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Strategic alliances in sport tourism: National sport organisations and sport tour operators



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ABSTRACT

This qualitative case study provides a sport-oriented perspective of sport tourism. It examines a strategic alliance between an Australian national sport organisation (NSO), the Australian Rugby Union (ARU), and a sport tour operator (STO), FanFirm. The study contributes insights into how NSOs can facilitate and develop sport tourism for major events through alliances with STOs. Findings indicate that by collaborating with the STO, the ARU accrued a range of intangible and financial benefits, which in turn provided an impetus for ongoing maintenance of the strategic alliance. In addition, the alliance was perceived to deliver advantages beyond the NSO–STO nexus, with rugby fans and host governments of rugby events also benefiting. The study demonstrates that sport organisations can play a role in maximising the tourism outcomes of major events and also suggests that smaller-scale, ‘bottom-up’ cross-sector alliances can contribute to maximising tourism outcomes of major sport events.

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1. Introduction

In 2000, the Australian Commonwealth Department of Industry, Science, and Resources (DISR) released *Towards a National Sports Tourism Strategy*, which described its ambition to harness the “enormous potential” (p. 41) of sport tourism in Australia by facilitating a “viable and internationally competitive sport tourism industry” (p. 5). However, the DISR acknowledged that a major impediment to achieving its vision was a lack of linkages between sport and tourism sectors. Indeed, sport tourism literature has highlighted that sport and tourism agencies seldom collaborate effectively and that many sport tourism policy initiatives have been unsuccessful (Deery & Jago, 2005; Devine, Boyle, & Boyd, 2011; Weed, 2003).

The failed nexus between the sport and tourism sectors is particularly evident in relation to major sport events, despite their widely recognised tourism potential (Weed, 2003). Previous studies have described major sport events as tourism catalysts, vehicles for destination branding, and generators of tourism-related financial, social, and environmental impacts on hosting destinations (Chalip & Costa, 2005; Getz, 2003; Higham, 2005; O'Brien & Chalip, 2008). However, sport tourism partnerships that emerge around major sport events are “often short-term or uncoordinated, and in some cases, virtually non-existent” (Weed, 2003, p. 259). This may be because sport organisations “arguably have little incentive to pursue the tourism benefits which can flow from...sporting events, because they themselves cannot directly capture many of those

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benefits” (DISR, 2000, p. 22). Instead, benefits accrue to other parties, such as transport and accommodation providers and sport tour operators (STOs).

In 2001, the DISR was disbanded in a government restructure (Deery & Jago, 2005). While its proposed national sport tourism strategy was consequently abandoned, the DISR (2000) had boldly stated, “the fact that most events are organised by sporting bodies as sporting events first and foremost with tourism almost as an optional extra, represents a failure of the market” (p. 22). The DISR had called for sporting bodies to play a role in rectifying this “failure”, as many major Australian sport events receive funding from local, state, and federal government agencies that seek positive tourism outcomes from their investment.

Australian national sport organisations (NSOs) oversee the administration, financing, and strategic development of their sport at the national level (Daly, 2006; Hoehn, 2007). Some NSOs also play a central role in attracting and delivering major international sport events. However, even though NSOs are a primary stakeholder of such events, their perspectives have not been a central focus of previous sport tourism research. Instead, the growing quantum of sport tourism literature has predominately provided tourism or event management perspectives of major sport events (Weed, 2009). We offer a complementary, sport-oriented perspective of sport tourism.

In this paper we present the results of a case study that examines interaction between an Australian NSO, the Australian Rugby Union (ARU), and a commercial STO, FanFirm, which sells guided tours and unguided packaged holidays to major rugby fixtures. Specifically, the purpose of the paper is to examine the ARU’s motives for interacting with FanFirm and the outcomes of this interaction for the ARU. Initially, we review literature on strategic alliances to provide a framework for interpreting the ARU–FanFirm relationship and its significance to the ARU. Next, we explain the context of the case study, as well as methods used to investigate and analyse it. Finally, we present and discuss results and implications pertinent to sport tourism and sport tourism alliances.

2. Conceptual background

Many terms are used to describe business arrangements between organisations. These terms include strategic alliances, partnerships, interorganisational relationships, interfirm cooperation, and strategic networks (Parent & Harvey, 2009; Varadarajan & Cunningham, 1995), all of which refer to similar propositions or processes (Frankel, Whipple, & Frayer, 1996). For the purposes of this paper, we employ the term ‘strategic alliance’, defined as collaborative efforts and the pooling of resources between organisations “in an effort to achieve mutually compatible goals that they could not easily achieve alone” (Wittmann, Hunt, & Arnett, 2009, p. 38). Gray and Wood (1991) identified three broad issues essential to understanding such alliances: the preconditions that motivate collaboration, the processes and structures of alliances, and the outcomes engendered. While we address these issues consecutively within this section, researchers consider them to be highly interrelated (Alexander, Thibault, & Frisby, 2008).

2.1. Alliance preconditions

Research has highlighted a range of reasons organisations form strategic alliances, including a desire to achieve both common goals and goals specific to each alliance partner, to improve efficiency, manage environmental uncertainty and complexity, and facilitate enhanced performance and competitive advantage (Alexander et al., 2008; Frankel et al., 1996; Gray & Wood, 1991; Turner & Shilbury, 2010; Varadarajan & Cunningham, 1995; Wittmann et al., 2009). According to Sheth and Parvatiyar (1992), motives for strategic alliance formation fall into eight broad categories, four relating to future organisational competitiveness (opportunities for growth, diversification, strategic intent, and protection from external threat) and four relating to operational effectiveness (asset utilisation, resource efficiency, enhancing core competence, and bridging performance gaps). An additional precondition of alliance formation is a desire for innovation (Hunt, Lambe, & Wittmann, 2002).

The need to protect or gain access to resources is fundamental to motivating strategic alliances (e.g., Mitsuhashi & Greve, 2009; Wittmann et al., 2009). Few organisations are self-sufficient, leading to dependence on other firms. Resource dependence can introduce uncertainty into an organisation’s operating environment and is consequently a key antecedent of alliance formation (Varadarajan & Cunningham, 1995). An organisation’s opportunities to collaborate with others may be determined by its “resource endowment”, whereby firms with valuable resources may find it easier to attract alliance partners (Mitsuhashi & Greve, 2009, p. 975). However, organisations that form strategic alliances generally have a “mutual fit of resources” (Mitsuhashi & Greve, 2009, p. 977), as both organisations require something that can be supplied by the other. In this context, complementary resources can be “combined to create greater value” (Mitsuhashi & Greve, 2009, p. 977). Likewise, a firm entering a strategic alliance to improve performance and competitive advantage may seek partners that “augment its strengths or ameliorate its weaknesses” (Varadarajan & Cunningham, 1995, p. 192).

2.2. Alliance processes

Strategic alliances may be short- or long-term and may involve all or some departments of partner organisations (Varadarajan & Cunningham, 1995). Key individuals play a fundamental role in coordinating alliances (Devine et al., 2011) and establishing trust and commitment between partners (Milne, Iyer, & Gooding-Williams, 1996). Research in the context

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