of the Costa Blanca as a tourism destination and improve its image. (B) Improving collaboration both between entrepreneurs and between the public and private sectors.
Priority 3	Diversifying the supply through the development of new tourism products (inland tourism, conferences...) adapting to new market segments.

Observing the priority measures mentioned, it becomes absolutely clear that all of them implicitly involve the need for a greater and more effective cooperation –both in private and in public-private contexts. The improvement of promotion together with the increased quality and diversification of the tourism supply are improvements which can be achieved through higher degrees of cooperation between all the agents involved in the tourism sector. Therefore, proposal (B) is not only an action inherent to the other measures but also a necessary action to improve the competitiveness of the Costa Blanca tourism destination.

The discussion of results presented in the next section permits a more detailed collection of the proposals for the future made by all the participating entrepreneurs. These proposals can serve to consider actions required within the Costa Blanca tourism context which are very often based on previous empirical works.

4. DISCUSSION OF THE RESULTS OBTAINED AND IMPROVEMENT SUGGESTIONS IDENTIFIED

4.1 Tourism promotion and commercialisation

Starting by the most important priority aspect for the business sector in general, that is, tourism promotion and commercialisation, the Costa Blanca tourism entrepreneurs demand the public administrations (at all levels: central, regional, provincial and local governments) to achieve a number of aims, among which stand out: improving the time planning for promotional actions depending on the market or segment to which they are addressed; focusing efforts on priority markets and distinguishing between emergent and consolidated markets, using market research to a greater extent; improving the distribution of budget allocations for promotion among the different tourism subsectors, according to the weight of its activity and its degree of importance; increasing the efforts meant to make known the quality and variety of the Costa Blanca tourism supply. In this sense, a commitment is made to reinforce tourism brands at the Costa Blanca and to provide them with greater cohesion, as well as the launch of advertising campaigns that can deseasonalise the sector by offering products which represent an alternative to sun and beach. In other words, what the entrepreneurs are demanding is the use of tourism promotion as a strategic mechanism which needs to be coordinated with planning and management, and not only as a selling tool (Buhalis, 2000).

All these measures are accompanied by a demand of greater involvement by tourism entrepreneurs in the design of institutional promotion campaigns which are carried out from the regional and provincial authorities. Wang and Krakover (2008: 127) claim that “the fragmentation of the tourism industry and the complexity of destination marketing calls for a collective approach to destination marketing.” In this respect, the only known example of strategic alliance success on a local level, focused on the tourism promotion of Benidorm, a destination which is peculiar for its tourism magnitude as well as for the significance and initiative of its business sector. It is, therefore, the most recent and relevant case of cooperation where the public local administration and the private sector are working on the basis of common strategic objectives through the “*Fundación Turisme Benidorm*” [Benidorm Tourism Foundation].

4.2 Involvement in the design of tourism policies

Similarly, the entrepreneurs demand a greater presence of business people when making decisions that affect the destination, since many of them highlight the absence of a strategic vision in tourism matters among political leaders. Anarboldi and Spiller (2011: 650) detected in their study that “[t]he political members tended to take a short-term view.” “They are elected for a limited span of time, so they are preoccupied with planning for the next two years”. In turn, Anderson (1984) explains that organisations can significantly impact public policy and therefore should be included in policy analysis as well as studied in their own right. Saxena (2005: 288) equally states that all interest groups, among them business entrepreneurs, “help in achieving policy goals and strengthening processes of sustainable tourism at the destination level. These can help in informing future tourism development policies.” In this author’s opinion, it is necessary to ensure the participation of all interest groups in the political decision-making, as this will reduce power imbalances.

4.3 Greater support from the Administrations

Public administrations are equally asked to provide greater support in the area of subsidies through the creation of specific financing lines for the sector, more help for investments in R&D&i or more technological support. Dudensing et al. (2011) found that the entrepreneurs who took part in their

study had a more pessimistic perception than the administrations about the level of business planning help for local tourism business. In other words, the administrations are not aware of the fact that help policies are inefficient. They are additionally requested to improve the normative development of some activity sectors and to invest more in infrastructures, above all in the area of transportation, so that access to the different geographical contexts at the Costa Blanca from any market of origin can be made easier.

4.4 Access to key information for tourism-related decisions

Another of the requests made by entrepreneurs to the institutions refers to the creation of a regional-scope tourism observatory that can continuously study the tourism demand, offer reliable statistics and data and compile data on profitability levels together with other competitiveness variables, thus making it easier for entrepreneurs to adopt strategic decisions. This information should be available in an aggregated and disaggregated format by activity sectors, which would imply that enterprises should be willing to provide data about the operation of their business in return for the reception of extremely valuable information about other firms and about the sector as a whole. It would be interesting to promote the exchange of information between all the interest groups involved in tourism, creating what is known as collective learning communities (Schianetz et al., 2007). Furthermore, as Baun (2002: 13) points out, “network building is a major new source of competitive advantage and an essential regional and indeed global management requirement.” This information and learning exchange network could undoubtedly help to improve the global competitiveness of this sector and would entail a change in the business mind-set, based on trust between enterprises, prioritising the need for collective benefit over individual benefit, something that is not happening at present.

4.5 Increased cooperation between entrepreneurs

In the specific case of the Costa Blanca, the cooperation relationships perceived as the most important are those related to tourism marketing. In any case, this study stresses the need to increase cooperation between entrepreneurs as the only way to create a real learning network or community. Porter (1998) had already explained that a collective association like this is necessary to operate on a certain scale within an industry like tourism, characterised by the presence of a large number of small and medium-sized enterprises (SMEs). Baum and Svizas (2008: 786) also point out that “[t]ourism is a fragmented and diverse industry within the economy.” Paradoxically, fragmentation within tourism is reproduced through the organisations, since they are often organised on sectorial bases (Hotel Associations, Restaurant Associations, etc.). Preventing that fragmentation requires the reinforcement of the idea according to which the tourism industry is based on the complementariness between different businesses and sectors that form part of the destination value chain; this is the reason why it becomes essential to establish horizontal and vertical relationships between enterprises for the joint creation of tourism supplies and products. And it is in relation to this aspect that the Costa Blanca entrepreneurs perceive an insufficient degree of collaboration.

5. CONCLUSIONS

Destinations stand out as some of the entities which are most difficult to manage and promote due to the complexity of local *stakeholders* (Sautter and Leisen, 1999). That complexity is evident in the specific case of the Costa Blanca tourism destination because, to a great extent, the local business *stakeholders* do not share strategic objectives due to the peculiar characteristics of a sector which is dominated by small and medium-sized enterprises, which have an independent nature and are determined by the different tourism models developed in the provincial context. Furthermore, the present study has revealed a visible complexity in the tourism associative network, with a proliferation of local, regional or provincial associations, which comprise specific activity sectors or a number of different sectors. Although the level of associationism is high, the degree of real

cooperation and interaction between association members is far from optimum due, amongst other things, to mistrust when it comes to exchange knowledge and information, especially between similar firms.

The uncertainty for the future generated by the difficult economic situation, which is leading to a progressive and alarming reduction of public resources and business profitability, makes us forecast that collaboration and the search for synergies between tourism agents will no longer be a desirable goal, becoming a strictly necessary approach instead. The change in the strategic orientation must not only focus on boosting complementarity schemes within the business context but also on increasing cooperation between the public and private sectors. This cooperation must materialise in a greater degree of involvement by *stakeholders* in the decision-making processes which affect them. As suggested by Jamal and Getz (1995: 194) “a stakeholder who is impacted by the actions of other stakeholders has a right to become involved in order to moderate those impacts, but must also have the resources and skills (capacity) in order to participate.”

The present paper collects the perceptions of these interest groups (the entrepreneurs) about the evolution of the tourism sector at the Costa Blanca and about its level of cooperation and involvement. A questionnaire and several open debate sessions served to identify the main weaknesses perceived by the entrepreneurs as well as the solutions that they suggest and demand from the administrations, when the latter are responsible for the implementation of those solutions. In general terms, business entrepreneurs detect inefficiencies in destination promotion strategies, along with the widespread conviction that there is not enough cooperation between enterprises to offer a truly differentiated tourism product. They also highlight the lack of involvement by the business sector in the decisions and strategies of the provincial or regional administration and, therefore, deficient coordination levels between both of them. In order to change the existing situation, the entrepreneurs have suggested a number of measures, the suitability of which we have tried to justify taking as a reference previous theories and works. Some of the measures include trying to obtain more information from stakeholders to make easier the adoption of decisions that can affect them (passive participation of these groups, Jamal and Getz, 1995), as well as actively involving the groups most directly affected by a specific decision or action in the tourism planning of the destination.

The participating agents have suggested improvements, by way of recommendations, although we miss the existence of a strong determination and a true strategy for the actual execution of the proposals. This is so because some of them are complex and difficult to implement and their execution largely depends on the leadership assumed by the public administration. This study has permitted to check that the level of execution of the improvements suggested in the previous edition is relatively low and also that many of the proposals focused on the need to improve coordination had not led to specific actions during the time elapsed between the first and second edition of this seminar. Likewise, despite the existence of initiatives on a national, provincial and local scale (*Secretaría General de Turismo* [Tourism General Secretariat] and the *Federación Española de Municipios y Provincias* [Spanish Federation of Municipalities and Provinces] from a shared line of incentives) oriented towards the creation of new tourism destination management formulas –more precisely, mixed bodies which include the participation of the local Administration along with the business sector– few initiatives have been developed in the context of the Costa Blanca, with the aforementioned exception of the Benidorm tourism destination.

It can be inferred from the entrepreneurs’ opinions that a way to overcome some of the weaknesses described above would be the creation of true (vertical and horizontal) knowledge exchange networks, offering a real and effective collaboration as well. The strengthening of these networks should be promoted through institutional mechanisms and, although it can be conceived on a local scale, we should not discard the creation of other micro-clusters by specific geographical areas or tourism products within the provincial context. Preceding studies highlight how the networks and clusters have helped to understand the implications of the innovative practices undertaken by small and medium-sized enterprises from cooperation and alliances, to identify the

opportunities offered by the interactions of enterprises in the coastal, urban and rural contexts, and to stress the importance corresponding to the sustainable use of local resources (Novelli et al., 2005) Rosenfeld (1997: 4) mentions a set of arguments supporting the suitability of promoting the creation of *clusters*, among which stand out: development of specialised services in one region, generation of demand for other enterprises, contribution to economic and local development, improvement of the R&D level, greater investments in specialised education, etc. –all of them aspects demanded by the Costa Blanca tourism business sector.

This participative methodology has undoubtedly served as a starting point to identify deficiencies in the operation of this sector and permits to establish future action patterns for the entrepreneurs and for the leaders of tourism institutions at the Costa Blanca. It would be particularly interesting to continue analysing the evolution of entrepreneurs' opinions while the sector is still suffering the effects of the economic crisis in order to check possible forward and backward steps in relation to the challenges faced.

Finally, the proposals for actions pose important challenges for the future, such as the need to apply governance –understood as a cooperative governing way characterised by a higher degree of cooperation and interaction between public and private actors so that the aims related to the renovation and maintenance of competitiveness in the area under study are truly shared. Authors such as Argote and Ingram (2000) believe that the knowledge of tasks and tools existing in human interaction provides the basis for the competitive advantage of enterprises and that is precisely the most important challenge for the Costa Blanca as a tourism destination: making sure that there is an optimum relationship between enterprises and between these and public administrations, so that the interaction can lead to collective learning and knowledge transfer as the only way to favour innovation processes and the development of competitive advantages.

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