Chapter 13

Describing Coopetition Among Destinations: Evidence From the UNWTO Silk Road Program

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ABSTRACT

This chapter addresses on coopetition among destinations with the objective of elaborating according to the themes developed in another form of coopetition: the one within destinations. Over the years several forms of coopetition among-destinations were developed but scientific literature has concentrated on the ones within-destinations that were analysed and described in depth. The chapter describes the UNWTO Silk Road Program, considering it the bigger initiative in terms of coopetition among-destinations. The area of research has several streams to be developed and, cost-efficiency assessment is surely the most appealing both at a scientific and managerial level. Improving the management and monitoring of a coopetition among-destinations strategy may carry to extension of the areas of cooperation and to gathering more resources for the implementation of effective plans and actions.

INTRODUCTION

In the present scenario, the industry of travel and tourism is facing a new and revolutionary period.

Due to continuous innovations, new practices and new players entered in the industry and competition is recording the highest degree both between firms and between tourism destinations.

In fact, tourism is a healthy gear of the global economy and UNWTO – World Tourism Organization forecasted a growth at a pace among 3 and 4% per year until 2030, outperforming the GDP growth in several developed and developing countries (World Tourism Organization [UNWTO], 2017).

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During the last decade, it was observed that a number of global companies grew very fast due to the spreading of the digital economy, the availability of venture capitals, mostly in US, and the strategy of mergers and acquisitions that is still in process.

In this scenario, tourism destinations are mainly organised by public administrations and they are facing lack of resources to address the challenges of the modern tourism. But while competing, tourism destinations are investigating more and more field of cooperation with the objective of achieving efficiently one or more competitive advantages (Redi, 2017).

The Silk Road Program is probably the largest example of coopetition among destinations, it’s promoted and coordinated by UNWTO and involves directly its member States. For this reasons, the authors selected it to assess and describe for the first time a project of coopetition among destinations. The chapter is aimed at investigating on the application of a methodology used for the coopetition within destination, by developing a questionnaire that can be exploited for further researches.

BACKGROUND

A large literature is present regarding tourism destinations and destination management organization, namely D.M.O. A number of studies, analysis and publications are available about coopetition within destinations, while literature regarding coopetition within destination counts only few references. The authors, after outlining the present scenario in the travel and tourism industry and discussing about the topic of destination management, will elaborate on coopetition among destinations.

Present Scenario: A New Era?

During the last decade, the travel and tourism industry faced several fast changes that were started thanks to the internet innovation and the following introduction of the disintermediation in the distribution chain. In fact, driven by the strong tourist demand and supported by the availability of venture capitals, mainly from USA, several OTAs, namely Online Travel Agencies, have developed their businesses. In the last few years, mergers and acquisitions strategies started and they are still in process, forming huge global groups such as Expedia Group, Priceline Group in the OTAs business, and Marriott-Starwood in the hotel industry (Twissen, 2016b).

Moreover, the travel industry was field of fast innovations and the sharing economy, better described as collaborative economy by the European Union, is playing an important role in these fast changings (European Union [EU], 2016). Global players such as Airbnb, an US online platform focused on short-term rentals, and Uber Technologies, US online platform engaged in the ride-sharing business, developed new practices and business opportunities that, in several cases, were discovered to be contrary to local or national regulations. There’s a plenty of articles in today’s newspapers regarding cities that are contrasting the practices of Airbnb or to elaborating on amendments to the regulations as demand and offer in tourism, and not only, it requires them (Twissen, 2016a).

Another practice that considers several aspects of the tourism industry is the parity rate, namely that clause that guarantees an OTA the best price for a hotel room. European Union and Member States are addressing this issue in order to guarantee a regular and fair competitive environment.

The economic and financial scenario was struck last year by the decision of the British citizens to exit from European Commission, namely Brexit. As at the time of writing this chapter the UK Govern-
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