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Introduction: the Spatial and Organizational Structure of Destinations

Destinations have long been a key feature of tourism and the focus of much tourism research. Most tourism research prior to the Second World War concerned places that were attracting visitors on holiday and that were becoming recognized as different types of places and forms of land use. The post-war growth in tourist travel saw such places multiply and the amount of tourism research increase. These two trends gave rise to more and more research on destinations from an ever-widening range of disciplines as their importance was acknowledged, not just as places visited by and increasingly developed for tourists but as places experiencing often significant changes brought about by the impacts occasioned by those visits and that development. These characteristics have led to destinations being studied in different ways and from a variety of perspectives with the result that destination research has become increasingly fragmented as studies have become progressively more specialized. No broad consensus of a definition of destinations exists, myriad concepts are used and multiple approaches to destination research are taken. Multiple definitions, concepts, perspectives and approaches can be confusing but they can also shed new light on a common topic by examining it from different angles and in different ways. What is needed now is a more integrative approach, one which systematically draws together different research threads to provide a more comprehensive and coherent picture and fuller understanding of destinations, their structure and how they function. The goal of this book is to provide such a synthesis.

Synthesizing a large and disparate body of research on destinations is, however, an ambitious and challenging task. Focus and selectivity are needed to keep it manageable and to achieve an appropriate balance between

the levels of generalization and detail. To that end this book focuses on the structure of destinations and draws together two approaches; one dealing with the spatial structure of destinations, the other with their organizational structure. Each of these approaches provides the scope to consider a broad range of destination features. The spatial structure of destinations concerns the physical location, distribution, configuration and interconnectedness of products, services and actors and the factors which underlie the resultant patterns of these. Organizational structure, as used here, refers to the make-up or composition of destinations and the various configurations and ways in which and the extent to which multiple actors, collectively and individually, behave and interact to produce the experiences sought by tourists. Examining the organizational structure of destinations thus provides an opportunity to synthesize the multiplicity of actors involved, not just thus firms or public- and third-sector organizations, conventionally the subject of organization research, but also individuals, including the tourists themselves. In general, the streams of research on the spatial and organizational structure of destinations are largely non-convergent and only occasionally intersect explicitly. Drawing the two approaches and their associated findings together thus provides a means of developing a more comprehensive picture of the overall structure of destinations and new insights into how they function.

Developing a sound understanding of the structure of destinations is important for research, for destination management and marketing and for tourism planning and policy making. How we conceive the structure of destinations influences the problems we address, shapes our research design and methodology, and conditions the interpretation

of our findings. In order to know where and how to act or intervene to achieve specific management and policy objectives or to address particular problems, at a firm or destination level, we need to understand a destination's make-up and how it functions. A better understanding of destination structure will enable firms to identify their place within that structure more clearly and thereby to operate and compete more effectively. Understanding destinations, what they offer and how they are structured is also important for travel intermediaries in the markets so that they can serve their customers well.

Within this focus on destination structure different levels and forms of synthesis are required. Systematic juxtaposition and discussion of concepts, approaches and findings can more readily enable commonalities to be identified and gaps in knowledge to be established. Underlying conceptual and theoretical frameworks need to be compared along with the different methodologies employed. Most destination research is framed in terms of a single concept. Where other frameworks are referenced it is often their shortcomings which are emphasized. There is, however, much to be gained by being less dismissive of what is different and putting more emphasis on common or complementary features. Considerable scope exists to integrate conceptual and empirical research: conceptualizations of destinations are frequently not tested by empirical applications; much empirical work is not underpinned by any explicit theorization. Issues of supply and demand are often treated separately and need to be drawn together more closely in order to obtain a more comprehensive picture. Each of these also requires more complete coverage and greater integration. Many demand studies deal with either domestic tourists or international tourists but not both. Specialized studies of accommodation and attractions need to be set alongside each other so as to identify the impact each may have on the other. Research on hotels needs to be extended to other forms of accommodation and that on airlines to other modes of transport. Much destination research continues to focus on particular types of destination; for example, urban or rural,

coastal or alpine, with little consideration given to any common features they may share or discussion of what it is that distinguishes one type from another. Likewise, research on local destinations is generally not connected to what is happening at regional and national levels even though these higher level destinations are composed of sets of the former and local patterns and processes may be influenced by the latter. Consequently, the structures of national, regional and local destinations must be systematically considered and the relationships between them examined.

A particular challenge in synthesizing destination research is that most of the literature consists of case studies of individual destinations, and then of only specific aspects of them. These case studies generally provide the scope to examine in some detail local, regional and national characteristics and the influence of context on structure. Some, such as those dealing with resort morphologies, attempt a fairly comprehensive approach but many focus on specific aspects of destination structure, such as studies of hotel location (Baum and Haveman, 1997; Tsang and Yip, 2009) or tourist movements (Bauder and Freitag, 2015; de Cantis *et al.*, 2016). Comparative case studies which take a common approach and use comparable data to examine multiple destinations are especially helpful in identifying and accounting for differences and similarities and developing generalizations about destination structure (Bocquet, 2008; García-Palomares *et al.*, 2015; Favre-Bonté *et al.*, 2016; Pulido-Fernández and Merinero-Rodríguez, 2018).

Systematic reviews of case study material can provide many insights into the structure and functioning of destinations but the search for generalities in patterns and the factors underlying them is inevitably constrained by issues of equivalence, whether in terms of definitions, data sources or means of analysis (Pearce, 1993a). These issues and the impact of contextual factors need to be weighed up and taken into account. Assessment of the extent to which the experience of particular destinations reflects broader structures is enhanced when case studies, as well as comparative research, are explicitly

framed with regard to a particular concept or theory, such as clusters (Varisco, 2004; Perles-Ribes *et al.*, 2015). In comparative research and attempts to take a more generalized view of the structure of destinations from case studies it is also helpful to use generic terms rather than referring solely to the named features of specific destinations as is the case with many ideographic studies. In terms of morphological studies, for example, it is useful to think of specific physical elements not just by their proper names (e.g. the Eiffel Tower, the Hilton Hotel or Malaga airport) but as a type of element and the role it plays in a destination (respectively an attraction, an upmarket hotel, a transport node). Likewise, in organizational research it is helpful to identify actors in such generic terms as destination management organizations (DMOs), non-governmental organizations (NGOs), local government, hotel chains and local accommodation providers in addition to their proper names.

These considerations have shaped the structure of this book. To set the subsequent examination of the spatial and organizational structure of destinations in context, Chapter 2 outlines different perspectives on what constitutes a destination: the evolving use of the term; formally designated destinations; destinations as functional nodes; and the tourists' perspective. Chapter 3 then provides a fuller conceptual foundation by reviewing a set of the more commonly used frameworks in destination research. Given the diversity of approaches and sources of data used by destination researchers, Chapter 4 systematically addresses core methodological issues which arise in analysing the structure of destinations so as to allow a more fluid discussion of patterns, processes and explanation in succeeding chapters and also provide a toolkit which might be used in future research on the topic. More specific techniques and methodological issues, however, are dealt with as they occur in those chapters. Although some common threads run through research undertaken at different scales, national, regional and local destinations tend to be treated as sub-fields in the literature. That approach is initially retained here but with a view to subsequently bringing scale matters together in Chapter 10. Chapter 5 and Chapter 6 deal respectively

with the structure of destinations at a national and a regional scale. Local level destinations are much more numerous and consequently considerably more research has been carried out at this scale. Urban destinations are examined in Chapter 7, coastal resorts in Chapter 8 and ski resorts and rural and natural area destinations in Chapter 9. In these five chapters, discussion of issues related to the spatial structure of supply and demand are followed by those pertaining to organizational structures and finally to any links between them. This common format, together with the preceding discussion of perspectives, concepts and methodological issues, more readily enables a systematic overview of the material presented and general points to be identified and integrated in Chapter 10.

Broad though this coverage is it is not exhaustive and the limitations of the literature reviewed and the examples used need to be taken into account in the synthesis provided in Chapter 10, which is based on the material presented in the preceding chapters. Although a wide range of international examples are cited there is a greater emphasis on developed Western destinations than those in developing countries. Examples of island destinations with their distinctive contextual characteristics are included in Chapters 5 and 6 but not treated separately in depth. It is also recognized that the boundaries between types of destination are not always hard and fast. At some point, for example, coastal resorts may evolve into cities and other cities may have elements of a coastal destination. The approach taken is not to get bogged down in semantics but rather to concentrate on the dominant characteristics of the examples being used. The frequent use of French and Spanish examples reflects the fact that France and Spain are among the leading destinations worldwide in terms of international visitor arrivals and thus a considerable amount of research has been undertaken there, including some of the cutting-edge work on destinations. It is also a function of the author's familiarity with these destinations and languages (all translations are those of the author), factors which also have enabled the inclusion of a

number of Latin American examples. In other instances, such as the rapidly expanding body of work from China, the material reviewed is that which appears in English. The literatures reviewed and the discussion and interpretation of them will also have been inevitably shaped by the author's disciplinary background, first as a tourism geographer, later as a professor of tourism management.

The remainder of this chapter introduces the core themes of spatial and organizational structure.

Spatial Structure

Spatial structure has been defined as 'the manner in which space is organized by the cumulative locations of infrastructure, economic activities and their relations' (Rodrigue *et al.*, 2006, p. 272) and has come to refer to 'any more or less ordered spatial arrangement, assemblage or system: the orderings through which space is implicated in the operation and outcome of social and biophysical processes' (Sheppard and Gregory, 2009, p. 715). Those orderings function in two ways: spatial processes lead to arrangements in space and conversely spatial structure shapes socio-economic processes (Rogers *et al.*, 2013). The concern here is with how different tourism phenomena are arranged in space, how and why those arrangements have come about and how knowledge of that arrangement helps us to understand what destinations are and how they function. Three fundamental and interrelated attributes of spatial structure are distribution, location and spatial interaction.

Distribution refers to the spread of phenomena throughout an area, region or country. A prime concern is with establishing whether the phenomena in question are distributed uniformly or not and in identifying the factors or processes which give rise to the patterns identified. Patterns of distribution can be characterized in such terms as concentration, dispersion and clustering.

Location is used here as a relative notion. In a destination context the location of

accommodation can be considered in terms of accessibility to points of interest, transport convenience and the surrounding environment (Bull, 1994; Yang *et al.*, 2018). Bull (1994, p. 11) observed:

The location of any lodging property includes more than one component. At the very least, two factors are involved:

distance from, or access to, one or more specific places, such as a beach, city centre, airport or highway;
neighbourhood amenity or quality, such as quietness, views from rooms, nature of the property's surroundings.

As a result trade-offs may have to be made: '[T]here may be specific advantages which one location has in access distance from, say, an attraction or city centre; trade-offs in access distances between two or more attractions, and inherent advantages from specific neighbourhood characteristics' (Bull, 1994, p. 10). Similarly, the location of an attraction might be considered in terms of proximity to other attractions, accommodation and ease of access.

Spatial interaction concerns the ways in which places or particular objects within a place are interconnected by tangible or non-tangible flows such as those involving tourists, money and information. In general, such flows are subject to the friction of distance and a distance decay effect occurs. The volume of tourists, for example, normally decreases with distance away from the origin as costs in terms of time, money and effort increase and awareness of what places have to offer decreases (Greer and Wall, 1979; Pearce, 1995a). The effect of distance on the tourist flows is moderated by the attributes of the places between which interactions occur, such as population size or the range and quality of attractions on offer. Moreover, as Greer and Wall (1979, p. 230) note, the potential supply of recreational and vocational opportunities will increase geometrically with distance from the origin 'as each successive unit of distance give access to increasingly larger areas of land.' However, '[R]ather than simply being about movement per se, spatial interaction seeks to place such movement in context, and to recognize the interdependence

of interactions; that is, flow has consequences at origin, destination, and along the route' (Rogers *et al.*, 2013).

With tourist flows two major and distinct forms of interaction occur: origin–destination interactions and circuit travel which involves interaction between two or more destinations along the route as well as with the origin (Pearce, 1995a). These two types of flows are closely related to different motivations for travel. Gray (1970) identified two basic reasons for pleasure travel: wanderlust and sunlust. He saw wanderlust as that trait which causes people to seek out and temporarily exchange the ordinary for the exotic while sunlust depends on the existence elsewhere of different or better amenities or resources for a particular purpose, eponymously a sunny climate but also other features such as better skiing conditions. While this is to take a rather stereotyped view and later research provides a much more nuanced analysis of tourist motivations, Gray's basic typology does draw attention to the need to consider why and how people are travelling. Sunlust travel often involves travel to a single destination whereas much circuit travel, especially that involving longer tours, reflects forms of wanderlust. Places which constitute nodes on a circuit may have different functions, often more than one. Some, for example, may act as a gateway and primary destination; others may have a role as a secondary destination or as a hub from which side-trips are made.

Scale

The scale of analysis influences the ways in which both the spatial and organizational structure of destinations is examined. Scales are constructs, 'not fixed, separate levels of the social world' (Paasi, 2004, p. 542). As such, scale is a rather fluid concept that can be viewed in different ways and from different perspectives: in terms of areal extent (size), place in a hierarchy (level) or as relation (Howitt, 1998). Scale as size and level is commonly used as an ordering device, a way to structure and make sense of the world. Scale as relation is particularly important

from a systems perspective. Two types of relational approaches structured around scale might be identified. In the first, the object of analysis and/or the way it is studied is seen to vary from one scale to another in a nested or hierarchical fashion. When the focus is on local level destinations such as coastal or ski resorts the emphasis is on their internal structure. When the focus shifts to a regional or national level the resorts become components of the larger destination and the resorts are analysed in more general terms. In the second relational approach the emphasis is on explicitly investigating and explaining the linkages between phenomena at different scales, with a focus on the strength, direction, nature and outcomes of relationships (Pearce, 1995a). More generally, Molloy *et al.* (2011, p. 582) argue: 'Any level within a hierarchical level cannot be understood in isolation because it is shaped by – and in turn changes – other system levels... Therefore it is imperative to attend to whole–part relationships.' This is especially the case when analysing nodal functions. More generally, the analysis of hierarchical relationships, as well as horizontal ones, requires decisions about what sorts of relationships are to be examined and how they are to be measured.

Boundaries

Questions of scale in turn give rise to the vexed issue of destination boundaries. Whether the concern is with delimiting the size and extent of a particular destination or differentiating between destinations horizontally or vertically, boundaries need to be drawn. What boundaries delimit the destination and how are these determined? Where, for example, does the local end and the regional begin? Most commonly, the scale of destinations is depicted according to administrative or institutional limits. Between the lower local/municipal/district/county level and the nation state a number of intermediate divisions exist, such as provinces, regions, states and autonomous communities. Analysing destinations in this framework may be very appropriate from a planning and administrative

perspective as the relevant agencies and organizations are frequently, but not necessarily, structured in this way (Pearce, 1992, 2015a; Pearce *et al.*, 2017). Moreover, the most readily available destination data are generally disseminated in such units. This applies not only to tourism data but also to data on other sectors which may be needed to characterize and contextualize the destination. Tourists, however, do not necessarily see and experience destinations in terms of conventional administrative and political boundaries. Destinations as viewed by tourists might cut across administrative boundaries (Blasco *et al.*, 2014; Saarinen, 2014); differ from planners' concepts (Ashworth and de Haan, 1987); or vary according to the context (Pearce and Schänzel, 2013). Consideration therefore also needs to be given to how destinations might best be delimited from the perspective of different stakeholders.

Hernández-Martín *et al.* (2016, p. 777) suggest that 'Tourism territories ... very rarely present clear boundaries due to their progressive evolution. It is normal to find a juxtaposition or superposition of land uses.' Homogeneity of tourist typologies and tourism supply is one of six criteria that they used to operationalize micro-destinations in the Canary Islands. More often, tourism is concentrated in particular locations within administrative units at a range of scales. Barrado Timón (2004) sees such sectoral concentrations as destinations within larger territories. Saarinen (2014, p. 48) points out that 'Generalization of ... "tourist hotspots" to a wider administrative regional unit may be misleading in development work and strategies.' On the other hand, dispersed tourist activities and facilities might be linked in such a way that they collectively function as a destination. The creation of the Mont Blanc 'ultra-trail', an extreme sports event, crosses 19 communes in three countries (France, Italy and Switzerland) and is contributing to the development of a new regional identity (Bessy, 2016).

Regions

Formal regions are characterized in terms of definable criteria which are distributed in a

uniform fashion. They are 'areas of likeness or similarity' (Symanski and Newman, 1973, p. 350). However, as Dauphiné (1979, p. 39) cautions: '[T]he concept of spatial homogeneity is not absolute but relative: spatial homogeneity depends on the scale of observation.' Sub-regional differences, for example, may be revealed in what appears to be a uniform region when a finer lens of analysis is applied (Merinero-Rodríguez *et al.*, 2014). Nodal regions are based around a node or series of nodes and are defined in terms of the interactions and linkages between these. Both types of region may be examined in terms of pattern and process. 'Pattern is what we describe and identify and process is what we search out to make pattern more meaningful' (Symanski and Newman, 1973, p. 351). Formal regions are commonly studied by mapping and analysing the distribution of tourism-related phenomena such as bednights or hotel rooms (Pearce, 1995a) whereas the analysis of internodal linkages revealed, for example, by tourist flow patterns is the focus of research on nodal regions (Liu *et al.*, 2012; Asero *et al.*, 2016).

Dauphiné (1979) asserted that a region could be decomposed into sub-systems and if all of these were independent then a region did not exist; it was simply an aggregate of the sub-systems. Conversely, if no differences between the systems could be discerned then a state of total regional unity or uniformity existed, something he considered an extreme case. In reality, he contended, interdependence is strong but not complete. He cites the Côte d'Azur as an intermediate case, one where each hinterland area is linked to the coast but not to each other. Dauphiné also drew attention to another critical consideration, that of the dominant element that imposes its mark on other regional characteristics and determines how it is designated. In the case of the Côte d'Azur, Dauphiné (1979, p. 40) argued that 'tourism conditions all the other activities, agriculture, industry, commerce and the spatial structure without, however, being able to speak of a homogenous region.' The question here is does tourism have to dominate before we can speak of a tourism

region? This depends on the focus of the research. If our concern is with studying tourism in the context of the broader economy, then the notion of tourism regions being defined as those regions where the sector is dominant is appropriate. However, if the focus is directed specifically at tourism then the characteristics of tourism within a given region might be studied regardless of whether or not the sector is the dominant regional activity, as measured, for example, in terms of jobs or share of regional gross domestic product (GDP). Now tourism regions, or the sub-regions of which they are composed, might be classified in terms of some tourism specific element, such as whether they are predominantly a domestic or international tourism region or whether they are a cultural or a coastal tourism region. This question also applies to local level destinations. We can examine the structure of urban destinations regardless of whether or not tourism is the dominant activity in the city. The extent to which a destination, regional or local, depends on tourism, however, is likely to influence its structure.

Morphology as spatial structure

A significant body of research on the physical form of local-scale destinations emerged in the 1970s and 1980s (Pearce, 1995a; Liu and Wall, 2009). Much of this focused on the morphology of coastal resorts and, to a lesser extent, ski resorts whose distinctive form and growing importance attracted the attention of geographers, especially in Europe. Morphology 'is concerned mainly with the forms and functions of places, the relationships between them, and how they change over time' (Liu and Wall, 2009, p. 34). Morphological studies of urban destinations started to flourish in the 1980s and 1990s added a new dimension, that of destinations in which tourism is a significant activity but not the dominating or defining one of the places labelled resorts (Gordon and Goodall, 2000; Liu and Wall, 2009).

Part of the early interest in the physical form or built environment of destinations might be attributed to the visible and tangible

nature of what was being mapped and studied: types of accommodation, attractions, tourist-oriented shops . . . But beyond this is the belief that form reflects function; that studying the physical arrangement of land uses reveals the particular character of destinations and the activities that occur there (Wall, 1975; Pearce, 1978). Moreover, there was a well-established, broader tradition of morphological studies in geography, especially relating to urban landscapes (Pearce, 1978; Whitehand, 1992; Liu and Wall, 2009). Many of the early destination studies were not explicitly linked to this broader tradition but the ideas associated with the latter contribute to developing a better understanding of the spatial structures of destinations and how these evolve. Whitehand (1992) attributed differences between landscapes in an urban area to differences inherent in the functions they perform, in the ways in which developments occur and in the roles and functions of the agents of development. To date these different components have not been brought together in a very integrated fashion in the destination literature. Morphological studies tend to be fairly descriptive and to relate either to specific destinations or particular types of destinations, predominantly coastal resorts or cities. There has been little attempt to derive more generalized patterns across destination types (Pearce, 1978, 1995a).

In his essay on urban spatial structure Bourne (1982) provides a useful set of terms and concepts which might be applied systematically to destinations and to frame research on their spatial structure. Not only are many cities major destinations but the terms and concepts he uses recur frequently in research on destinations of many kinds, though usually not in such an explicit and integrated fashion. Bourne's (1982, p. 29) statement that 'interrelationships are undoubtedly the essence of the city and of urban spatial structure' might readily be paraphrased and applied to destinations. Bourne (1982, p. 30) portrays urban spatial structure in terms of three cumulative concepts:

- Form: 'the spatial pattern or arrangement of individual elements – such as buildings

and land uses ... as well as social groups, economic activities and public institutions' – within a given area.

- Interaction: 'the underlying set of inter-relationships, linkages and flows that acts to "integrate" the pattern and behaviour of individual land uses, groups and activities' into functional entities or sub-systems.
- Spatial structure: the combination of form and patterns of behaviour and interaction within sub-systems brought about by some organizing mechanism which links these together according to a set of 'organizational rules' which may be internal, external or some mix of the two.

In summary, a fairly comprehensive set of concepts and approaches exists to examine the spatial structure of destinations but these are more developed and have been more widely applied in terms of urban destination and resort morphologies than at other scales.

Organizational Structure

Different aspects of the organizational structure of destinations are emphasized depending on the theoretical stance taken. As destinations are generally characterized by the presence of multiple, interdependent organizations the appeal of some form of interorganizational analysis is evident (Selin and Beatson, 1991; Pearce, 1992; Mwesiuno and Halpern, 2019). With interorganizational analysis the focus is not on a single organization but rather 'a number of distinguishable organizations engaged in a significant amount of interaction with each other' (Benson, 1975, p. 230). Two main approaches have emerged, one based on exchange theory as presented in the seminal paper by Levine and White (1961), the second stressing a power dependency approach as expressed in Benson's (1975) paper. Levine and White emphasized voluntary activity, goal-oriented exchange in a broad sense, not just the transfer of material goods. Organizations perceive the chances of attaining their goals

in some domains are greater by acting jointly rather than behaving independently. Benson (1975) laid greater stress on the importance of resource acquisition, particularly the acquisition and defence of money and authority. Forms of interorganizational analysis can be used to investigate relationships both within a destination and between destinations, particularly from a hierarchical perspective.

Figure 1.1 presents a framework applied to the interorganizational analysis of territorial tourism organizations at various levels. It is hierarchical in nature and depicts both horizontal and vertical (top-down, bottom-up) relationships between organizations, sets the network of organizations in the broader environment, a sub-environment of which is the tourism environment, and includes a temporal dimension (T_1 , T_2 , T_3) to acknowledge changes over time (Pearce, 1992). The emphasis is on a comprehensive interorganizational approach to analysing what tourism organizations actually do, a concern expressed by focusing on their goals and functions, and how the relationships between organizations influence and are influenced by these. The links between the destinations are thus represented by the relationships between the organizations responsible for aspects of their management and marketing. At each scale these will be affected by the degree of spatial homogeneity or diversity of each destination as reflected by the scale and economic and social significance of tourism; the composition of the tourism sector; the type of tourism; the pattern of growth; and the type of market. As Paddison (1983) stressed, power is distributed geographically, with the manner in which the function of governing is divided within a state between national and sub-national governments varying along a continuum from those with a markedly centralist system to others which are federal in structure. The structure of destination organizations is heavily influenced by these broader political structures. These organizations seek resources from their respective environments in return for which outputs are provided such as marketing campaigns and development plans.

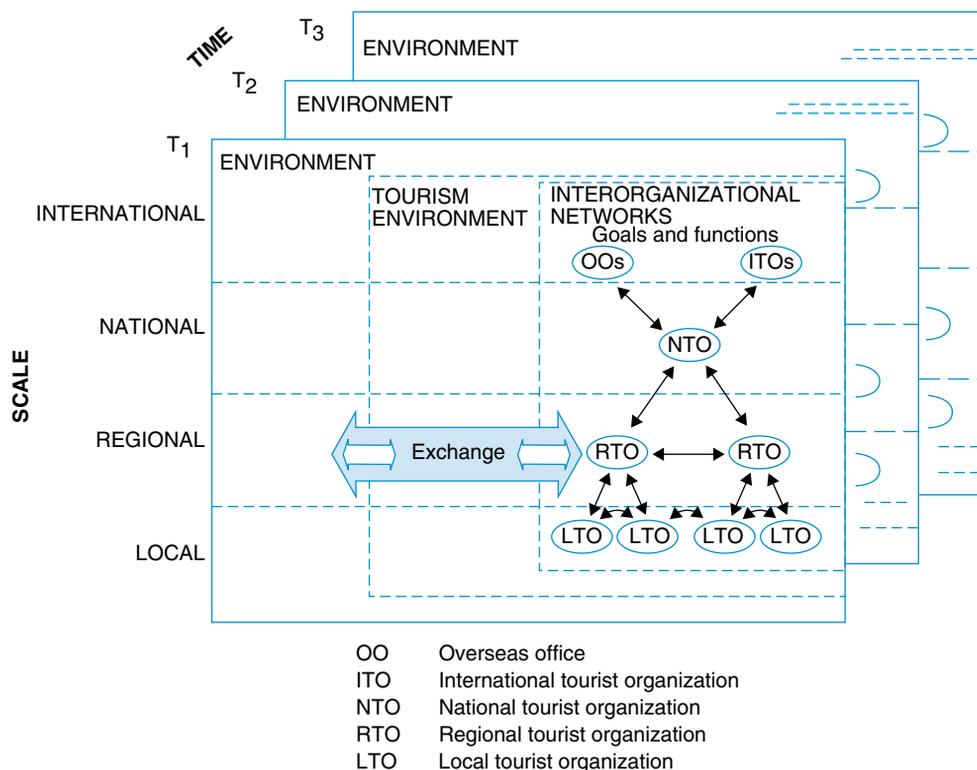


Fig. 1.1. A conceptual framework for the interorganizational analysis of tourist organizations. From Pearce (1992), [Figure 1.1](#), with permission of Pearson Education Limited.

Destinations might also be seen in terms of market structure, defined as 'the number of firms in the market that provide similar products and services as well as the relationships of the firms in the market' (Ma *et al.*, 2015, p. 120). Different market structures – perfect competition, monopoly and oligopoly – are related to the competitive behaviour and performance of firms (Bull, 1995). The main elements of the market structure of an industry 'are usually taken to be the degree of seller concentration, conditions of entry, buyer concentration and product differentiation' (Akehurst, 1984, p. 25). To date, however, relatively little work on destinations has been framed explicitly in these terms or focused on structural characteristics which vary according to the different products that the destination has to offer (Bull, 1995). Papatheodorou (2004) considered conditions of entry into tourism and argued that ease of operations spreads

uncertainty among customers, a situation which favours a small number of reputable firms which invest part of their increased profitability in service quality. This is said (p. 222) to result in a virtuous cycle of constant enlargement in which the 'promotion of standard products becomes necessarily associated with large operating scale to satisfy the increasing flows, while small size operations focus on specific market niches.'

Andergassen *et al.* (2013) developed an economic model for tourism destinations which draws on two key issues: their conceptualization of the tourism product as a bundle of complementary and substitutable goods and services produced and sold within a given territory which provide the overall holiday experience and their interpretation (p. 88) of a destination as a '(meta) economic agent taking important decisions from the supply-side at a level that is intermediate to the micro (firms and tourists) and macro-levels

(the whole economic system, usually the country).’ The bundle of products and services feature of the tourism product has two main implications. First, it is seen to be anti-common in nature; that is, ownership is fragmented among multiple providers. This in turn gives rise to the need for coordination and cooperation if tourists are to be provided with everything they need for their holiday. For the sake of simplicity they focus on price coordination and assume coordination in quantity and quality is already in place. Second, consideration must be given to what goods and services should be provided. In particular, what is the appropriate balance between developing natural and/or cultural resources and offering a more varied (sophisticated) product? Following Dixit and Stiglitz (1977), the assumption is made that tourists show ‘a love for variety’, that is, a wider availability of local goods and services (e.g. restaurants, recreational facilities) beyond the enjoyment of the main resource will increase their satisfaction and result in increased demand.

Their economic modelling produced two theorems.

Theorem 1 The Coordination Theorem. Given the anti-common property of the tourism product, coordination among firms in the destination, which can either be provided by a DMO or by a tour operator, increases profits from tourism. Price coordination is shown to result in more efficient tourism activity compared to when there is no coordination. As a corollary, local profits are less when coordination is provided by a foreign tour operator rather than by a DMO or other local authority.

Theorem 2 The Love for Variety Theorem. As long as the negative externalities on tourism quality are small, reorganization of the tourism destination toward increasing the variety of available goods and services raises tourists’ welfare and their willingness to spend on tourism at the expense of non-tourism consumption, thereby stimulating the economic development of the destination.

Andergassen *et al.* recognized that due to variations in the local context and decisions taken, different real-world situations will be

found. With regard to coordination they identify three sets of destinations:

- Individually based destinations where there is no coordination between local tourism firms.
- ‘Community-managed destinations’ where local firms are coordinated by a DMO.
- Corporate-based destinations where coordination is provided by a tour operator, local or foreign.

Three types of destination are identified in terms of tourism sophistication:

- Resource-based destinations which depend primarily on local natural, cultural or artificial resources and have a very limited variety of differentiated goods.
- ‘Sophistication-based destinations’, where local resources are very limited but the tourism product is based on a large variety of local goods and services
- Mixed-based destinations having a balance between local resources and a certain degree of sophistication of the tourism product.

The three classes in each of the two dimensions thus result in taxonomy of destinations with nine classes. Italian examples of some of these situations are given but the authors note the need for empirical testing of the model as well as attention to methodological issues such as how best to measure sophistication and price coordination.

However, the most common approach to studying the organizational structure of destinations has been to draw on a broader framework from outside the domain of tourism which gives particular weight to the way in which the relationships between multiple interdependent actors are configured and function. In many of these scope exists to incorporate a wider range of actors, including communities and tourists, not just organizations *per se* which are the focus of the approaches just outlined. Given the stress on the place dimension of destinations and the need to explain how multiple product and service elements come together, it is not surprising that researchers have turned to

territorial-based industrial organization models such as industrial districts and clusters. Other frameworks have also been adopted, including networks, systems, social constructs and assemblages. The nature of these frameworks and their application to destinations are discussed in detail in Chapter 3.

Spatial and organizational structure

Interdependence and interconnectedness are common themes in studies of both spatial and organizational structure; in the former in terms of the physical expression of the products and services and associated patterns of demand; in the latter, with regard to the interrelationships between multiple actors. The question this raises is in what ways and to what extent are these two structural forms interrelated? Early researchers analysing the development and morphology of ski resorts in the French Alps recognized that the different forms and processes which they were describing were the product of different organizational and institutional structures (Cumin, 1970; Préau, 1970). Co-location of firms in a designated geographic area is a feature of the territorial-based industrial organization frameworks of industrial districts and clusters (Chapter 3).

Terhorst and Erkuş-Öztürk (2011) took a systems perspective and argued that a tourism production system is a system due to the technical complementarity between the goods and services consumed by the tourists, noting differences may occur between places in the degree of this complementarity, as well as the institutional complementarity which influences the ways in which these goods and services are produced, distributed and regulated under different modes of economic governance. They contend (p. 72) that:

A tourism production system is in itself a spaceless concept ... but ... it is clear that it is impossible to analyze a tourism production system without simultaneously spatializing it. There is only a technical complementarity between sets of specific tourism goods and services when they are produced in a specific place. And it is hard to

speak of institutional complementarity without referring to space either. Tourism places are made up of a specific mix of modes of economic governance at the local level that complement each other while they often simultaneously show many characteristics of a broader national social system of production in which they are embedded.

Jansen-Verbeke and Ashworth (1990, p. 619) argued 'tourism development depends upon concentration rather than on dispersal, functional combination rather than segregation, and multi-functional environments rather than mono-functional ones.' Demand associations, they suggested, can be considered in terms of the space-time budgets and paths of visitors, on their action space, on what they do and where they go during the course of the day or their visit. On the supply-side they identified four sets of relationships between spatial clustering and functional associations, only one of which involves some form of association between spatially proximate businesses (Table 1.1). These include linkages through organizational structure or cooperative activities and functional linkages resulting from spatial clusters serving similar customer groups or 'benefitting from environmental "shadow effects" conferred by other proximate users.' Jansen-Verbeke and Ashworth do little more than outline these ideas but these do provide some basis for exploring the nature of destination structure.

Later, French scholars caution against the assumption that co-location necessarily implies cooperation or interaction and take

Table 1.1. Relationships between spatial clustering and functional associations. From Jansen-Verbeke and Ashworth (1990).

Category	Association	Proximity	Example
Non-spatial associations	+	0	Organization chains
Spatial coincidence	0	+	Premises links
Spatial association	+	+	Immobile joint supply
Non-spatial non association	0	0	Isolated supply

a more nuanced approach to proximity, distinguishing between geographic proximity, organized proximity and cognitive proximity (Bocquet, 2008; Marcepoil and François, 2008; Clergeau and Violier, 2013). The work of Torre and Rallet (2005), which two of these studies draw upon, suggests relationships between geographical and organized proximity merit greater consideration. Geographical proximity expresses the physical or kilometric distance between two units. It might also be measured in terms of cost or time distance as well subjectively. Organized proximity is relational; it refers to the strength of relationship between actors, whether geographically close or distant, and to ‘the ability of an organization to make its members interact’ (Torre and Rallet, 2005, p. 49). Belonging to an organization, they argue, facilitates interaction through a logic of belonging and a logic of similarity. The intersection of these two types of proximity form a matrix resulting in four different types of interaction (Table 1.2). Quadrant 1 depicts a situation of agglomeration in which there is a co-location of activities but no direct relations between the actors or organizations. Quadrant 2 is characterized by strong interactions between co-localized actors resulting from organized proximity as reflected in ‘the intensity of the client–supplier relationships, the exchange of knowhow or the existence of an “atmosphere”’ (Torre and Rallet, 2008, p. 50), conditions that are attributed to industrial districts, localized systems of production and clusters. Quadrant 3 reflects the situation where both

forms of proximity occur but only temporarily, for example where business trips enable long-distance coordination. In the case of supra-local organizations (Quadrant 4), coordination between units in different places is maintained by organizational rules and norms and information and communication technologies with little face-to-face interaction.

Tables 1.1 and 1.2 suggest that a wide range of potential situations exist when spatial and organizational proximity are considered together and that as a consequence much diversity in destination structure might be expected. Bocquet’s (2008) application of Torre and Rallet’s framework to French ski resorts, presented in Chapter 9, is distinctive on two levels: its use in relation to destinations and as a framework to explore different types of destination structure. Other research tends to focus on aspects of only one of the quadrants of Table 1.2 or one of the types of relationships in Table 1.1 and to be concerned with a particular sector rather than the destination as a whole. Attention has been given to organization chains, the non-spatial association example given in Table 1.1, in the form of research on hotel chains (Ivanova and Ivanov, 2015; Le *et al.*, 2018). These studies do not go beyond the sector, tend to focus on business aspects and generally do not examine the spatial dimension in much detail. However, as is shown in Chapter 5, at the national level hotel chains have distinctive geographical characteristics. The analysis of spatial clusters at a national level (Chapter 5) incorporates multiple tourism variables (Capone and Boix,

Table 1.2. Intersection of geographical and organized proximity. From Torre and Rallet (2005).

	Geographical proximity	Organized proximity
Geographical proximity	1) Agglomeration without interactions: I have a lot of neighbours but I do not know them (no direct coordination) Agglomeration due to infrastructures, for example	2) Local systems of innovation, production, clusters: Geographical proximity activated by organized proximity
Organized proximity	3) Non-permanent co-localization: Long-distance coordination implies temporary face-to-face (sales representatives, researchers)	4) Supra-local organizations: Coordination between sedentary people located in different places, supported by organizational rules and information and communication technologies

2008; Majewska, 2015) but research on agglomeration at the local level (Chapter 7) has focused almost exclusively on hotels from a sectoral perspective (Baum and Haveman, 1997; Chung and Kalnins, 2001; Canina *et al.*, 2005; Tsang and Yip, 2009). There is a concern in both cases with analysing the externalities arising from spatial concentrations but little attempt to identify other forms of interaction which might exist or to consider any links between spatial clusters within countries and those which occur within cities. Relationships between co-located actors – spatial associations in [Table 1.1](#); Quadrant 2 in [Table 1.2](#) – have

attracted an increasing amount of attention (Chapter 3) in destination research but as later chapters will show there is relatively little attempt to examine the spatial dimension of such relationships beyond the actors being clustered together in a particular place.

Much scope exists then to draw together these still largely non-convergent streams of research on the spatial and organizational structure of destinations. The following chapters provide a way forward by synthesizing work on each theme and illustrating how these might be integrated more effectively.