Chapter 5

Failure–Avoidance in the Implementation of Tourism and Hospitality Strategies

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ABSTRACT

One of the key factors for the effectiveness and success of tourism promotional methods is having the right strategy for each promotional technique and implementing those strategies properly. The problem with current tourism and hospitality literature is a lack of wide-scope and strategic perspective on the reasons for strategy fatality that can compile and categorize all major causes of strategy failure. A meta-analysis technique is used to systematically analyze existing related literature in the top eight related journals and all Amazon books that include one or more of the six strategy failure related keywords. The taxonomy of causes of strategy failure has emerged after systematic combination of the principal causes of strategy failure (absent, present, incompatible) and approximation of influential environments that contribute to failure of strategies (near, middle, far). The taxonomy of causes of strategy failure has nine sets of strategy-crashing factors.

INTRODUCTION

Various strategic tools and techniques are available for promoting tourism. Each of the promotional methods has its own corresponding strategies. All efforts in the process of strategic tourism and hospitality management such as environmental analysis and strategy formulation would be fruitless and wasteful if strategy implementation goes wrong or implementation becomes ineffective (Friesl & Silberzahn, 2012). This study aims to detect the major reasons for failure in the execution of tourism and hospitality strategies and to propose ways in which failure can be avoided. A meta-analysis technique is used to systematically analyze existing related literature.
The outline of this chapter is as follows: after the introduction and a brief background to the strategic promotional mix and the importance of failure avoidance in the execution of strategies to promote tourism and hospitality, some of the major issues in current hospitality and tourism literature are noted. A concise methodology and proposed taxonomies shape the recommended solutions for the mentioned shortcomings in the literature. Before the conclusion that finalizes the chapter, some practical and theoretical applications of the findings of this research are stated for further study.

BACKGROUND

Revenue from tourism and hospitality can be one of or the major source of income for many countries. For example, the average annual revenue from tourism in the United Kingdom is a few times more than the annual revenue from selling oil and gas by one of the major oil and gas producers, Iran (Suh & Alhaery, 2014). So the reason why hospitality and tourism are being promoted heavily at national and company levels around the world is understandable. Hospitality and tourism can be promoted using a classic promotional mix, which includes advertising, public relations, personal selling, and sales promotion (Ankor, 2012; Garcia, Cortes, Marco-Lajara, & Zaragoza-Saez, 2014). The extended promotional mix encompasses the four classic elements of promotional mix plus direct marketing, sponsorship, and exhibitions (Park & Jang, 2014). One of the key factors for the effectiveness and success of tourism promotional methods is having the right strategy for each promotional technique and implementing those strategies properly (Aboutalebi, 2016).

A survey conducted by the Economist Intelligence Unit (2004) revealed that barely 40% of executives rated their companies as being successful at execution of strategies. Another survey suggested that companies typically realize only about 60% of their strategies’ potential values because of breakdowns in both planning and execution (Mankins & Steele, 2005, p. 66). Fortune magazine estimated that 70% of chief executive officers’ departures are the consequences of strategy execution failures (Charan & Colvin, 1999, p. 72). This has been restated in new findings by MacLennan (2011) that more than 70% of strategies including hospitality and tourism fail to achieve intended objectives during their implementation stage. Each of these studies has limitations, but together they paint a picture that reflects the impression of experts in the field - an alarmingly small portion of strategies are implemented successfully (MacLennan, 2011, p. 1).

Few researchers have tried to detect the roots of failure in strategy implementation and suggest some recommendations to deal with this difficulty. Two known but relatively old studies were conducted by Sterling (2003) and Beer and Eisenstat (2000), who are mainly non-academics. Beer and Eisenstat (2000, p. 31) claimed strategy has six “silent killers”: wrong management style, unclear strategy, ineffective managers, poor communication, poor coordination, and supervisors’ lack of leadership. They recommend three responses to avoid failure including managerial replacement, avoidance, and engagement (Beer & Eisenstat, 2000). Sterling (2003, p. 27) believes strategy implementation fails owing to seven reasons: bad strategy, market changes, lack of focus, no distinctiveness, competitors’ responses, insufficient resources, and poor communication. He does not recommend how to avoid strategy failure but instead he suggests eight considerations for better strategy implementation. Regarding these two publications, it should be noted that there are no proper explanations about the methodology used in conducting their research, or
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