ASSESSING THE IMPACT OF STAKEHOLDER ENGAGEMENT ON PERCEPTIONS OF DMO PERFORMANCE

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Given the fragmented nature of the tourism industry, promotion and marketing of destinations are typically managed by a central firm known as a Destination Marketing Organization or Destination Management Organization (DMO). There is a consensus in the literature that the involvement of a variety of stakeholders is a fundamental requirement of good DMO governance, and it has been suggested that increased stakeholder engagement may contribute to the efficiency and performance of the DMO. This study explores this theme, with the aim of determining the impact of stakeholder engagement on satisfaction and perceptions of DMO performance. The research outcomes illustrate that, in practice, relationship management is a much more organic process than that suggested by the structures of a stakeholder management model, though the model does provide a useful starting point. The research also presented interesting perspectives on resource dependency theories, and placed considerable emphasis on the importance of effective communication as a decisive factor of organizational success.
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Introduction

Given the fragmented nature of the tourism industry, promotion and marketing of destinations are typically managed by a central firm known as a Destination Marketing Organization or Destination Management Organization (DMO). There is a consensus in the literature that the involvement of a variety of stakeholders is a fundamental requirement of good DMO governance, and it has been suggested that stakeholder engagement may contribute to the efficiency and performance of the DMO. The aim of this research is to determine the impact of stakeholder engagement on satisfaction and perceptions of DMO performance. Three objectives were identified to meet this aim: 1) Identify and determine stakeholder groups, 2) Determine how different groups are engaged with the DMO, and 3) Compare satisfaction across the groups.

While previous studies have been underpinned by an assumption that more interactive engagement is required for those stakeholders deemed as most important, there has been little examination from the point of view of stakeholders themselves. Building on the work of Savage et al., this research proposes an expanded management model, incorporating the concepts of participation and involvement to capture the breadth of stakeholder engagement in the destination setting. Gaps and synergies with the literature are identified in an attempt to bridge theory with practice. This research has important management implications for DMOs, and can be used as a starting point for future studies.

Literature review

Stakeholder Identification and Salience

The organizational structure of the destination is comparable in many ways to that of the firm, with its broad range of tourism businesses and service providers under the umbrella of the DMO. Freeman asserts that firms must balance the needs of the multitude of actors who are impacted by the firm’s actions. In the tourism setting, where a wide variety of actors are dependent on how the destination is marketed, the stakeholder model is particularly appropriate.

Numerous definitions of what constitutes a stakeholder exist, with Freeman’s broad definition, “any group or individual who can affect or is affected by the achievement of the organization’s objectives”, frequently the starting point of discussion. But despite the empirical reality that virtually anyone can affect or be affected by an organization’s actions, in practice, all stakes are not equal. Mitchell, Agel and Wood use the concepts of power, legitimacy and urgency to identify categories of salience, with the most salient the “definitive stakeholder”, who has an urgent claim against the firm, the power to enforce its will on the organization and who is perceived as legitimate in exercising its power. Where this is the case, they argue, management has a clear and immediate mandate to give priority to the stakeholder’s claim.
Another model put forth by Savage\textsuperscript{xv} emphasizes not just the stakeholder’s potential to threaten, but also its’ potential to cooperate with the organization, with the assessment process likened to the development of best and worst-case scenarios. A recent contribution by Ford et al.\textsuperscript{xvi} explored these, as well as the aspects of mission congruence and the ability to influence the allocation of critical resources.

**Resource Dependence & Potential to Threaten**

The theory of resource dependence is a central tenet of each of these models, and indeed, of stakeholder theory in general. Resource dependency is evidenced in tourism, where DMOs derive a majority of their funding from hotel room tax allocations or operating grants. Sheehan et al.’s study demonstrated that those stakeholders perceived as having the highest potential to threaten the DMO were those who had the ability to withdraw key financial resources. The study also identified that DMOs depend on its stakeholders for market knowledge and intelligence, product delivery, and participation in their programs. Research by the UNWTO supports these findings, concluding that DMOs depend on stakeholders for financial support, product development and infrastructure assets, and for access to skills in planning, management and service delivery\textsuperscript{xvii}.

**Potential to Cooperate**

A parallel function of resource dependence and the “potential to threaten” is the stakeholder’s potential to cooperate with the organization. The literature suggests that organizations that perceive a degree of interdependence and an alignment of objectives are likely to cooperate with others to achieve their goals\textsuperscript{xviii,xix}. Sheehan Ritchie showed that stakeholders depend on the DMO to have an understanding and special knowledge of broad tourism trends, and an expectation that the DMO will generate increased business\textsuperscript{xx}. Other incentives for stakeholders include increasing competitiveness, partnership opportunities and transaction cost motivations\textsuperscript{xxi}, as well as access to new markets, and the enhancement of credibility\textsuperscript{xxii}.

**Stakeholder Management**

More and more, DMOs are expected to take the lead in coordinating diverse stakeholder interests to ensure visitor satisfaction, and effective relationship management is integral. Jonker and Foster\textsuperscript{xxiii} assert that it is counter-productive to think of ‘managing stakeholders’ in the pure controlling sense. Instead, relationship management must be responsive to the needs and interests of stakeholders.

Stakeholder theory “does not imply that all stakeholders… should be equally involved in all processes and decisions\textsuperscript{xxiv}; it is acknowledged that individuals differ in the desire or expectation for participation in decision making\textsuperscript{xxv}. In fact, some scholars maintain that collaboration in destination marketing is not always desirable\textsuperscript{xxvii}. 


Studies of participation broadly encompass the range of different ways stakeholders may be involved with the DMO, ranging from complete non-participation, to the presentation of an opinion on request, to membership in the group that exercises final authority over an issue. Pretty’s typology of participation applied a managerial lens to categorize participation into six types, ranging from “passive” (being told what has been decided after the fact) to “connected” (taking initiatives independently and having complete control over resources).

<table>
<thead>
<tr>
<th>Typology</th>
<th>Characteristics of each type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passive participation</td>
<td>People participate by being told what has been decided or has already happened. The information being shared belongs only to external professionals.</td>
</tr>
<tr>
<td>Participation by consultation</td>
<td>People participate by being consulted or by answering questions. Process does not concede any share in decision making and professionals are under no obligation to take on board people's views.</td>
</tr>
<tr>
<td>Bought Participation</td>
<td>People participate in return for food, cash or other material incentives. Local people have no stake in prolonging technologies or practices when the incentives end.</td>
</tr>
<tr>
<td>Functional participation</td>
<td>Participation seen by external agencies as a means to achieve their goals, especially reduced costs. People participate by forming groups to meet predetermined objectives.</td>
</tr>
<tr>
<td>Interactive participation</td>
<td>People participate in joint analysis, development of action plans and formation or strengthening of local groups or institutions. Learning methodologies used to seek multiple perspectives and groups determine how available resources are used.</td>
</tr>
<tr>
<td>Self-mobilisation and connectedness</td>
<td>People participate by taking initiatives independently of external institutions to change systems. They develop contacts with external institutions for resources and technical advice they need, but retain control over resource use.</td>
</tr>
</tbody>
</table>

Figure 1 Pretty et al's Typology of Participation (1995) cited in Mowforth and Munt (2008)

Management Models in Tourism

The literature suggests that stakeholder identification and saliency can aid management in adopting appropriate strategies to manage stakeholder engagement. In fact, several management models exist to prescribe management techniques or activities for different groups.

Savage et al.’s typology as discussed above, recommended strategies based on stakeholder salience typified by the variables of ‘Potential to Threaten” and “Potential to Cooperate” with the Organization:
Sheehan and Ritchie\cite{Sheehan} identified significant gaps when applying this model in a study of 91 DMOs across North America. Ford’s recent contribution\cite{Ford} sought to address these gaps, and provides practical examples of how the DMO can engage a range of stakeholders based on their perceived salience:

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Examples of how DMO can cultivate participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical friends</td>
<td>DMO governance</td>
</tr>
<tr>
<td></td>
<td>Ongoing communication and regular, scheduled meetings</td>
</tr>
<tr>
<td></td>
<td>Provide data-driven evidence</td>
</tr>
<tr>
<td></td>
<td>Invite to participate in community events and tradeshows</td>
</tr>
<tr>
<td>Weak friends</td>
<td>Program participation (eg. web or print listings, brochures racking)</td>
</tr>
<tr>
<td></td>
<td>Regular email communication</td>
</tr>
<tr>
<td></td>
<td>Consultation and input requested</td>
</tr>
<tr>
<td>Quiet competitors</td>
<td>Communicate how missions may overlap</td>
</tr>
<tr>
<td></td>
<td>Invite to meetings</td>
</tr>
<tr>
<td></td>
<td>Extend support</td>
</tr>
<tr>
<td>Indifferents</td>
<td>Extend support</td>
</tr>
<tr>
<td></td>
<td>Include when a win-win possible</td>
</tr>
<tr>
<td>Aggressive competitors</td>
<td>Illustrate how DMO contributes to community</td>
</tr>
<tr>
<td></td>
<td>Develop reciprocal paths of involvement to intertwine missions</td>
</tr>
<tr>
<td></td>
<td>Find and demonstrate linkages or win-wins</td>
</tr>
<tr>
<td>Envious</td>
<td>Offer help</td>
</tr>
<tr>
<td></td>
<td>Demonstrate linkages</td>
</tr>
</tbody>
</table>
Figure 3 Stakeholder Management Strategies by Stakeholder Category, based on Ford et al (2009)

This model is useful in providing a management strategy that encompasses the full range of participation as typified by Pretty, with an emphasis on proactive strategies to move stakeholders from one type to another.

**DMO Performance**

DMO performance is traditionally measured using economic indicators such as visitor arrival numbers, hotel occupancy rates, average room rate per night, annual hotel tax revenues, but the literature illustrates the inadequacies of these measures in accounting for the full breadth of the DMO’s activities. In the last thirty years, a proliferation of approaches has emerged with an increasing emphasis on meeting the demands of a range of stakeholders. This aspect of performance is broadly referred to in the literature as “corporate social performance” (CSP).

Corporate social performance has largely been “equated with ‘doing good’” but the literature is more than simply normative. Clarkson argued that the organization’s success and survival depend on its ability to provide wealth, value or satisfaction for its primary stakeholders, and extensive research supports it. Choi’s 2009 study found that high stakeholder relations were able to help a well-performing firm to sustain superior profits, and to assist a poorly performing firm to improve its position more quickly.

The stakeholder approach to measuring performance is particularly appropriate in the destination setting, where DMOs are in the unique position of being responsible at once to the visitor and to the local communities they represent. DMOs that rely on consistent, strategic stakeholder relationships have been evaluated as more effective than those who do not.

**Measuring Performance, Satisfaction**

Stakeholder satisfaction has consistently been a useful performance measure for DMOs at both the regional and community level. Wood and Jones aptly summarized the role of the stakeholder in measuring corporate social performance:

1. Stakeholders are the source of expectations about what constitutes desirable and undesirable firm performance.
2. Stakeholders experience the effects of corporate behavior; that is, they are the recipients of corporate actions and output.
3. Stakeholders evaluate how well firms have met expectations and/or how firms’ behaviors have affected the groups and organizations in their environment.
4. Stakeholders act upon their interests, expectations, experiences, and/or evaluations
Of course, a variety of factors may contribute to satisfaction. Some of these are explored in this study, with a comparison of satisfaction levels across the groups allowing for links to be identified between stakeholders’ engagement and their satisfaction and perceptions of DMO performance.

**Methodology**

This study used both qualitative and quantitative methods to explore the themes of the research. A case study approach was used to examine the dynamics present between DMO management and their stakeholders. Abbotsford was selected specifically as a case study worthy of research because Tourism Abbotsford is widely considered among tourism professionals to be an industry leader in destination management in British Columbia, and the winner of numerous industry accolades. Profiling a “successful” organization provided the opportunity to draw links between corporate and social measures of DMO performance.

Several primary data collection techniques were employed in this study, including semi-structured interviews with key informants, as well as telephone and online questionnaires. Two questionnaires were created to compare and contrast the viewpoints of the DMO’s senior staff with those of its stakeholders in an effort to identify gaps, synergies and opportunities. The first survey followed closely the instrument developed by Sheehan and Ritchie to test Savage’s model of stakeholder salience. The second questionnaire, directed to the DMO stakeholders used elements of the Savage et al. and Ford models to explore issues of salience and engagement, while a more broad exploration of involvement and participation was also undertaken. Satisfaction was measured using components of Tourism British Columbia’s Stakeholder Climate Tracking Study.

**Research Limitations**

This study set out to compare the views of DMO management with those of their stakeholders. Several things limited the researcher’s ability to draw those comparisons.

By virtue of its small sample size, a case study approach may be limited in its ability to produce generalizable results; this was intensified by the stakeholder sample provided by the DMO, which encompassed only a portion of Tourism Abbotsford’s stakeholders (with a strong emphasis on industry partners). This was a significant mismatch from those stakeholders identified by the Executive Director and other senior staff.

Another key limitation of the study was the inability of one of the three senior staff members (Director of Sales & Marketing) to fully complete the questionnaire. This was especially unfortunate given this staff member’s unique role in working directly with industry stakeholders at various levels. Where available, the responses of the DSM have been included.
Results & Discussion

**Stakeholder Identification & Salience**

The study’s first objective was to identify the case study’s stakeholders using the Savage et al. typology of stakeholder salience, and ultimately, this research demonstrated the “maddening variety of signals on how questions of stakeholder identification might be answered”\(^{xlviii}\).

When DMO senior staff were asked to identify the DMO’s stakeholders, a significant mismatch was revealed. The Director of Visitor Services, responsible for managing the visitor experience in the destination, was predictably leisure-focused, identifying primarily tourism suppliers. The Director of Sales & Marketing works with a wider range of stakeholders, and her list reflected this; tourism suppliers were identified (broadly categorized as Accommodation partners, Attraction partners), but several tourism drivers were also indicated (Festivals and Events, Sports groups, Meeting and entertainment venues). By contrast, the Executive Director compiled the broadest stakeholder list; he addressed inbound groups (Visitors and Tradex Clients), succinctly captured Tourism Abbotsford’s tourism inventory (Hotels, Marketing partners, Tradex Suppliers), and further identified stakeholders involved in the organization’s overall operations (City of Abbotsford, Local MLA/MP, Chamber of Commerce, Regional and provincial DMOs).

Even the stakeholder sample evidenced the mismatch; though the two Directors generated the sample list, it encompassed only a very small portion of the stakeholders they themselves identified.

Overall, the responses of Executive Director were most closely aligned with the findings of Sheehan et al. Consistent with their theory of the destination triad\(^{xlix}\), the Executive Director viewed hotels and city government as two of the organization’s most important stakeholders, citing the collection of the 2% Hotel tax as the reason why. He also identified marketing partners as one of the most important stakeholders (“they are our inventory”), supporting previous findings that priority is given to those stakeholders that add value to the DMO and its mandate\(^{l}\). These most important stakeholders, and indeed all of the stakeholders identified by all senior staff, were seen as having the potential to cooperate with Tourism Abbotsford.

The Director of Sales & Marketing perceived most of the stakeholders she identified as both having the potential to threaten, and to have caused problems for the DMO. The most significant problem she identified was what she described as a “disconnect” with the hotels and venues. She referred to the level of accommodation available in Abbotsford and to limited meeting space, and said, “They look to Tourism Abbotsford to generate more visitors… but [we are] not able to support it”.

Hotels, the City of Abbotsford, and Tradex clients were perceived by the Executive Director as having the potential to threaten the DMO, perhaps because they were also seen as having the ability to influence the allocation of critical resources and as being
well connected to influential community leaders. Only one of these three groups (hotels) had actually caused a problem for the DMO. Interestingly, this problem had no connection with the group’s ability to influence or withdraw funding. Rather, the Executive Director described problems stemming largely from a lack of strategic organization and engagement with, and among, the group. In Abbotsford, the hotels are a fractured group with limited willingness to share data or information with “the competition”. This is consistent with the findings of Wang et al. in Elkhart County, Indiana, which described some local businesses as taking a “protective stance of their business know-how and... cautious about sharing core information with others, especially those who are providing similar products”. As in the Elkhart County case study, the Executive Director described Abbotsford’s hotels as being very operationally focused, with little awareness of overall strategy.

A second stakeholder group was not perceived to have the potential to threaten the DMO, but was identified by the Executive Director as having caused problems. This referred to the 2010 realignment of the provincial DMO from a crown corporation (operating at arm’s length of government) to a division of the Ministry of Jobs, Tourism and Skills Training (operating wholly within government). He described this as having caused “a period of uncertainty and inefficiency”, leading to “numerous meetings and processes that have led to no good ends and at the end of the day cancellations of good programs”.

Unlike Sheehan et al.’s study, where the most common problem cited by CEOs concerned a “threat to funding”, the problems identified by Tourism Abbotsford senior staff pertained more to poor communication (representing just 12.2% of the original study). Effective communication was further evidenced as being critical to relationship management when discussing strategies that had been most and least successful in the DMO. The most successful strategy identified by the Executive Director was an annual Christmas breakfast where outcomes and future plans were shared with over 300 stakeholders. The least successful strategy was Quarterly hotelier meetings, which, due to apparent disinterest from hotel management, were no longer taking place.

When contrasted with stakeholder’s responses, another interesting perspective on resource dependency theories is presented; Pfeffer and Salancik argue that dependence is given from one actor to another by the degree to which the actor has a concentration of, and discretionary control over, important resources. While senior staff perceived most stakeholders to be able to influence the allocation of critical resources to Tourism Abbotsford, just 19.4% of the stakeholders surveyed perceived themselves as having influence on this. Interestingly, those respondents that agreed with this statement were not unique to any particular group or strata; in fact, one or two respondents from each group (with the exception of hotels) agreed. Interestingly, hotels, the group responsible for the collection of the 2% hotel tax (the primary source of the DMO’s funding), all disagreed with this statement. This suggests that the ability to control resources does not on its own become a source of power, but implies that organizations must be coordinated enough to impose their will.
Contrary to the findings of previous research, there did not appear to be a perception of free riders or of the DMO being “hijacked by vested interests”. From the point of view of stakeholders, power imbalances or spheres of influence did not appear to have much bearing Tourism Abbotsford’s operations at all. Respondents appeared to take little interest in how other groups engaged or worked with the DMO. While one third of stakeholders agreed that some partners or stakeholders had more influence over the direction and activities of Tourism Abbotsford, another third of respondents did not know. When asked to elaborate, several respondents expressed the opinion that it is appropriate for certain groups to wield more influence over those particular issues that relate closely to them. Several others said that influence is based on stakeholders’ own involvement with the DMO.

More than half of respondents did not know who was on the Board of Directors (52.2%) or whether Tourism Abbotsford works effectively with stakeholders (55%); 38% did not know whether the DMO was fair or impartial in its decision making. Stakeholders seemed largely uninterested in how much influence they themselves wielded, many referring to themselves unabashedly as “small potatoes”. Yet, the majority of stakeholders (83.3%) agreed that destination marketing and promotion by the DMO provided equal and unbiased representation of its partners. These findings demonstrate that while power differentials are certain to exist, these can be managed effectively so as to not impact negatively on the organization’s operations.

**Stakeholder Engagement**

The second objective of this study was to explore how stakeholders engage with the DMO. The Executive survey explored this in an effort to align results with previous findings and to test and build on the Savage et al model of stakeholder management. Respondents were asked to select their preferred strategy in managing each stakeholder identified.

| COLLABORATE | Stakeholders participate in joint analysis, development of action plans and formation or strengthening of local groups or institutions. Groups have some input over how available resources are used. |
| INVOLVE     | Stakeholders participate by forming groups to meet predetermined objectives. Provide input on action plans. |
| SUPPORT     | Stakeholders participate in exchange for incentives. Provide feedback on programs and services. |
| CONSULT     | Stakeholders are consulted by answering questions or by providing information on request. |
| MONITOR     | Stakeholders are informed of what has been decided or has already happened. Potential to threaten or cooperate is monitored. |
| DEFEND      | Dependencies and potential to threaten are monitored. |
Using the Executive Director’s perspective on stakeholders’ potential for threat and cooperation and preferred management strategy, it was possible to make comparisons to the literature by locating stakeholders within the Savage et al typology revealing further gaps. There was agreement that collaboration was appropriate for the City of Abbotsford and for Tradex clients, as was a supportive strategy for Suppliers. But Hotels were also perceived to have both a high potential to threaten and cooperate, and should accordingly be engaged in a collaborative strategy; instead, the Executive Director indicated a supportive strategy. Conversely, where the model prescribed an involvement strategy for Marketing partners (high potential for cooperation, neutral potential for threat), the Executive Director preferred to collaborate.

**Participation**

Using the stakeholder management strategies indicated in Fig. 4, stakeholder participation in specific DMO activities were corresponded to the appropriate strategy, allowing for comparisons to be made between the preferred strategies identified by the Executive Director with stakeholders’ actual levels of engagement. The activities were drawn from Tourism Abbotsford’s Business and Sales and Marketing plans and were plotted into the model as follows:

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>DEFINITION</th>
<th>ACTIVITY</th>
<th>RULE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborate</td>
<td>Stakeholders participate in joint analysis, development of action plans and formation or strengthening of local groups or institutions. Groups have some input over how available resources are used.</td>
<td>On the board</td>
<td>DEFAULT AND REQUIRED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provided input towards the development of marketing or strategic plans</td>
<td>REQUIRED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Received reports on outcomes of Tourism Abbotsford’s activities or programs</td>
<td>REQUIRED AND</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Worked on a committee or special project group</td>
<td>MINIMUM 1 REQUIRED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attended an Industry Input and planning session</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provided feedback about Tourism Abbotsford’s activities or programs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Worked on a committee or special project group</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provided input towards the development of marketing or strategic plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attended an industry input and planning session</td>
<td></td>
</tr>
<tr>
<td>Involve</td>
<td>Stakeholders participate by forming groups to meet predetermined objectives. Provide input on action plans.</td>
<td>On the board</td>
<td>DEFAULT AND REQUIRED</td>
</tr>
<tr>
<td>Support</td>
<td>Stakeholders participate in exchange for incentives. May provide feedback on programs and services.</td>
<td>On the board</td>
<td>DEFAULT AND REQUIRED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Listed your organization on Tourism Abbotsford’s website (<a href="http://www.tourismabbotsford.com">www.tourismabbotsford.com</a>)</td>
<td>REQUIRED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Participated in paid cooperative marketing programs (e.g. Abbotsford Travel Guides, Passport to Christmas, Circle Farm Tour participant)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sponsored a program or event (e.g. 197 Days of Summer, Circle Farm Tour)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Racked brochures Visitor Centres</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Participated in media placement</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attended a tourism industry event</td>
<td></td>
</tr>
<tr>
<td>Consult</td>
<td>Stakeholders are consulted by answering questions or by providing information on request.</td>
<td>On the board</td>
<td>DEFAULT AND REQUIRED</td>
</tr>
<tr>
<td>Monitor</td>
<td>Stakeholders are informed of what has been decided or has already happened. Potential to threaten or cooperate is monitored.</td>
<td>On the board</td>
<td>DEFAULT AND REQUIRED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Received reports on outcomes of Tourism Abbotsford’s activities or programs</td>
<td>REQUIRED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attended a tourism industry event</td>
<td></td>
</tr>
<tr>
<td>Defend</td>
<td>Potential to threaten are monitored and dependencies minimized.</td>
<td>On the board</td>
<td>DEFAULT AND REQUIRED</td>
</tr>
</tbody>
</table>

12
Figure 5 Participation in Specific Activities correlated to Management Strategy (derived and expanded from Pretty (1995), Sheehan and Ritchie (2005), Ford 2009))

Given the narrow focus of stakeholders in the sample, all of the respondents fell into three of the possible six engagement categories: Support (65.7%), Collaborate (22.9%) and Involve (11.4%). Business type did not appear to have any bearing on respondents’ levels of engagement, as different respondents from the same strata frequently ranked into different categories. This is particularly telling in that the literature has focused almost exclusively on developing management strategies based primarily on grouping stakeholders by business type (e.g. Hotels, Attractions). Perhaps it is no surprise then, that further weaknesses in the Savage et al model are identified when comparing the Executive Director’s preferred management strategies with stakeholders’ actual participation levels. Where he indicated a supportive strategy for hotels, four of five hotels said they were working collaboratively. Where he preferred a strategy of collaboration for marketing partners, marketing partners, as a group, ranged from collaborative, to involved, to supported participation.

Frequency of Interaction

A second measure used to explore how stakeholders engaged with Tourism Abbotsford asked respondents to indicate the frequency of their interaction with the DMO. Responses varied widely, and appeared to be only loosely connected to stakeholders’ overall participation or involvement. All collaborative partners interacted at least every 2 months or more, but supported stakeholders interacted as frequently as once a week, or as infrequently as once a year.

Involvement

The third measure of engagement was involvement in five key areas identified by the UNWTO in their Evaluation Report on Destination Governance. Respondents were asked to rank both their current and desired levels of involvement in the areas of Strategic planning, Product development, Positioning, branding and marketing, Funding and Monitoring and follow up. Though short descriptions about each area were provided on request, stakeholders exhibited an overall sense of ambiguity about this question. Overall, the majority of respondents indicated low levels of current involvement in all five of the areas. Involvement was highest in the areas of Monitoring and follow up (16.2% were involved) and Positioning, branding and marketing (14.7%), and lowest in the area of Funding (88.4% were not involved) and Strategic planning (81.2%). Many stakeholders were as involved as they desired to be, though when the data was aggregated, stakeholders as a group exhibited a desire for slightly increased involvement in all five areas.

Stakeholders’ current involvement was also compared to the level of involvement perceived by senior staff. Management perceived high levels of involvement in all areas for the most important stakeholders; hotels were perceived to be most involved in the
areas of Strategic planning and Funding, with an overall average involvement of 4.4 out of 5. Hotels perceived their own involvement quite differently. One of the hotels (on the Board of Directors) was very involved in each area (rank of 5); another hotel (not on the Board) was not at all involved in each area (rank of 1). The other three hotels were involved at varying levels. Similarly Marketing partners, as a group, perceived themselves to be generally uninvolved in all areas. Average involvement was perceived by the Executive Director to be 4.2; stakeholders indicated their average involvement as 1.7. This discrepancy is likely to have been at least partially influenced by the fact that some members of each strata were in fact involved in each area.

When comparing the involvement measures with the participation results indicated above, it is clear that there is a disparity between the measures of engagement used in this research. Though 22% of respondents were identified as working collaboratively with Tourism Abbotsford, overall perceived involvement was markedly low. Over 80% of stakeholders said they were not involved in Strategic planning, but in the last 12 months, 28% had provided input towards the development of marketing or strategic plans and 46% had provided feedback to the DMO. This discrepancy is likely due to stakeholders’ confusion about what each of the five key areas entailed. For this reason, participation in specific activities appears to be a more accurate measure of actual engagement with the DMO, while involvement appears to capture stakeholders’ perceived levels of engagement.

**Stakeholder Satisfaction**

A comparison of satisfaction across the stakeholder groups was the third objective of this study.

In order to fully understand stakeholder satisfaction, it was important to explore stakeholders’ expectations. Stakeholders were asked to identify the primary reason they work with Tourism Abbotsford. It speaks to the limitedness of the sample that Exposure, Advertising/Marketing and Membership benefits were by and large the most commonly mentioned reasons (57%). Many also identified a “connection with the community” (13%) and “networking opportunities” (7%) as primary reasons, which is consistent with the findings of Wang et al, whose 2006 study proposed that stakeholders may be motivated to participate with a DMO for strategy-related reasons, or from a sense of community responsibility.

Overall, the stakeholders surveyed were very satisfied with Tourism Abbotsford. Three quarters of respondents were satisfied with all three areas of business activity (Destination marketing and promotion, Visitor Services, Operation of Tradex). Respondents were particularly satisfied with Tourism Abbotsford’s skills and professionalism (91%), the overall quality of services and programs (76%) and with the DMO’s leadership and direction (69%). Over two thirds were satisfied with the extent that the DMO met the needs of their organization (69%). Stakeholders generally agreed that Tourism Abbotsford was “flexible and easy to deal with” (85%) and that their input
was welcomed (75%). Stakeholders expressed the most satisfaction with the communication and interaction with Tourism Abbotsford staff (16 responses), as well as with the DMO’s marketing programs (15). A third of respondents expressed genuine, overall content with Tourism Abbotsford, making statements such as “Tourism Abbotsford is doing a remarkable job” and “it’s a great partnership”. Many of them highlighted the DMO’s proactive approach in engaging support, “They know what they are doing well and they really want to involve people in it.” Communication of events in the city via the weekly ‘Fresh Sheet’ email was also mentioned by numerous respondents, which they described as “a real service to businesses”, providing them with the opportunity to connect with other businesses.

A surprising number of stakeholders were unsure of how to rank their satisfaction with Tourism Abbotsford’s business activities (7% for Destination marketing and promotions, 15% for Visitor Services and up to 18% for the Operation of Tradex). A significant number did not know whether the DMO made effective use of its resources and budget (50%), or had strong knowledge of issues and market forces (27%). This supports a statement by the Executive Director that “almost exclusively, parties have just 1 foot, at best, in tourism”. Indeed, only half of the stakeholders surveyed agreed (54%) that the programs and services of Tourism Abbotsford contribute to the success of their organizations; 10% disagreed, 27% neither agreed nor disagreed. By contrast, senior staff perceived the DMO’s programs and services to contribute to the success to just about all of the stakeholders identified, and certainly to those they had identified as most important.

As with the engagement measures, stakeholders’ satisfaction did not correlate to their business type or strata.

**Engagement to Satisfaction**

In order to meet the overarching aim of the study, it was necessary to compare stakeholders’ levels of engagement with their levels of satisfaction.

The first measure of stakeholder engagement, *participation*, does not appear to indicate a relationship between engagement and satisfaction, though it is possible that a broader sample (with more varied levels of participation) may have revealed otherwise. Respondents, whether supported, involved or working collaboratively, were on the whole, satisfied with all three areas of business activity and neutral responses were divided similarly between the groups. One stakeholder (involved) was dissatisfied with Destination marketing and promotion provided by the DMO; another, this one supported, was dissatisfied with the Operation of Tradex.

It was earlier illustrated that the measure of stakeholder *involvement* does not provide a full picture of stakeholders’ *actual* engagement with the DMO; however it is interesting to note that their *perceived* engagement actually appears to correlate quite closely with their levels of satisfaction. Those stakeholders who said they were involved in each of the five key areas were almost exclusively satisfied with the DMO; those respondents who
were neither satisfied nor dissatisfied tended to exhibit the lowest levels of involvement, as did those who did not know how to rank their satisfaction with Tourism Abbotsford. There was one exception: three involved stakeholders did not know how satisfied they were with Visitor Services. This, in itself, is revealing, in that it suggests that some stakeholders, depending on the nature of their business, may be aware of certain of the DMO’s activities, and unaware of others.

Interestingly, the apparent link between stakeholders’ perceived levels of involvement and their satisfaction is not linear. Stakeholders uninvolved in the five key areas also exhibited high levels of satisfaction, implying that lower levels of involvement for certain groups may be totally appropriate. Those who were satisfied with the business activities of the DMO interacted at varying frequencies, as infrequently as once or twice a year, or as often as every week. The two individuals that were each dissatisfied with one of Tourism Abbotsford’s business activities both interacted with the DMO quite frequently (once or twice every month).

The congruence between stakeholders’ current and desired levels of involvement may also play a role in their satisfaction. As a group, stakeholders exhibited the desire for only a slight increase of involvement in each of the five key areas, and many stakeholders were already as involved as they wished to be. In fact, more than half of those least involved stakeholders did not desire to be more involved. Stakeholders’ frequently acknowledged their own role in low engagement, saying they are “too busy” and “it’s not for lack of trying on Tourism Abbotsford’s part”. Numerous respondents emphasized that “the onus is on stakeholders to become more involved”.

**Conclusion**

The aim of this research was to determine and assess the impact of stakeholder engagement on satisfaction and perceptions of DMO performance; this research suggests that there is a link between these variables, but further studies are required. The study tested and built on the Savage et al typology of stakeholder identification and salience in order to make practical recommendations about effective relationship management in the DMO setting.

Perhaps the limitedness of the stakeholder sample made it impractical to compare the results with the expanded Stakeholder model. Unlike Sheehan et al’s study, which aggregated the data collected among 91 DMOs, the results of this study could not be grouped consistently by business type or by strata. On the other hand, the results of this research reveal the inability of the model to recommend practical solutions for DMO management in a specific setting. Furthermore, the model ignores stakeholders’ personalities and motivations, which in this study, appeared to play a more significant role than business type in determining how involved they are with the DMO. Incorporating the concepts of mission congruence, or urgency into the typology, may provide more insights into why stakeholders are more or less engaged with the DMO.
To meet the aim of this study, it was necessary to compare stakeholders’ levels of engagement with their levels of satisfaction. Overall, the stakeholders surveyed were very satisfied with Tourism Abbotsford, and many of them highlighted the DMO’s proactive approach in engaging support. Two of the engagement measures, participation and frequency of interaction, appeared to capture stakeholders’ actual levels of engagement with the DMO, while the third measure, involvement, appeared to portray stakeholders’ perceived levels of engagement.

Interestingly, it is the involvement measure that appears to correlate with satisfaction levels. The limited scope of the study makes is impossible to conclude definitively whether a relationship exists between the variables of stakeholder engagement and satisfaction, but potential links were certainly suggested. A majority of those stakeholders who were involved in each of the five key areas were satisfied with the DMO, while those respondents who were neither satisfied nor dissatisfied tended to exhibit the lowest levels of involvement, as did those who did not know how to rank their satisfaction with Tourism Abbotsford. However, a significant number of those stakeholders who were not involved with the DMO were also very satisfied with the DMO, implying that lower levels of involvement for certain groups may be totally appropriate.

There are certainly other factors that may have contributed to stakeholders’ overall high levels of satisfaction with Tourism Abbotsford. The congruence between stakeholders’ current and desired levels of involvement has been demonstrated to more accurately predict satisfaction than the measure of perceived participation alone and this appears to be the case in this study where many stakeholders were involved at the level they desired to be. Organizational trust was evidenced by stakeholders’ perceptions and may also have influenced their satisfaction; several spoke positively about Tourism Abbotsford’s people – “the cream of the crop”, “exemplary skills, “very genuine”. One commented, “They work their butts off and they're great at it”.

This study illustrated that, in practice, relationship management is a much more organic process than that suggested by the structures of a stakeholder management model, though the model does provide a useful starting point. The Executive Director described the management of Tourism Abbotsford as “part art, part relationships and part magic”, and emphasized the DMO’s role as a “catalyst”, underscoring the reconceptualization of the DMO as a convener of stakeholder interests. Because this study excluded many of the DMO’s key stakeholders (including local government, community residents and visitors) the ability to compare these results with further research would provide significant insight into the discussion of stakeholder engagement and DMO performance. The study of DMOs with varying levels of outward success may present additional perspectives.

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