

STRATEGIC PLANNING OF ORGANIZATIONS ON TOURISM EVENTS: A
CASE OF JOHOR

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ABSTRACT

As tourism is one of the fastest growing industries today, thus within the tourism industry events are getting more and more important. People have become more interested in events of all kinds, and will travel far away to participate in events that they find interesting. Events can offer various economic and social benefits for destinations, and therefore destination managers can and should employ events effectively in a tourism role. It has become widely accepted that every community and destination needs to adopt a long-term, strategic approach to event tourism thereby planning and development in order to realize the full tourism potential of events. This study is as a response to the lack of studies on how event tourism strategies are actually used in destinations. The study was directed to Johor tourism organizations, and the aim was to explore how these organizations work strategically with events. The main findings of the study indicate that although tourism organizations have increasingly realized the potential and importance of events, the extent to which events are used strategically in tourism organizations varies. Some tourism organizations have integrated events deep into their overall tourism strategies, and events form their own business area and have their own business strategy. In other cases events are included in the overall tourism strategies, however, the work with events is rather haphazard and other business areas are prioritized. At the end of the study a model that describes how event tourism strategy development in tourism organizations can be seen to follow certain stages is developed.

ABSTRAK

Oleh kerana pelancongan merupakan salah satu industri yang berkembang dengan pantas, aktiviti pelancongan menjadi semakin penting. Ramai orang semakin berminat untuk menyertai pelbagai aktiviti, dan sanggup menjelajah daripada jauh untuk menyertai aktiviti yang mereka ingin sertai. Aktiviti-aktiviti ini menyediakan pelbagai peluang ekonomi dan sosial di satu-satu tempat, dan pengurus di tempat itu perlu menguruskan aktiviti ini dengan baik supaya menjadi lebih menarik. Ia diterima oleh semua komuniti dan tempat yang mana, kedua-duanya memerlukan pendekatan perancangan jangka masa panjang untuk merangka dan membangunkan industri pelancongan sekaligus meningkatkan potensi aktiviti pelancongan. Kajian ini merupakan maklumbalas terhadap kekurangan kajian tentang bagaimana situasi sebenar bagi perancangan aktiviti pelancongan yang digunakan dalam sesuatu tempat. Kajian ini difokuskan kepada organisasi pelancongan Johor, dan tujuan kajian ini adalah untuk mengkaji bagaimana organisasi ini bekerja secara strategik dengan aktiviti. Hasil utama kajian ini menunjukkan bahawa organisasi pelancongan sedar akan potensi dan kepentingan sesuatu aktiviti, dan perancangan yang digunakan oleh organisasi pelancongan adalah pelbagai. Sesetengah organisasi pelancongan mengintegrasikan aktiviti secara menyeluruh dalam perancangan, dan satu satu aktiviti tersebut seterusnya dapat membentuk bidang perniagaan dan perancangan perniagaannya sendiri. Selain itu, aktiviti juga dimasukkan ke dalam keseluruhan perancangan pelancongan, tetapi agak tidak tersusun dan bidang perniagaan lain diutamakan. Pada akhir kajian, satu model yang menerangkan tentang bagaimana strategi pembangunan aktiviti pelancongan dalam organisasi yang boleh diikuti dalam sesetengah peringkat yang dibangunkan.

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CHAPTER 1

INTRODUCTION

1.1 General Background

Competition between places for economic development is fierce, and during recent years globalization has greatly intensified the pace (Kotler et al., 1993). At the same time tourism, world's fastest growing industry has become a vital strategy for urban regeneration, and today forms a significant component of cities' economic base (Fainstein & Gladstone, 1999). Most importantly, however, tourism is a significant revenue generator due to its strong multiplier effects. It is argued that cities that do not compete for tourist expenditure stand a good chance of losing out in the increasingly competitive global environment (Fainstein & Gladstone, 1999).

Cities have many economic and societal benefits to be gained from tourism. Today cities are seen as major tourist destinations or at least as having the potential to becoming one. In order to attract tourists and their expenditure cities compete with each other regionally, nationally and internationally (Holcomb, 1999). Moreover, new tourism destinations are constantly emerging and marketing themselves as uniquely wonderful places to visit. As a result today's tourists have an ever-greater range of possible destination choices to choose between and to be able to draw people; cities must convey something seemingly out of the ordinary.

1.1.1 Event Tourism

People have become more and more interested in events of all kinds and will travel far away to participate in events that they find interesting. According to Getz (1997) these people form their own tourism market segment – event tourism. Event tourism as a market segment consists of those people who travel to attend events, or who can be motivated to attend events while away from home.

As tourism is one of the fastest growing industries today, within the tourism industry events are getting more and more important (Erfurt & Johnsen, 2003). According to Getz (1997) events have during the last decade become an important means for communities and tourist regions to gain advantage and meet a variety of economic, social and environmental goals. Due to the increased competitiveness among tourist destinations, the pursuit and development of events has become big business (Getz, 2004b).

These benefits are various, and perhaps the most obvious economic impact stems from the roles events play in attracting visitors to an area to which they would not otherwise travel (Getz, 2004a). According to Bohlin (1996, in Mossberg, 2000) events can also generate travel to a destination afterwards, and in this sense create value in selling other products that a destination has on offer. Moreover, many destinations suffer from seasonality problems meaning that tourist flows are very concentrated into relatively short periods of the year (Moutinho, 2000). Events can play an important role in overcoming these problems and drawing tourists into destinations during off-season periods.

Furthermore, events can have the effect of shaping the image of the host community leading to a more favorable perception as a potential travel destination. A more positive image is believed to have an effect, e.g., on industrial investment, and can ultimately improve the well-being of the local population in many different ways (Mossberg, 2000). Moreover, events, and especially mega events, have important roles as catalysts in stimulating infrastructure, business and trade, and urban renewal (Getz, 1997). For many destinations events can also provide extensive public attention through extensive media coverage (Erfurt & Johsen, 2003).

Finally, the social and cultural effects that events bring along should not be underestimated. Events serve a very important social purpose and provide both the local people and tourists experiences out of ordinary life (Getz, 1997). Putting all the benefits of events together it becomes evident that destinations have a great potential in events. Accordingly, destination managers can and should employ events effectively in a tourism role (Getz, 1997).

According to Mr Zulkefli Hj Sharif (MyCEB, 2011) has recently launched a specialist unit known as the International Events Unit (IEU) which focuses primarily on identifying and supporting international event bids including sports, art and culture and lifestyle events. The IEU was assigned to MyCEB by the Ministry of Tourism in the last quarter of 2010 to oversee the implementation of the IEU and to further develop the international events industry. He continues that international events as key segments which can contribute to the nation's economic growth through the attraction of international visitors, with the best possible economic returns suited to Malaysia's interest." As part of the tourism sector, the International Events segment is expected to contribute RM427million in Incremental Gross National Income and provide 8,036 job opportunities to Malaysia by year 2020 (MyCEB, 2011).

1.1.2 Event Tourism Strategy

Getz (1997) points out how every community and destination should formulate and implement event tourism strategies in order to reach their full tourism potential. The author continues to describe how event tourism strategies should always be integrated with the overall tourism strategies of destinations.

Event tourism strategies help destinations plan how to use events in a tourism role, set event tourism goals and find out the possible ways to achieve the goals in a long-term perspective. Event tourism strategies would further lead to continuity in the development of the event industry and help maximize the possible positive benefits that events can bring to destinations. Getz (1997) describes how destination specific event tourism strategies should be developed for capitalizing on the destination's strengths, and correcting the weaknesses, as well as for realizing opportunities and avoiding or minimizing threats. Moreover, according to Getz individual events and event organizations in destinations would benefit greatly from the assistance and cooperation achieved by overall destination strategies and policies.

Moutinho (2000) describes how the tourism industry mainly consists of private firms and small businesses across a broad spectrum of sectors including accommodation, transport and attractions. At the same time it is widely acknowledged that the public sector plays a major role in the successful development of tourism in a particular destination. According to Moutinho public sector intervention is needed to guarantee that all the associated tourism benefits, both economic and social, are maximized and any potential problems minimized (Moutinho, 2000). This is also very true in the case of events. When an event is held in a destination many different types of businesses and organizations, both private and public, are involved. The private sector (e.g. event organizers, hotels and restaurants) is more interested in short-term gains, and how

much each individual event can contribute to their businesses. Public sector, on the other hand, has an important role in ensuring that a strategic and long-term approach to event tourism is taken. In other words, in order to maximize the benefits and minimize the problems related to event tourism public intervention is needed. Important public actors in relation to destination tourism and event tourism strategies are tourism organizations.

1.1.3 Tourism Organizations

Tourism organizations are established at different spatial levels from local to international forming a hierarchy of networks that are influenced by broader environmental factors like the socio-political context and the characteristic of tourism in the country in question (Pearce, 1996). Decision-making in tourism development and planning is most critical at the local level, especially in relation to urban areas. Urban areas have become increasingly aware of the potential of tourism in creating employment and stimulating economy and wealth, and as a result the author point out how the efficiency of management in cities' tourism organizations has become more and more important.

These organizations can take many different forms ranging from entirely private or public to partnerships between the two, and according to Pearce (1996) there is no single best type of tourist organization rather each country, region or city must evolve a system that best reflects its local, regional and national conditions.

City tourism organizations are known to play diverse roles and take different responsibilities in the field of tourism. According to Getz (1997) city tourism organizations perform a variety of different tasks that include managing and providing destinations with

attractions, managing and planning infrastructure which tourism depends on, coordinating between tourist products and facilitating tourism promotion and marketing research. Morrison et al. (1998) in turn point out how city tourism organizations offer various and different functions in response to diverse demands from tourists and the tourism industry, thereby representing both buyers and sellers. Other main functions for city tourism organizations include the development of an image to position the city in the market place as an attractive destination, coordination of the work of private and public sector, and providing leadership for the whole tourism industry (Gartnell, 1994, in Getz et al., 1998).

Based on the above described responsibilities and roles of the city tourism organizations it seems only natural that the responsibility of the formulation of an event tourism strategy belongs to these organizations. This study will focus on the event tourism strategies of destinations and more closely on how destination tourism organizations work with events strategically.

1.2 Problem Definition and Objective

1.2.1 Problem Definition

Despite a widespread acceptance of event-based strategies as an approach to destination development and marketing and the various benefits that events can contribute to destinations, event tourism strategies have received little attention within the tourism literature and research. Although the number of studies of events has increased in recent years, few studies have focused on destination event tourism strategies (Mossberg, 2000). When events have been studied the focus of research has often been on the impacts of events on the host destination. An exception

of this is, however, the work of Professor Donald Getz. He has successfully investigated the value that events have from a tourism perspective and his research on events and event tourism has worked as a great inspiration source for the author.

As was described in the previous section, tourism organizations have a significant role in the formulation of both general tourism strategies, and event tourism strategies, and the author has therefore chosen to focus this study on these organizations. In more detail, the author is interested to explore how tourism organizations use events strategically in a tourism role

Hence, the main problem for this study is:

Practical work of tourism organizations with events

Thus, despite a growing importance of events in the marketing efforts of destinations, there is little understanding of how destinations form and take advantage of event tourism strategies. Although many destinations today have realized that they can use events as a means for achieving different kinds of economic and tourism goals, the use of events often lacks a strategic approach. The author believes it is clearly important to understand and learn in more detail how strategically destinations actually work with events. Thus the objectives are:

1.2.2 Objectives

- a) To get better understanding of Tourism Organization nature in the destination and how tourism organizations work strategically with events.

- b) Contribute to a better understanding of how events are utilized in event tourism, and destination marketing purposes

- c) To identify the knowledge of these organization from strategic event planning and event tourism

1.3 Research Questions

In order to solve the main problem three research questions have been formulated:

Research question 1: **To what extent, and how, are event tourism strategies used in tourism organizations?**

Research question 2: **What is the role of events in the overall strategies of tourism organizations?**

Research question 3: **How do tourism organizations work strategically with events?**

1.4 Scope and Limitations

Event tourism strategies can be studied from different perspectives. Although the theories on event tourism and event tourism strategies usually take the perspective of the destination in this study, the author has chosen to study event tourism strategies only from the point of view of the tourism organizations, i.e., how do the chosen tourism organizations work strategically with events. In order to fulfill the purpose, and answer the research questions this study will concentrate on Johor as case destinations. Moreover, the range of events is enormous, and this study deliberately excludes meetings and conventions and other events that have to do with business tourism. In other words, the focus of this study will be on leisure tourism and events that attract leisure tourists into destinations. Furthermore, private events will be excluded from the study.

As with other qualitative studies, the research was not without its limitations especially in data collection phase. Most of time the organizations had no interest in participating or they did not have related business idea to the study. And in some case they could not communicate in English at all. For overcoming this problem the author tried to get as much as information through other channels including reliable official internet portals of tourism.

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Press Release

Malaysia Convention and Exhibition Bureau Launch International Events Unit (June 2011)