



Destination Management Organizations' Perceptions of Tourism Clusters in the Appalachian Region

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Introduction

Tourism has been used as an effective means for rural economic diversification and growth in the Appalachian Region. A recent trend of economic development in the region is to promote tourism in the form of clusters or networks. Since regional tourism clusters have been less examined in the literature as compared to other industry clusters, an overall assessment of tourism cluster initiatives and practices in the region is needed so that best practices of existing tourism clusters can be used to guide future tourism development in the Region. Therefore, this study aims to investigate the formation, operation, effectiveness, challenges, and prospects of tourism clusters in the region.

Methods

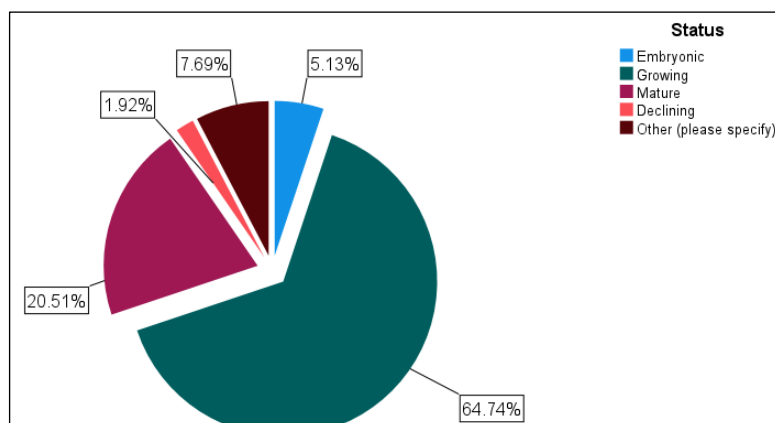
A survey questionnaire was designed by drawing upon findings from the literature (Lade, 2006; Partalidou & Koutsou, 2012). This questionnaire consisted of five sections: 1) background information on tourism clusters and networks, 2) benefits of tourism clustering, networking, or regionalization, 3) challenges facing tourism clustering, networking, or regionalization, 4) destination digitalization and big data, and 5) COVID-19 and tourism resilience. The survey questionnaire was built into Qualtrics which was used as the survey platform for this study. A list of 980 email addresses from Destination Management Organizations (DMOs) and relevant tourism stakeholders (city, county, regional chamber of commerce, CVB, tourism alliance/authority/association, economic development authority/partnership, and recreation and park department, etc.) in all 423 counties across 13 states in the region was compiled. The survey was carried out between Dec. 15, 2022 and Jan. 26, 2023 with a sample size of 201. Results presented here are more descriptive in nature and are based on usable questionnaires with missing data omitted using case-wise deletion.

Results

The 201 participants are from each of the 13 states in the region with a majority from Pennsylvania and West Virginia, each accounting for 19.6%, followed by Virginia (12.6%) and Ohio (10.6%). Most counties have more than three clusters (40.56%) with trail (68.7%) and heritage (61.7%) as the most popular cluster themes. The majority of tourism clusters are at the growing (64.74%) or mature stage (20.51%) (Figure 1).

Figure 1

Tourism Clusters by the Development Stage



Responses on the benefits of tourism clusters are highly positive, with the majority either mildly or strongly agreeing that tourism clusters can “promote regional collaboration” (88.7%), “promote knowledge sharing and information” (82.70%), and “stimulate new business opportunities” (80.50%) (Table 1). The top three challenges identified are “lack of time” (69.10%), “diverse business needs” (53.40%), and “differing management goals” (45.6%) (Table 2).

Table 1
Responses on Benefits of Tourism Clusters in the Appalachian Region

Items	SD %	MD %	N %	MA %	SA %	MA +SA %
5. Promote regional collaboration	5.3	1.5	4.5	30.1	58.6	88.7
7. Promote knowledge sharing and information flow	3.8	6.8	6.8	39.1	43.6	82.7
6. Stimulate new business opportunities	4.5	3.0	12	42.9	37.6	80.5
4. Reinforcement of image and branding	3.8	6.0	10.5	39.1	40.6	79.7
8. Increase the chance to acquire funds	3.8	3.0	15.8	34.6	42.9	77.5
10. Enhance public and private business partnerships	3.8	6.0	13.5	45.9	30.8	76.7
2. Create economies of scale and synergy	4.6	3.8	15.3	37.4	38.9	76.3
3. Create greater market control	3.8	6.9	21.4	43.5	24.4	67.9
9. Foster competitiveness and innovativeness	2.3	7.5	23.3	44.4	22.6	67.0
1. Reduce risk and deal with uncertainty	3.8	9.9	42.7	32.8	10.7	43.5

SD = Strongly Disagree, MD = Mildly Disagree, N = Neutral, MA = Mildly Agree, SA = Strongly Agree; Ordered by MA and SA combined from the largest to the smallest.

Table 2
Responses on Challenges Facing Tourism Clusters in the Appalachian Region

Items	SD %	MD %	N %	MA %	SA %	MA +SA %
5. Lack of time	3.7	7.4	19.9	39	30.1	69.1
3. Diverse business needs	0.7	14.8	31.1	41.5	11.9	53.4
2. Differing management goals	5.1	14	35.3	36.8	8.8	45.6
9. Lack of forward vision	16.2	18.4	21.3	27.2	16.9	44.1
4. Team-working skills	4.4	21.3	30.9	35.3	8.1	43.4
8. Lack of organization and leadership	14.1	17	26.7	31.1	11.1	42.2
6. Lack of expertise	7.4	20.7	31.1	28.1	12.6	40.7
10. Lack of trust and cooperation between local businesses	8.8	24.3	28.7	27.2	11.0	38.2
1. Reluctance to share knowledge and information	11.8	19.1	31.6	25.7	11.8	37.5
7. Lack of interest	11.0	29.4	35.3	19.1	5.1	24.2

SD = Strongly Disagree, MD = Mildly Disagree, N = Neutral, MA = Mildly Agree, SA = Strongly Agree; Ordered by MA and SA combined from the largest to the smallest.

Participants were also asked to indicate their perceived importance of information and communication technology (ICT) and big data in the marketing and management of rural tourism destinations post-COVID-19 as compared to pre-COVID-19. It is found that “use of online platforms to promote tourism (digital/internet marketing)” was perceived as the most important (85.7%), followed by “collaborative marketing” (73.5%), and “tourism stakeholders’ websites to strengthen industry ties” (68.8%).

Finally, in terms of the community resilience in the context of COVID-19, an overwhelming majority (85.8%) either mildly agreed or strongly agreed that “people in my community help each other”, followed by “I can depend on people in my community to come to my assistance in a crisis” (81.2%), “I believe in the ability of my community to overcome an emergency situation (76.7%), and “people in my community work together to improve the community (76.0%). In addition, a good number of participants thought that “recreation/tourism in the area will end up being more resilient and sustainable post the pandemic” (74.2%), and tourism in my community has recovered to its pre-pandemic level” (63.9%). It should be noted that only 22.2% of participants considered “it is easier to start a new business in my community” and less than half (47.30%) thought that “My community actively prepares for future disasters”.

Discussion and Conclusions

The success of a cluster to some extent depends on strong policy support from governments as well as the role that governments play in facilitating communications between companies, government agencies, and institutions (i.e., universities and public utilities). Although a number of studies on industry clusters and associated impact on competitiveness exist in the literature (e.g., Delgado et al., 2013; Piperopoulos & Scase, 2009; Spencer et al., 2010), few studies have applied the cluster theory to rural tourism to assess tourism clustering from the perspectives of DMOs and tourism professionals at the regional level that involves multiple states. A regional approach focuses on the development of partnership and collaboration that go beyond the community boundaries in a region to enhance co-growth and avoid competition among communities.

The majority of tourism clusters being at the growing (64.74%) or mature stage (20.51%) reflects the recent nationwide trend and practice of developing recreation economies in a collaborative manner. This finding also endorses Appalachian Regional Commission (ARC)’s mission of promoting asset-based development through networking and collaboration. The rural authenticity, unique culture and heritage, distinctive and “alive” assets of traditional music, art and craft, local food and drink, and outdoor beauty and recreation in the Appalachian region have been increasingly identified as important assets that can help to improve local economies. Thus, it is no wonder that most tourism clustering and networking efforts were geared toward trail and heritage tourism in the region.

While recognizing the benefits from tourism clusters, developing tourism clusters also faces challenges in the region (e.g., “lack of time”, “diverse business needs”, and “differing management goals”). These barriers to tourism clustering need to be addressed properly, as one participant noted, “I tend to not partake in too many regional partnerships simply because I want to establish our own unique identity. Some people already thinking a neighboring county’s resort is in my county and vice versa so it’s important to make sure I am positioning my county as individual and unique... The largest businesses in my County are also very careful about sharing their company’s data so that is not easy to acquire and many choose not to work with each other for that reason which is a challenge.”

Research limitations: different people have different understanding of what constitutes a tourism cluster. While clustering, networking, and regionalization are conceptually different, for the sake of simplicity, we put them under the rubric of tourism clusters, which may create ambiguity. Although Michael Porter's (2000) definition of a cluster being "a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities" was introduced in the cover letter, some participants contacted us during the survey that they still had difficulty to operationalize the concept of tourism clusters into practice.

Future research needs: 1) conduct regional workshops on tourism clusters with a focus on how the concept can be operationalized in practice across states in the region. 2) compile best practices on tourism clusters in the region. 3) quantify the socio-economic benefits of tourism clusters in the region.

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