The tourism transformation process: an inquiry into the three main process phases

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Introduction

Over the last century many economies have transformed towards tourism and, particularly at a local level, it has been viewed as a way to supplement income and deliver sustainable economic growth (Assimiliano & Azzanti 2002; Dieke 2003; Gartner 2004; Wittwer & Horridge 2007). However, local areas have generally been left to pursue transformation on their own and have lacked the leadership and long-term decision-making tools required to appropriately guide the sustainable development of tourism destinations (Kelly 2002; Sorenson & Epps 2003). Previous poor decision-making has been attributed to a lack of knowledge surrounding how the transformation process occurs and a short-term strategic focus (Alexandra & Riddington 2007; Mishler & Rose 2007). In Australia, tourism is now a significant and influential sector in many regions (Carlsen 1999; Russell & Faulkner 1999), but the industry continues to lack the destination management models required for sustainable tourism destination development (Department of Tourism Fair Trading and Wine Industry Development & Tourism Queensland 2006; McLennan & Ruhanen 2008). To address this gap, this research aims to develop a quantitative model to explain tourism transformation by investigating whether a region's triple-bottom-line structure and institutions' change as the tourism system transforms from an inception to urban system. If they change, the study seeks to identify institutional and structural factors that are changing and how they are changing.

Literature

Transformation theory has been defined as the long-term process of structural shifts that result from changes in institutions (Geels & Kemp 2007; Seliger 2002). Institutions are collective human-designed action (Geels & Kemp 2007), such as government strategies, plans, policies or laws, business or industry norms, social norms, cultural beliefs or the general patterns of consumer behaviour. Institutions are commonly proposed as important underlying factors in tourism development and are often noted as areas requiring further research (Agarwal 2002; Breakey 2005; Saarinen 2004; Scott 2003). For example, Scott (2003) suggested that different stages of tourism destination development are not the same, but are rather more complex due to the influence of human agency and argued this element requires further investigation.

Transformation theory gained some prominence in the tourism destination literature for its holistic and flexible approach to strategic destination management (Pavlovich 2003). The literature indicates that time lags often occur between current action and possible impacts or consequences implying a long-term perspective to development (Alexandra & Riddington 2007; Ogburn 1965; Theocharous 2004). Furthermore, the literature suggests system learning and maturity are key factors in institutional development (Farrell & Twining-Ward 2004; Khadaroo & Seetanah 2007; Prideaux, Laws & Faulkner 2004; Schianetz, Kavanagh, & Lockington 2007). Transformative 'system learning' theory suggests that a system can 'learn' to adjust and adapt to systematic changes and paradigmatic shifts in its environment. Learning occurs by changing processes, values or institutions that allow greater stability or more directed change (Argyris & Schon 1996; Senge 1990). System learning has been identified in tourism by numerous researchers (Agarwal 1997; Farrell & Twining-Ward 2004; Khadaroo & Seetanah 2007; McNutt & Oreja 1996; Prideaux *et al*. 2004; Schianetz *et al*. 2007; Vail & Heldt 2000). New techniques in Organisational Learning theory have been evolving to quantitatively measure this more qualitative information (Spitzer 2007).

The tourism transformation theory has been used in a variety of contexts and the literature is not well synthesised. Furthermore, a number of areas are under researched, including cyclical time concepts, spatial differences beyond coastal tourism destinations and institutional factors that drive structural change. While

economic transformation is more often readily observed at the local level for its negative impacts on a community's income and employment (Adams, Dixon & Rimmer 2001; Milne & Ateljevic 2001), review of the literature indicated a lack of knowledge surrounding how structures and institutions interact as a local region undertakes tourism transformation (Agarwal 2002; Rodriguez, Parra-Lopez & Yanes-Estevez 2008; Scott 2003). Indeed, while the literature hypothesises that a region's development stage can determine its structural and institutional patterns and its ability to cope with particular shocks (Buhalis 2000; Woollett 2007), review of the pertinent tourism, economic and systems' literature failed to reveal a single study which quantitatively confirmed this supposition. It is imperative that quantitative decision making tools are devised to guide long-term local level tourism development.

The literature review which explored the key tenets of transformation theory within the tourism, economics and systems literature allowed for the development of a theoretical framework to support this research (Figure 1). Broadly, the transformation literature debates concepts surrounding four key dimensions of time, space, structure and institutions (Agarwal 2002; Breakey 2005; Carlsen 1999; Gale & Botterill 2005; Hafsi & Zhilong 2005; Nepal 2007; Saarinen 2004; Zomeni, Tzanopolos & Pantiz 2008).
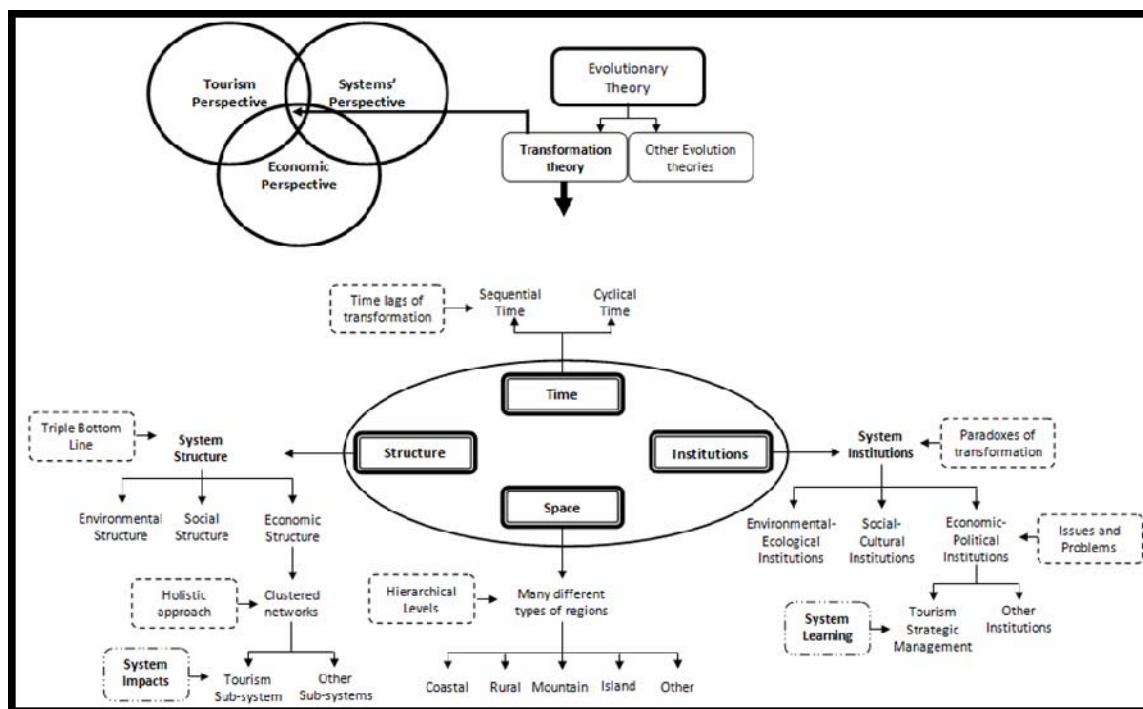

Figure 1. Theories and Concepts Underpinning this Research

Method

This study is using a nested mixed model research design (Figure 2). This ensures the research question is fully answered, supports and justifies the applied economic work, delivers clearer and more insightful results and reduces constraints associated with assumptions and methods (Creswell 2003; Morse 2003; Teddlie & Tashakkori 2003).
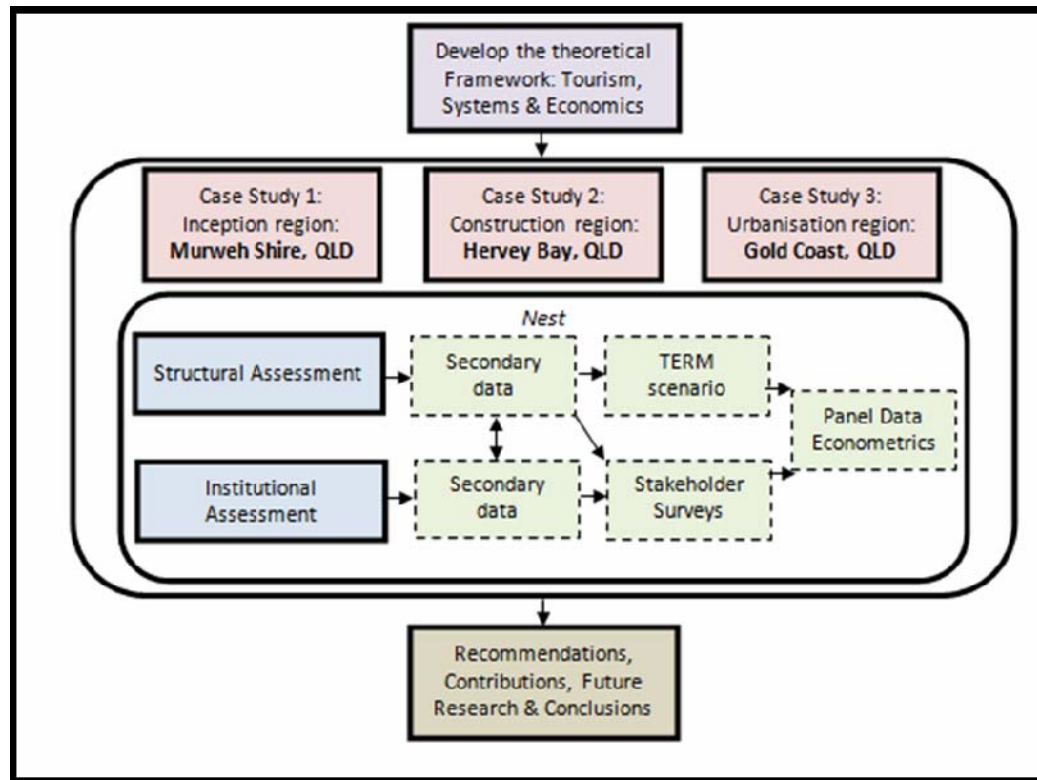
Figure 2. The Research Process

The overarching method is case studies with the region selection following a similar study undertaken by Alexandra and Riddington (2007) which qualitatively assessed tourism transformation in three diverse Australian regions. The three case study regions are Murweh Shire, Hervey Bay City and Gold Coast City (Figure 3). These were all selected from within Queensland (Australia) to minimise spatial differences associated with state government policies. The selection process ranked and classified the Queensland local government areas using secondary statistics and was supported by a qualitative assessment of each region. Murweh Shire was selected due to its small agriculturally dominated economy and constrained access, Hervey Bay was selected due to its rapid tourism growth driven by population increases and the Gold Coast was selected as it is a mature tourism city that has been heavily researched. This study views 'time' as the progression along the development spectrum (i.e. cyclical time) and holds calendar time fixed (Falcetti, Lysenko & Stanfey 2005; Falcetti, Raiser & Stanfey 2002; Metelska-Szaniawska 2008).

Each case study region will be subjected to a standard nested design that involves secondary and primary data collection and the development of two models. The first model is required as there is limited economic information at the local government area. To generate the economic data, the researcher will build on a highly disaggregated and region specific economic model called 'The Enormous Regional Model' [TERM] (Horridge, Madden & Wittwer 2004) to develop a tourism model to be called TRANSTERM[1]. TRANSTERM will provide valuable tourism economic information on the regions, however, to fully answer the research question this structural information needs to be combined with institutional, social and environmental data that is being obtained from the primary data collection which builds on Spitzer (2007). This will be undertaken through a weighting process which will combine the data within a single panel dataset that can be analysed via econometrics.

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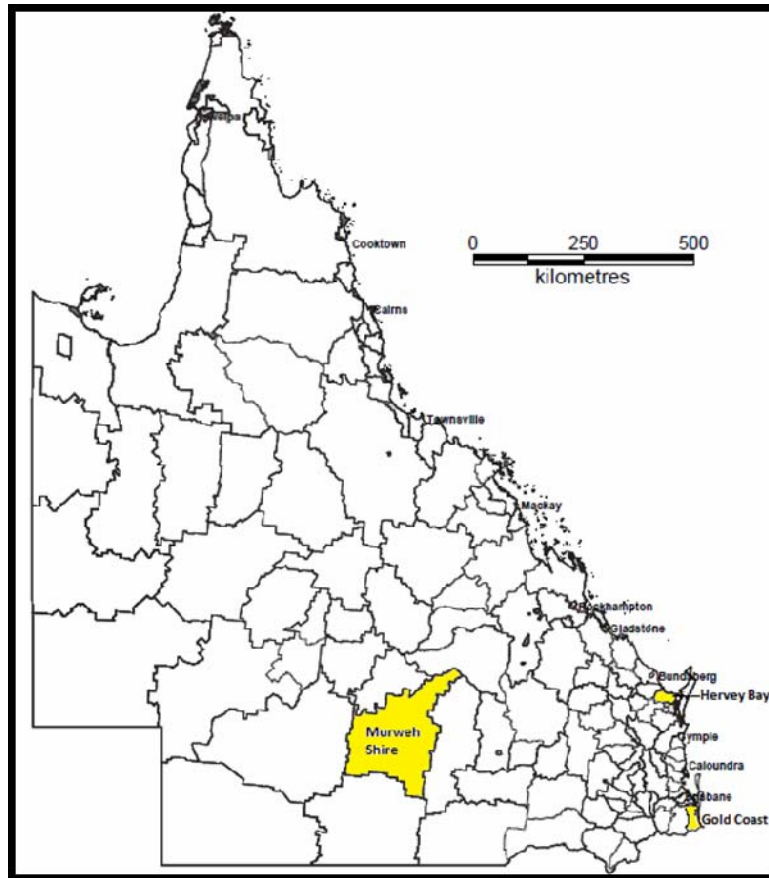
Figure 3. Map of Queensland showing Case Study Regions. Adapted from: Queensland Government (2008)

Conclusion

Transformation theory explains the dynamic interaction between institutions and structure, yet review of the literature indicated that there is more to learn about how these elements interact over the long-term. While emerging as a significant tourism paradigm, transformation theory requires further research and development to aid and enhance strategic decision making. A clear gap is at the local government area level where there is increased need for decision-making, but a lack of quantitative tools, incorporating both structure and institutions, to guide the process. The literature highlights that institutions either deliver or hinder structural development and thus it is essential that they are incorporated in structural change models. The next steps for this research are to finalise surveying in the case study regions, develop the TRANSTERM model and generate the data. Following this, the data will be combined and weighted into a single panel data set for analysis and modelling, with key findings being published in tourism journals. This will result in the development of a scenario model which can help guide tourism destination development over the long-term.

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