

Business association as a necessary condition to tourism destination coopetition strategy

ADRIANA FUMI CHIM-MIKI^{1,2}, RUI AUGUSTO DA COSTA¹ & FEVZI OKUMUS³

¹Federal University of Campina Grande, Brazil, ²Research Unit on Governance, Competitiveness and Public Policies, Aveiro University, Portugal, ³Rosen College of Hospitality Management, University of Central Florida, USA

Contacting author: adriana.c.miki@ua.pt

Keywords | Coopetition, Tourism Destination, Business Association, Necessary Condition Analysis

Objectives | Coopetition is an intrinsic and unintentional behavior in the tourism sector, but it can become intentional and a strategy if well conducted (Köseoğlu et al., 2019). Business associations usually gather many stakeholders and are usual in tourism destinations as the tourism and hospitality (T & H) sector is frequently fragmented, geographically dispersed, and has many small firms. Thus, they used trade associations to create synergy and collective voice (McKercher, 2021). Therefore, associations are natural hubs of coopetition (Chim-Miki et al., 2018; Wang & Krakover, 2008) but can be drivers or necessary conditions. This study analyzes the role of business associations in generating coopetition networks at tourism destinations. Second, the study examines the effect of business context on coopetition willingness.

Methodology | This quantitative research uses two techniques: Partial Least Structural Equation Modeling (PLS-SEM) and Necessary Condition Analysis (NCA) performed through the SmartPLS 4.0 software. NCA is a method to verify if a condition must be satisfied to achieve a specific outcome. PLS-SEM is a method to test models and causal relations among variables (Becker et al., 2022). Both methods are indicated to build theories and test hypotheses (Hair et al., 2011; Richter et al., 2013). Data was collected from firms and public and private tourism organizations in a Brazilian tourism destination using a questionnaire in one Brazilian tourism destination, Foz do Iguçu.

Main results and contributions | Results suggested that business associations are a determinant and necessary condition to create willingness for tourism coopetition. Therefore, trade associations are essential as hubs and mediators of coopetition strategies that can drive tourism destination development. However, another variable also showed as a necessary condition to Coopetition, the firms' long-term view, as with this mindset, firms support more trade associations. The model also tested the business context effect on associationism and willingness for tourism coopetition. This context considered the level of competition in the destination and the level of complementarity

among firms. Results indicated that competition context has more effect on coopetition than cooperation context.

Limitations | We had two main limitations: the sample, as we tested the hypotheses using only one tourism destination, and the absence of previous models and scales regarding the topic. Both limitations were minimized by the rigor of analysis and the adequacy of methods.

Conclusions | Our study developed and proposed a framework and tested the linkages between associationism and willingness to coopetition. Furthermore, our study identified firm, sectorial, and industrial drivers to improve associationism and coopetition networks. Tourism destinations must improve the long-term vision among firms and organizations. High intra-destination competition levels foster associationism more than the complementary level among firms. That means horizontal business associations, trade associations among firms of the same subsector, tend to be stronger than associations with a broader scope of participants. Tourism destination managers should incentivize the creation of more business associations and use them to generate stronger coopetition networks toward tourism development.

References

- Becker, J., Cheah, J., Gholamzade, R., Ringle, C. M., & Sarstedt, M., (2022). PLS-SEM's most wanted guidance. *International Journal of Contemporary Hospitality Management*, 35(1), 321–346. <https://doi.org/10.1108/IJCHM-04-2022-0474>
- Chim-Miki, A. F., & Batista-Canino, R. M., (2018). Development of a tourism coopetition model: A preliminary Delphi study. *Journal of Hospitality and Tourism Management*, 37, 78–88. <https://doi.org/https://doi.org/10.1016/j.jhtm.2018.10.004>
- Hair, J. F., Ringle, C. M., & Sarstedt M., (2011). PLS-SEM: indeed a silver bullet. *Journal of Marketing theory and Practice*, 19(2), 139–152. <https://doi.org/https://doi.org/10.2753/MTP1069-6679190202>
- Köseoğlu, M. A., Yildiz, M., Okumus, F., & Barca, M., (2019). The intellectual structure of coopetition: past, present and future. *Journal of Strategy and Management*, 12(1), 2–29. <https://doi.org/https://doi.org/10.1108/JSMA-07-2018-0073>
- McKercher, P.B., (2021). The politics of tourism: The unsung role of trade associations in tourism policymaking. *Tourism Management*, 90, 104475. <https://doi.org/10.1016/j.tourman.2021.104475>

- Richter, N. F., Schubring, S., Hauff, S., Ringle, C. M., & Sarstedt, M. (2020). When predictors of outcomes are necessary: Guidelines for the combined use of PLS-SEM and NCA. *Industrial Management & Data Systems*, 120(12), 2243–2267. <https://doi.org/10.1108/imds-11-2019-0638>
- Wang, Y., & Krakover, S., (2008). Destination marketing: competition, cooperation or coopetition? *International Journal of Contemporary Hospitality Management*, 20(2), 126–141. <https://doi.org/10.1108/09596110810852122>