Viable destination ecosystems: a perspective article

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Abstract

Purpose This paper provides a brief review of the literature on interorganizational relations in tourism over the last 75 years to understand the emerging focus on destination ecosystems. Based on these developments, the paper points to some issues that future research should consider.

Design/Methodology/Approach This selective review provides building blocks for a contemporary view of destination ecosystems, and the possibilities for promoting research on their viability.

Findings Research on relationships between tourism firms considers co-operation as important and provides knowledge and theory that is complex addressing a vast range of foci. Future research should attempt to integrate emerging trends using meta-theory and possibly programmatic research.

Research limitations/implications This paper is brief in reviewing past trends to identify a few core areas for future directions in destination research and suggests how this might be undertaken. However, this short paper is not exhaustive.

Practical implications This paper directs attention to core aspects of destination ecosystems that (destination) managers and public sector representatives should consider in their decision-making to improve viability.

Social implications Social and environmental dimensions are explicitly addressed as important for destination ecosystem viability.

Originality/Value The paper points to some directions that future research and knowledge development should consider to develop conceptual and actionable knowledge further to promote viability in destination ecosystems.

Keywords Destination management, interorganizational relations, destination planning, sustainability, multilevel research, institutional context.

Paper type Short review paper/Perspective article

Introduction

A destination is defined as a 'geographical, economic, and social unit consisting of all those firms, organizations, activities, areas and installations which are intended to serve the specific needs' of the tourist (Flagestad and Hope, 2001, p. 449). The actors that partake in the complex co-production of the destination product (such as transportation firms, hotels, restaurants, activity providers, museums, infrastructure providers, local authorities) are interdependent in their value-creating activities (Fyall and Garrod, 2019). Because destinations typically compete with other destinations, the attractiveness of the composite total product becomes a constant critical factor (Hu and Ritchie, 1993; Smith, 1949). Given the distribution of destination resources across firm boundaries and the specialized roles different actors take in the co-producing process, they are likely to benefit from integrated and co-ordinated action (Fyall and Garrod, 2019; Haugland et al., 2011). As tourists engage, they partake in co-creating their unique experiences (Prebensen et al., 2013).

A *destination ecosystem* is defined as a self-adjusting system of interdependent value-creating actors that partake in combining and integrating resources in activities that provide a multitude of composite offerings a tourist can experience, and co-create, within a shared institutional context. *Institutional context* refers to the 'rules, norms, meanings, symbols, practices, and similar aides to collaboration' that guide interaction (Vargo and Lusch, 2016, p. 6). *Viability* in this context goes beyond generating profit in a narrow sense and refers to a destination's collective long-term ability to deal with change and maintain activity that creates value sufficient to uphold the ability to compete effectively with its competitors and to make a profit without compromising the social and environmental resources.

Sustainable development refers to development that 'meets the needs of the present without compromising the ability of future generations to meet their own needs' (WCED, 1987, p. 16). Resilience refers to a system's ability to cope with change, maintain services

despite stress and turbulence, and recover through adaptive capacity (Becken, 2013; Lew, 2014). Sustainability is implicit in the definition of viability (Formisano et al., 2018), and viability also depends on resilience (Béné and Doyen, 2018).

This paper briefly tracks how we got to ecosystems, and where we might go from here to develop knowledge and achieve innovation that promotes sustainable, resilient, and ultimately viable destination ecosystems (Butler, 2019; Costa, 2019; Fyall and Garrod, 2019; McLoughlin and Hanrahan, 2019; Nunkoo et al., 2019; Ruhanen et al., 2019,).

Past perspective 75 years of developments 1946–2020

Ecosystems have been defined in slightly different, yet consistent, ways as illustrated in Table 1.

<<< Table 1 about here >>>

Real-world issues, such as destination development, marketing, and management have for many decades attracted scholarly interest. Bernecker (1956) and Sauermann (1956) recognized that co-operative relations between industry actors are paramount, even in the face of (partly) adverse interests and competition. Associations for industry actors were established and researched (Bridges, 1956). Interdependence attracted interest (Kaspar, 1967), as did the integration and distribution of packages through travel agents (Burkart, 1971), and Lundgren (1979) studied the tourism product as cross-border systems. Wahab (1975) addressed public–private relationships at the destination.

Approaches to destination issues are plentiful: the part–whole relationships (Jafari, 1983), stakeholder perspectives (Presenza and Cipollina, 2010), supply chain perspectives (Haukeland, 1995; Zhang et al., 2009), and triadic relationships (Sheehan et al., 2007). Mwesiumo and Halpern (2019) document how the literature on interorganizational

relationships in tourism has expanded quickly since the last half of the 1990s, including research on networks (Scott et al, 2008), and network dynamics in regional destination contexts (Aarstad et al., 2015; Aarstad et al., 2018). Perspectives have developed towards more complex and collectively oriented theories, where a range of private and public actors interact, pointing towards destination ecosystems (Fyall et al., 2012; Fyall and Garrod, 2019; Ness et al., 2014).

The focus on the viability of ecosystems is rooted in research on resource use and environmental awareness (Akoglu, 1971), eco-tourism and sustainability (Hudman, 1991), and resilience in tourism (Lew, 2014; Saarinen and Gill, 2018). Schertler (1994) and Buhalis (1996) addressed the strategic implications of ICT, and technological innovations have created disruptive change that enhances improved resource use and promotes viability (Buhalis et al., 2019). This includes sustainable business and regulatory practices in destination ecosystems (Boes et al., 2016; Gretzel et al., 2016). The combination of ICT and human and social capital enable leadership and innovation (referred to as hard (ICT) and soft smartness) critical for ecosystem development (Boes et al., 2016).

In terms of interaction processes, ecosystem perspectives acknowledge the need for collaboration between actors, often in triple helix projects, but also the need for stakeholder coopetition (Boes et al., 2016; Vargo and Lusch, 2016). The low cost of computing and the abundance of information and experience options increase the complexity of destination ecosystems (Buhalis, 2020). Furthermore, the widespread use of smartphones changes consumer and business-to-business behaviour alike (Buhalis et al., 2019). Various stakeholders such as authorities, Destination Marketing Organizations, firms, organizations, local residents, and tourists alike face urgent environmental, social/cultural, institutional, technical, and economic challenges and possibilities (Baggio and Chiappa, 2013; Boes et al., 2016; Gretzel et al., 2016; Nunkoo et al., 2019).

Future perspective 75 years 2020–2095

'Though it may be true that a new world is arising from the ashes of the old, it is with the ashes that practical people are now chiefly concerned' (Bridges, 1946, p. 13).

Destination viability, and how to improve this at the ecosystem level, is a key concern for tourism destination research, as well as related areas such as place, urban, and regional development (Butler, 2019; Fyall and Garrod, 2019; McLoughlin and Hanrahan, 2019; Nunkoo et al., 2019). To advance knowledge related to viable destination ecosystems we need to address some core related research areas.

First, we need to focus on the full range of stakeholders and (organizational) actors that partake in providing the destination product. Research needs to take a close interest in their interactions, role specialization, interdependency, co-ordination, and resource integration efforts (Ness et al., 2019), and the effects on the destination ecosystem's long-term ability to compete effectively.

Second, we need research to complement traditional supply-side perspectives and focus on local residents' quality of life and the tourist(s) that partake in the co-creation of their experiences (Femenia-Serra et al., 2019; Fyall and Garrod, 2019; Prebensen et al., 2013). By addressing the perceptions and behaviour of both local residents and tourists, we are likely to develop deeper knowledge related to the need for flexibility in tailoring of the destination product (including standardization issues, consumer self-service, and the role of so-called sharing economy actors), making better use of destination resources, and promoting more viable ecosystems.

Third, we need to focus on the institutional context and framework conditions that define, specify, and regulate governance and planning practices that promote viability (Costa, 2019; McLoughlin and Hanrahan, 2019). The institutional context and framework conditions,

including legal aspects, are core dimensions of ecosystems and represent an important resource with a huge potential impact for viability. Used strategically, they can help successful implementation and diffusion of practices that support viability through joint learning processes, knowledge transfer, imitation, and mimicry (Aarstad et al., 2018; Ness et al., 2014).

Fourth, we need to focus on technology, and the development of dynamic destination capabilities needed for its implementation and use (Femenia-Serra et al., 2019; Haugland et al., 2011; Tham and Huang, 2019). In particular, the ubiquitous smartphone, and tourists' willingness to share (and contribute to big) data to improve their real-time and 'nowness' experiences are important (Buhalis and Sinarta, 2019; Femenia-Serra et al., 2019). Today's technology promotes new resource development (e.g. apps, data, and information useful for decision-making, new resource constellations), increased sustainability in resource use (e.g. transportation, visiting times, reduced duplication of efforts), and forecasting to improve resilience. In short, technology enhances efficiency in value-creating activities and reduces the risk of value destruction (Boes et al., 2016; Femenia-Serra et al., 2019; Fyall and Garrod, 2019; Sthapit and Björk, 2019). Last, but not least, technology (including ICT), contribute to viable destination ecosystems through integration and co-evolution with the above three areas.

This calls for systematic research supporting deliberate and knowledgeable managerial practice. Given the complexity of ecosystems, research should consider multilevel approaches to address relationships between (two or more) different levels of analysis (e.g. organizational level, dyadic, triadic, destination, regional). This can be achieved through combining, for instance, structural approaches (such as network data or secondary data on regional characteristics) and survey designs. Given that viability is achieved in the long term, causality and data to uncover it need to be prioritized. Processual and longitudinal studies, field experiments, and the use of instrumental variables might support such endeavours.

Furthermore, both mixed-method and multi-method research are encouraged. Concepts, definitions, and measures should be consistent (to the extent possible). Because such designs tend to be complex and require rich resources, programmatic research projects may be useful in addressing these complex issues.

There is a need for appropriate meta-theoretical perspectives that can serve as frameworks for knowledge integration to generate new knowledge and potentially also promote cross-disciplinary insights. In addition to the above, many emerging technologies have multilevel implications that have a profound impact on business models, innovation systems, and actor interdependence and interactions. Research and development of knowledge should be exploring systemic dynamics, structure–agency problems, and other part–whole issues related to ecosystems. Mid-range and specific theories should be applied to provide sufficient empirical focus and delimitation. Finally, replications, and thoughtful and well-executed studies with non-findings, should be published to provide more accurate information for all actors involved. In doing so, the viability of destination ecosystems may hopefully improve.

Conclusions

The last 75 years have dramatically changed tourism and tourism research. Perspectives have grown in complexity from a general idea of co-operation to today's ideas of complex networks and ecosystems. Furthermore, a naïve post-WW2 focus on resource use has developed into thinking that resource allocation needs to promote sustainable value-creation and viability of destination ecosystems in a vulnerable world. As technology disrupts, this calls for new possibilities and research agendas.

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Table 1. Definitions of ecosystems

"groups of firms that produce products or services that together comprise a coherent solution"	Hannah and Eisenhardt (2018, p.3164)
"a relatively self-contained, self-adjusting system[s] of resource-integrating actors"	(Peters, 2016, p.2999, Vargo and Lusch, 2011)
"a complex, self-adjusting system of resource integrating actors connected by shared institutional arrangements and mutual value creation"	(Koskela-Huotari et al., 2016, p.2964, Vargo and Lusch, 2016)
"a vast range of stakeholders that ultimately collaborate to create value for themselves and others"	(Boes et al., 2016, p.109)
"a networked system which comprises the buyers, suppliers and makers of certain products or services, the socio-economic environment, including the institutional and regulatory framework ... complemented by a technological infrastructure aimed at creating a digital environment for the networked organizations that supports the cooperation, the knowledge sharing, the development of open and adaptive technologies and evolutionary business models"	(Baggio and Chiappa, 2013, p.2) Note that this definition refer to a digital business ecosystem (DBE)

Ecosistemas de destino viables: un artículo en perspectiva

Resumen

Propósito El documento proporciona una breve revisión de la literatura sobre relaciones interorganizacionales en turismo durante los últimos 75 años para comprender el enfoque emergente en los ecosistemas de destino. Con base en estos desarrollos, el documento señala algunos temas que la investigación futura debería considerar.

Diseño / Metodología / Enfoque Una revisión selectiva proporciona bloques de construcción para una visión contemporánea de los ecosistemas de destino y las posibilidades de promover su viabilidad.

Recomendaciones Si bien las primeras investigaciones sobre las relaciones entre las empresas de turismo consideraron que la cooperación era importante, con el tiempo la investigación ha proporcionado conocimientos y teorías que son mucho más complejas al abordar una amplia gama de focos. La investigación futura debería intentar integrar las tendencias emergentes utilizando la metateoría y posiblemente la investigación programática.

Limitaciones / implicaciones de la investigación El estudio es breve al revisar las tendencias pasadas para identificar algunas áreas centrales para futuras direcciones en la investigación de destinos y sugiere cómo se podría llevar a cabo. Sin embargo, el papel corto no es exhaustivo.

Implicaciones practices El documento dirige la atención a los aspectos centrales de los ecosistemas de destino que los gerentes (de destino) y los representantes del sector público deben considerar en su toma de decisiones para mejorar la viabilidad.

Implicaciones sociales Las dimensiones sociales y ambientales se abordan explícitamente como importantes para la viabilidad del ecosistema de destino.

Originalidad / Valor El documento señala algunas direcciones que la investigación futura y el desarrollo del conocimiento deberían considerar para desarrollar aún más el conocimiento conceptual y práctico para promover la viabilidad en los ecosistemas de destino.

Palabras clave Gestión de destinos, relaciones interorganizacionales, planificación de destinos, sostenibilidad, investigación multinivel, contexto institucional.

Tipo de papel Artículo de revisión breve / artículo en perspectiva