Stakeholder Perspectives on Tourism Development in Waterloo Region

by

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Author’s Declaration

I hereby declare that I am the sole author of this thesis. This is a true copy of the thesis, including any required final revisions, as accepted by my examiners.

I understand that my thesis may be made electronically available to the public.
Abstract

Serious academic enquiry for the tourism sector may appear inconsequential, but the business of tourism is complex and fragmented. Tourism is a multi-disciplinary phenomenon facilitating research from a number of different angles and providing many services requiring partnership between public and private collaboration towards delivering an effective tourism sector.

Waterloo Regional Council declared its aspiration for Waterloo Region to be a destination of choice. However, there has been no research conducted to understand the viability of this aspiration. Thus, this research understands from a stakeholder perspective how tourism development is being undertaken in the Region. This will provide a preliminary understanding on tourism development in the context of economic, social and environmental dimensions of development.

The joint use of two theoretical frameworks helped to identify and manage divergent perspectives of sixteen stakeholders who provided the primary data for this research. The data revealed three major themes through a changing lens that first considers the role of tourism as an effective vehicle of development. This meets with change due to limitations and uncertainties due to constraints that lead to conflicts between stakeholders responsible for its development.

Findings reveal that stakeholders confront numerous fundamental challenges, which provide constraints and bottlenecks for tourism development in the Region. This research understands the need for leadership, strategy and effective collaboration between all stakeholders as vital for tourism development.
Acknowledgements

Academic pursuits have been integral to my three decades of executive and entrepreneurial endeavors in the private sector. However, recognition for on-going informed decision-making coupled with thirst for knowledge provided the impetus to undertake my PhD. It was perfectly legitimate for me to embark upon my graduate studies in “mid-life” with a goal to make a difference in the lives of marginalized by using tourism sector opportunities to bring indirect economic benefits to communities. Realization for pragmatic and comprehensive solutions resulted in my enthusiasm for a continued academic journey to link practical experience with knowledge for innovative, collaborated and intellectual responses. My experience and enthusiasm was matched by a strong research program at the University of Waterloo in Recreation and Leisure studies providing the necessary options for quality academic learning.

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CHAPTER ONE: INTRODUCTION

1.1 Tourism Development

Despite conflicting perspectives on tourism development, it has been promoted as a clean and harmless economic activity, free of negative environmental impacts normally attributed to manufacturing, mining, logging and intensive agri-business (USAID, 2007). Gunn (1994, p. 16) indicates that there is no other form of development “that has so many far-reaching tentacles as …tourism”. Researchers in favor of tourism development contend that tourism has certain advantages as a pathway to development based on consistently high levels of growth since 1950s and posit that tourism redistributes wealth, utilizes ‘free’ natural resources, existing attractions and infrastructure for low start-up costs (Telfer & Sharpley, 2008).

As early as 1960s, concerns over the negative consequences of unplanned tourism growth due to rapid expansion of resorts on the Spanish ‘Costas’ (Barke et al., 1996) led to increasing criticism and calls for its development to be controlled or restricted (Mishan, 1969; Young, 1973). Subsequently, attention turned to specific environmental, political, socio-cultural and economic consequences of tourism development with debates and analysis of tourism’s consequences from theoretical research to apocalyptic journalism (Sharpley, 2010) with most frequent criticism directed to mass tourism (Poon, 1993).

The United Nations World Tourism Organization (UNWTO) estimated that there were 935 million international travelers in 2010 with the Tourism industry expected to generate up to US$2 trillion a year by 2020 (UNWTO, 2011). Indeed, the potential benefits from foreign exchange earnings, employment creation, economic diversification and growth collectively justify tourism’s role as a vehicle of development (Sharpley & Telfer, 2002). They attribute this
growth to tourism being an agent of development and assert that relatively little attention has been paid to the inherent processes, influences, objectives and outcomes of tourism-related development.

Tourism has been described as a dynamic, multi-sector and socio-economic process of development, which requires responsible use of natural resources based on cooperation and collaboration among government, transportation, accommodation, local residents, private sector entrepreneurs and others for significant development (McCool & Moisey, 2008; Sharpley & Telfer, 2002). They posit that tourism development and its role in society leads to different implications for varied action. Tourism has been described as a tool for social and economic development through responsible use of resources (Aronsson, 2000; Hall, 2008; Sharpley & Telfer, 2002; Weaver & Lawton, 2002). Thus, irrespective of the type of tourism, it is the process that inextricably connects tourism with issues of development (Hall, 2008). This process is “generally associated with positive social change, which means moving forward to something that is better than the present” (Aronsson, 1994, p. 31).

Researchers agree that for tourism development to be successful it must be planned, developed and managed responsibly (Inskeep, 1991; Southgate & Sharpley, 2002; Yuksel, Bramwell & Yuksel, 1999) and caution that “ill-conceived and poorly planned tourism development can erode the very qualities of the natural and human environment that attract visitors in the first place” (Inskeep, 1991, p. 460). While the growth of tourism sector globally is a great success story, there have been increasing warning signs of over-saturation and deterioration of some destinations, transport bottlenecks, and a growing resentment by residents in some destinations (Agenda 21, 1996). To better understand tourism development there is a
need to involve stakeholders for a linkage between stakeholder perspectives and how tourism development is being undertaken.

Thus, the organizational structure of a destination, perceived as a network of interdependent and multiple stakeholders (d’Angella & Go, 2009) on which the quality of hospitality depends (Hawkins & Bohdanowicz, 2011) make stakeholder collaboration for common goals essential (Hall, 2000; Jamal & Getz, 1995). However, the multiplicity and heterogeneity of tourism stakeholders renders the process complicated (Waligo et al., 2012) and a need for responsible policies and organizations and their contributions to tourism development necessary (Hawkins, 1993; Southgate & Sharpley, 2002; Yuksel et al, 1999).

1.2 Stakeholder Involvement and Tourism Development

Researchers stress that the inclusion of stakeholders is essential to tourism development and without this support responsible tourism development is not possible (Gunn, 1994; Gursoy et al, 2002). Thus, a clear understanding of stakeholder inclusion, support, attitudes and interests is an essential precursor to planning and management of tourism development. Researchers recommend involving stakeholders throughout the entire development, planning and management process and suggest that their involvement must be fair, efficient, provide knowledge, wisdom and stability (Susskind & Cruikshank, 1987; Gunn, 1994).

Researchers comparing residents, entrepreneurs, tourists and government officials have reported divergent views and found significant differences between these groups in their perceptions of impacts (Pizam, 1978; Puczko & Ratz, 2000; Murphy, 1983). Differences in perception can result in conflict between stakeholder groups based on different interests, perceptions of the overall costs and benefits to development (Byrd, 1997; Gursoy & Rutherford,
2004; Ioannides, 1995; Reid, Mair, & George, 2004). Although, to understand stakeholder perspectives is complex and involves a lot of work, one approach that may help reduce conflict is in the appropriate identification of stakeholders (Hunter & Haider, 2001; Reid et al, 2002; Yuksel et al., 1999). Researchers have recommended that tourism developers and planners consider interests of all stakeholder views and interests in the long-term by “drawing on the knowledge and insights of stakeholders” (p. 359). Sautter & Leisen (1999), in their study of tourism development found that as agreement across stakeholder interests increased, so did their likelihood of collaboration.

1.3 Problem Definition

A problem might be defined as an issue that exists in literature, theory, or practice and leads to a need for the study (Creswell, 1994). Whilst stakeholder perspectives on tourism development have met with widespread research, research focus has attempted to understand residents. Despite the significance of diverse interests having been a recurring theme in tourism literature, there is limited research that assesses multi-stakeholder perspectives of tourism development (Byrd, 2007; Robson & Robson, 1996; Ryan, 2002; Yuksel et al., 1999). This study will conduct research on multi-stakeholder perspectives of tourism development in one case study area.

Furthermore, tourism development and management studies on stakeholder perspectives adopt a quantitative approach, there by neglecting broader issues in theoretical development (Hardy, 2005). This study identifies a gap in literature as it recognizes the need for in-depth qualitative understanding of tourism development from a stakeholder perspective. Qualitative approach provides for an in-depth understanding as it probes responses to research questions.
Beyond the creation of Waterloo Regional Tourism Marketing Corporation (WRTMC) in the Waterloo Region, there appears to be a lack of governmental action in tourism development. For instance, the Waterloo Regional Council (composed of a Regional Chair, and eight directly-elected Regional Councilors, and the mayors of the seven municipalities) in their Strategy 2008 confirm tourism as essential to the Region’s cultural and economic fabric with focused efforts to place the Region of Waterloo on the map as a tourism destination of choice (Waterloo Strategy, 2008). While this aspiration may stem from the potential contribution tourism can make to development, there is a need to understand if the Region is committed to this aspiration.

Arguably, from an academic perspective there has been no previous study on stakeholder involvement in tourism development in the Waterloo Region. The only academic study conducted 27 years ago was by McFarlane (1985). Waterloo Region’s aspiration to be the destination of choice (Waterloo Strategy, 2008) coupled with research emphasis on the significance of stakeholder involvement in tourism development (Getz & Timur, 2005; Gunn, 1994; Gursoy et al, 2002; Hall, 2007) enabled this study to identify a gap in literature.

1.4 Research Objectives

The overall research goal is to understand varied stakeholder perspectives on how tourism development is being undertaken in the Waterloo Region. This understanding is to focus on the supply side of the tourism sector, representing a variety of tourism products, services, suppliers and experiences. The objectives of this study are:

To understand stakeholder perspectives on what is the potential of tourism development to Waterloo Region.
To understand stakeholder perspectives on how tourism development is being undertaken in Waterloo Region since 2007 to the present.

To understand stakeholder perspectives on the role of WRTMC and the effect of Regional Tourism Organization 4 (RTO4) on WRTMC.

1.5 **Theoretical Basis for Study**

The joint use of stakeholder theory and social exchange theory (SET) provide theoretical lens for an effective and systematic approach to identifying stakeholders and managing diverse perspectives and interests for an integrated approach to managing stakeholder perspectives. These theoretical frameworks allow focus, flexibility and freedom for an in-depth understanding of the proposed study (Charmaz, 2000). She posits that with abundant knowledge in the field and in literature, failure to use preliminary frameworks may result in a lack of research focus.

The stakeholder concept gained acceptance with Freeman’s (1984) stakeholder theory and his book Strategic Management: A Stakeholder Approach. A decade later Freeman’s (1994) “The Principle of Who or What Really Counts” presents three key attributes of power, legitimacy and urgency as identifiers of stakeholder classes (Freeman, 1994). Freeman (1984) argued that stakeholders are significant and he states that an organization has relationships with several groups and individuals i.e. owners, employees, customers, suppliers, members of the communities and governments.

This study recognizes the significance of partnerships as essential and is sensitive to the requirements of varied stakeholder groups i.e. tourism providers, public providers and the host community to work in collaboration, mutual understanding and for stakeholder interdependence through partnership and collaboration (Jamal & Getz, 1995). A partnership as defined by Uhlik
(1995, p. 14) is “an ongoing arrangement between two or more parties based upon satisfying specifically identified, mutual needs. Such partnerships are characterized by durability over time, inclusiveness, cooperation, and flexibility”. Stakeholder attributes for partnership, collaboration and communication are essential for tourism development processes (Jamal & Getz, 1995).

In addition, this study recognizes the need for managing divergent perspectives on the basis of the best balance of benefits and costs for all stakeholders (Ap, 1992; McGehee & Andereck, 2004). Social exchange theory (SET) is a framework to study community attitudes (Byrd, 2007; Gursoy et al., 2010) and has been defined by Ap (1992) as “a general sociological theory concerned with understanding the exchange of resources between individuals and groups in an interaction situation” (p.668). From a tourism perspective, SET implies that stakeholder support is based on evaluations of the benefits and costs or actual and perceived outcomes (Andereck et al., 2005). They posit that SET “suggests people evaluate or exchange based on the costs and benefits incurred as a result of that exchange” (p. 1061).

There can be discord from shared resource use, multiple interests and conflicting opinions and SET provides insights in convergent and divergent views (Tkaczynski, Rundle-Thiele, & Beaumont, 2009). Discrepancies and lack of common understanding on key issues between different parties can be challenging (Jamal, 2004; Reed, 2009; Timur & Getz, 2008). Furthermore, the tourism system is not uniform as it encompasses two distinct sub-systems comprising of policy makers and the commercial tourism sector governed by different forces (March & Wilkinson, 2009). Informed decision- making between diverse stakeholders on a range of complex issues is crucial in tourism development. This leads to discrepancies in values between different parties and a “one size fits all approach” is not recommended to summarize the
needs and viewpoints of all stakeholders operating in a destination (Tkaczynski, Rundle-Thiele, & Beaumont, 2009). Thus, soliciting individual stakeholder perspectives provides for relevance and strength of this study.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Research posits that tourism based on the local cultural and natural heritage contains great potential for tourism development and can impact the very resources upon which the tourism sector is founded. Thus, tourism development needs to reduce negative impacts through the function of pragmatic planned development against an outcry about ‘tourism destroying tourism’… McCool and Moisey (2008, p. 8/9) state:

While the basic function of planning is to select a future and find the best path to it, traditional planning processes for tourism development may no longer be appropriate for 21st-century contexts. These contexts are likely typified by seemingly competing goals (e.g. protecting environmental quality and providing economic opportunity)...Analyses are needed that suggest what trade-offs between them will occur. We need to ask what costs occur, what benefits result and who benefits and pays

Researchers discuss the need for integration of social and environmental issues in tourism development with several perspectives indicating there is no ‘one size fits all’ answer and that varied knowledge is important for developing policy. Each destination has its own culture, values, and attributes that make it different and tourism development is based on shifting changing values and local attitudes (Kastarlak & Barber, 2012; McCool & Moisey, 2008; Sharpley & Telfer, 2002).

Tourism is vulnerable to the economic, political and social climate of any destination. This vulnerability suggests that proactive initiatives are cost effective compared to reactive responses suggesting urgency for decision making in the tourism sector. The functional approach suggests that interested stakeholders should collectively manage the tourism system (Jamal & Getz, 1995).
and provide economic benefits through employment and entrepreneurial opportunities. Swarbrooke (1999) acknowledges that tourism development is about social equity, economic viability and the need for a well-managed tourism sector that can bring social, economic and environmental benefits.

The tourism sector has potential for positive impacts contingent upon the sector being developed responsibly. According to Becken and Hay (2007), this sector offers benefits and opportunities for the development of small and medium-scale enterprises based on the following:

- Tourism is marketed internationally but is consumed at the point of production.
- Economic benefits resulting from job creation and supporting industries.
- Increases spending in the community generated from tourism businesses.
- Encourages national heritage preservation and multiple-use of infrastructure
- Provides protection and preservation of the environment through awareness.

Agenda 21 (1996) identifies environment and development issues which threaten economic and ecological catastrophe and assert that tourism has a vested interest in protecting natural and cultural resources. It posits that tourism has the potential for environmental and socio-economic development for the communities in which it operates (Agenda 21, 1996). Researchers warn that the costs of inaction far outweigh those of action and caution against unrestricted growth of the tourism sector with suggestions to improve the environment while fostering economic and social development (Agenda 21, 1996; Ritchie, 2003; Swarbrooke, 1999; Weaver & Lawton, 2002). Hall (2008) posits that with environmental problems there is realization of tourism as being inextricably linked to the environment, economy, and society.
The United Nations Environment Program (UNEP) (2005) annual report suggests that tourism can benefit bio-diversity conservation and local communities with increased cooperation between the management of resources in natural areas and the tourism sector (UNEP, 2005). While the importance of natural resources is recognized, there is a need not only for the responsible use of this resource but for it to be linked to a development pathway that creates value. Through the review of literature this study understands the use of natural resources (including community), their development (activity) and the potential impacts for its understanding of tourism development.

2.2 Tourism and Natural Resources

The Earth Summit brought the realization that our resources are being depleted faster than they can be recovered and that tourism activity relies on the fragile natural or cultural resources (Agenda 21, 1996). Gossling and Hall (2006) state that links between tourism, natural and social environments may benefit local communities and the natural environment where humans and nature co-exist in a state of mutual respect and understanding. They contend that tourism may impact the natural and social environment in ways that are socially destructive and environmentally irreversible.

Tourism development can place stress on natural resources which are already scarce or mismanaged with specific reference to water resources, local resources, land degradation, destruction and alteration of ecosystem and degradation of a habitat as outlined by The Global Development Research Center:

1) Water Resources: Fresh water is one of the most critical natural resources being overused by hotels for swimming pools, golf courses and personal use by tourists.
2) Local Resources: Pressure on local resources like energy, food, raw materials that may already be in short supply.

3) Land Degradation: Increased construction of tourism and recreational facilities pressurizes landscapes. Direct impact on natural resources, both renewable and non-renewable by the use of land for accommodation and other infrastructure.

4) Destruction and Alteration of Ecosystems: Attractive green areas and pristine lakes and rivers are coveted and attractive to both tourists and developers causing resultant stress.

5) Habitat can be degraded by tourism activities e.g. high tourist visitations to a natural attraction can place high stress on habitat.

Natural resource preservation meets with debate as to a dual mandate. Should the goal be to preserve the natural resource or to develop it for tourism? Arguably, the tourism sector does adversely impact natural resources and research needs to provide for its responsible use. It is probable that stakeholders can provide for responsible use of resources on integrating conservation, preservation, education and visitor experience (Jager et al., 2006).

2.3 Tourism and Community

Despite an emphasis on community involvement as a prerequisite to delivering positive tourism experiences (Hall, 1994), reality shows limitations to community participation and benefits from tourism. George Washington University International Institute of Tourism Studies (1991) prediction that “resident responsive tourism” watchword would set the tourism agenda, priorities, and management has proved challenging as two decades have lapsed and community
participation is limited with local ‘costs’ of tourism being borne by community but not the profits (Kastarlak & Barber, 2012; McCool & Moisey, 2008; Tosun, 2000).

Reid et al. (2004) posit that tourism development is generally the prerogative of entrepreneurs or special interest groups who treat tourism like any other commercial form. They explain that development is incremental and that small towns risk becoming dominated by the tourism enterprise changing the town’s character and function. In an effort to counter the tensions from the negative impacts from unplanned development, they suggest that communities should plan tourism development at the outset taking into account resident attitudes and perceptions (Reid et al. 2004). Stakeholder perspectives can provide practical strategies for building their capacity to weather tourism development challenges.

There are many process models that advocate local citizen involvement at inception in the development process (Gunn, 1994; Inskeep 1991). It is important that community accept responsibility for development fully comprehending the repercussions (Jamal, 2004). Any decision-making process has its own rules of engagement but there is lack of transparency on why non-decisions occur, or the process of decision making and its implementation. Joppe (1996) states that research evaluation is scarce on community tourism development process and few tools have been developed to enable communities monitor the effects of implementation.

Communities are vital to a destination and their involvement in tourism development essential. However, it is recognized that communities may have limited understanding of tourism and this literature review cites social representations theory as an example to analyze community attitudes to tourism development. In understanding tourism development processes, especially in regional destinations, it could be argued that such a framework would be useful if incorporated (Moscardo, 2011) because it:
- Links individuals and their attitudes to the social context (Jenkins, 2003);

- It recognizes the importance of power (Ryan, 2002);

- It provides a link between knowledge and understanding of tourism, and control over tourism decisions (Moscardo, 2008a).

Researchers have used social representations theory in tourism to analyze community attitudes to tourism development (Andriotis & Vaughan, 2003; Fredline & Faulkner, 2000; Yuksel, Bramwell & Yuksel, 1999). Moscardo (2011) argues that this theory could be used more broadly to integrate destination, residents, tourists and those who develop and plan for tourism. She identifies three key areas of intersection; first intersection is between planners/marketers and tourists; the second is between tourists and communities with a focus on destination and host; and the third intersection is between communities and planners.

Other relevant research is on cooperation and collaboration with Butcher (2003) drawing attention to concerns over the absence or lack of cooperation between tourism and other sectors. Researchers comment on the role, collaboration and cooperation of international donor agencies, NGOs, international tour operators and multinational companies as essential but absent as each agency works in compartmentalized silos (Joppe, 1996; Satterthwaite & Sauter, 2008). They recommend a need for linkages and integration to be part of all plans, policies and development strategies as they observe this crucial linkage to be absent. Joppe (1996) posits that the absence of cooperation and linkages cannot be blamed on community but on level of government.

Human resources determine socio-economic development and stakeholders perspectives can help build adaptive capacity (Harbison, 1973; Todaro, 1994). If the destination has lack of qualified human resources then the sector would have to import staff, which would thwart local
benefits and create a cultural backlash (Tosun & Jenkins, 1996). Efforts at community development have focused on tourism as the medium of development for its economic impact (Joppe, 1996). Becken and Hay, (2007) state that the tourism sector provides more opportunities than any other sector, for involving local communities to participate in decision making and benefit from employment and investment opportunities. The challenge is to provide economic opportunities by encouraging host community to become entrepreneurs and failure to do this is tantamount to not realizing full benefits from tourism development (Tosun, 1998).

2.4 Tourism and Development

The most compelling reason for pursuing tourism as a development strategy is its alleged positive contribution to income and employment for local community (Sharpley & Telfer, 2002). Research has discussed economic benefits (and costs) of tourism and the environmental and socio-cultural consequences of tourism (Fennell, 2003). Tourism is considered a favorable activity as long as the benefits accruing from its development are not outweighed by the costs or negative consequences (Adam, 1992).

Activity in tourism is central and with it the use of natural resources, which provide for positive or negative consequences. Researchers express concern at limitations, assumptions, inappropriate decisions and the myths of growth and warn that these can have cumulative dangerous consequences (Adams, 1992). Researchers describe the tourism-development system as dynamic and interdependent on socio-cultural, political and economic environment within which it operates, but also between the various consequences, of tourism that collectively result in ‘development’ (Hunter, 1995; McCool et al., 2001; Sharpley & Telfer, 2002).
The tourism sector is multi-disciplinary involving varied research studies, methodologies and interdisciplinary applications providing a need for collective development (Jamrozy & Eulert, 2011). The use of management, planning, and informed decision making in a multi-sector environment with development objectives, goals and implementation strategies are cited as potential solutions (Sharpley & Telfer, 2002). Tourism can be viewed as a tool or a method to protect the natural and social capital upon which the sector is built, and it is possible under this view that tourism is not sustained over a long period, but is used as a method to accumulate income and government revenue for other development (McCool & Moisey, 2008). Conversely, tourism brings benefits from employment, it is cleaner than other industries, and facilitates historic towns and cities to earn revenues from its history as some cities have limited other options (Swarbrooke, 1999).

This prompts the question if tourism can contribute to development on its own or should it be considered in combination with other sectors? A review of literature examines the potential contribution of tourism to the development of destination areas and is conceptualized in Figure 1 by exploring the links between the separate yet related disciplines of tourism and development studies (Sharpley & Telfer, 2002).

Figure I in its relationship between tourism and development studies illustrates tourism sector to have a compartmentalized decision-making approach presenting an obstacle to integrated tourism development e.g., tourism sector does not meet with mention or interaction with environment, socio-cultural and political development. The tourism sector has little development relationship with local government agencies and exercises no influence over private investment in tourism infrastructure (McCool & Moisey, 2008; Sharpley & Telfer, 2002; Kastarlak & Barber, 2012).
Figure 1 Relationship between Tourism and Development Studies

Source: Sharpley and Telfer, (2002. p.4)
If tourism sector is integrated in the larger social and economic contexts it leads to consequences and trade-offs to reducing carbon footprint of tourism. If no one traveled to visit natural and cultural heritage sites then the carbon footprint would be small and the tourism sector would not provide positive economic benefits. However, if tourism development is used to enhance economic opportunity with acknowledgement of negative social and environmental consequences the real cost would adversely impact the pricing of tourism product. Thus, entrepreneurs and marketers with few acknowledgements of tourism’s negative social and environmental consequences remain competitive and let the local destination bear the real cost of development (McCool & Moisey, 2008). The variety of agencies and organizations with competing and conflicting goals makes coordination difficult as environmentalists would want to manage tourists and their impacts while the entrepreneurs would seek economic benefits from the promotion of tourism.

The arising question is what should tourism develop? Robinson’s (1999) response suggests varied significance of tourism to community, which determines development. For example his perspective lies in protecting cultures not for their value to the tourism sector, but because of their value to their people. Can tourism help regional development by producing income and jobs in areas previously lacking in economic development opportunities? Researchers suggest this to be the role for tourism (Fennell, 2003; Weaver & Lawton, 2002). A responsible tourism sector that’s successful accommodates and entertains visitors with minimal footprints on the environment and ensures inclusiveness of the host community in benefits (UNWTO, 2011). Positive outcomes and opportunities are contingent upon the sector meeting with effective development policies and viable solutions to counter negative impacts.
The tourism sector needs to survive without damaging the assets upon which it is based and be least disruptive to its natural environment. Several researchers concur that a travel product that is environmentally sustainable is of significance (Eagles et al., 2002; Fennell, 2003; Middleton & Hawkins, 1998). The challenge is to achieve these goals with the right mix of stakeholders; and a balance between economic, environmental and cultural impacts; management decisions to the natural processes of ecology, science and technology (Middleton & Hawkins, 1998). There is agreement among researchers that the tourism sector needs to focus on management and scientific processes to incorporate the cost of natural resource for development through policy and practice (Middleton & Hawkins, 1998; Sharpley & Telfer, 2002).

Common Future report (1987) grapples with environmental crisis that is impacting more regions and ecosystems and offers advice on sustainable development (Harrison, 1995). The issue becomes complex due to a shift in changing perspectives as forests that were once valued for their commodity outputs are now valued for their environmental, aesthetic conservation values (Hays, 1988). There is a dilemma in the use of natural resources on one hand and its simultaneous preservation on the other. This meets with greater complication, as even a decision to preserve the natural resource meets with what types of recreation opportunities to provide, how much, where, by whom and who should benefit from recreation and resource management (Stankey & McCool, 1990). Furthermore, powerful operators based on their economic power exploit natural resources for development and are in breach of sustainable development goals and principles (Middleton & Hawkins, 1998). The ‘luke’ warm response to environmental protection from the tourism sector can be attributed to this sector not being the primary cause of environmental degradation (Middleton & Hawkins, 1998).
Tourism requires investment in infrastructure and modifying a socioeconomic structure where the old and new exist side by side and may cause a movement away from traditional forms of employment and stresses can occur. Sharpley and Telfer (2002) in providing an example of Newfoundland caution developers against conflicts. They explain that this province is experiencing one of the fastest tourism growth rates in Canada but the province is ill-equipped to handle the flow of tourists, which is causing problems with the residents. They state that there is a further problem of migration of labor from agriculture into tourism sector, leaving fewer people on the farm when needed at harvesting time.

Swarbrooke (1999) provides examples of coping mechanisms to high tourism e.g., manage traffic rather than reduce traffic flows; encourage tourists to walk around the city or town; reduce peak period visits in favor of off-peak visits; large-scale de-marketing changing the promotion of the destination; devising tourism routes to spread demand to other areas of the town or city (Van der Borg, 1995); directing tourists from over-crowded historic towns and cities to cultural cities and towns; maximizing visitor stays by hosting special events and festivals and offering short break packages themed for particular interest groups.

Most of the cities have used one or more of the approaches outlined to achieve urban regeneration through tourism of an attraction-led strategy; a cultural attractions venue; an events-led strategy; promote shopping; promote the city for conferences and exhibitions; selling nightlife; attracting tourists to visit workplaces and retail outlets; or offering food and drink as an attraction (Dodds & Joppe, 2001). Events and festivals attract tourists and the challenge for tourism development is maintaining the balance between the needs of local people and tourists and not allowing tourists to ‘take over’ the event (Swarbrooke, 1999). He suggests that towns and cities that regenerate through tourism should pursue themed events and festivals and
explains that a themed event attracts an interested visitor irrespective of the destination being recognized by the tourist, but cautions that it is only for a short duration.

The Federal Economic Development Agency for Southern Ontario (FedDev Ontario) is investing over $1 billion over five years (2009-2014) to support economic and community development, innovation, and economic diversification for the creation of investments, jobs and training to help workers, communities and businesses in a region. According to the Canadian Federal Government website, rural tourism sector is an important contributor to the economy of rural Canada and provides for three per cent of overall rural employment (about 128,000 jobs).

This website states that the attractions of rural Canada are a key draw for both domestic and foreign tourists, including 39 per cent of American tourists, 33 per cent of tourists from overseas, and 50 percent of domestic tourists. Many rural regions have identified tourism as an important economic development opportunity and this has its challenges prompting researchers to recommend future research to managing countryside capital assets and rural resources (McClinchey & Carmichael, 2010; Mitchell & Waal, 2008).

Hall and Jenkins (1998) state that tourism can diversify and stabilize a local economy by creating jobs, business opportunities, incomes and an increased tax base. But, rural communities with limited resources, over-extended leaders and volunteers are forced to compete with other rural areas that are developing tourism (Sharpley & Telfer, 2002). Mitchell and Waal (2008) in their study of St Jacobs address its fate based on a model of creative destruction around the commoditization of rural heritage and their findings conclude that the village is now on the brink of ‘advanced destruction’ because of large scale investment, high visitor numbers and significant erosion of the rural landscape upon which the development was initially based.
Butler and Clark (cited in Page & Getz, 1997) warn that rural tourism may not be the solution to tourism because of income leakages, volatility, low pay, imported labor, and conservative investors. As with any type of tourism, there are associated costs which can impact the price of land, goods, jobs created are seasonal, tourism businesses may be controlled by outsiders, congestion may impinge on the daily life of residents and the replacement of traditional shops with souvenir shops can have negative effects on resident attitudes (Sharpley & Telfer, 2002).

There are research concerns that the countryside is at risk from unmanaged tourism, as urban encroachment and the commoditization of the rural landscape creates conflict over the preservation of rural heritage (Bramwell & Lane, 1993; IUCN, 1991; McClinchev & Carmichael, 2010; Mitchell & Waal, 2008; Murphy, 1998; Sharpley, 2000; WCED, 1987; UNWTO, 1998; Weaver & Lawton, 2002; Ritchie, 2003). They express concerns that the economic stability of the rural world can be at risk from tourism businesses seeking short-term gains, while cultural heritage has been declared as vulnerable from outsiders.

Research encourages tourism development based on decisions to be longer-term, multi-sector, ecosystem based, recognize the impacts of actions on other sectors, recognize the consequences of resource use from initial extraction to end use, and suggest that private and public sector cooperate as partners in tourism development (Hassan, 2000; Mathieson & Wall, 1982; Priskin, 2001; Simpson & Wall, 2005; Telfer & Sharpley, 2008; Vanhove, 2005). While tourism development may be encouraged on a longer-term, multi-sector and ecosystem based perspective, this is easier said than achieved. Researchers insist that development, planning and management be undertaken in the wider context of social, political, economic and environmental impacts (Hall, 2008; Sharpley & Telfer, 2002).
2.4.1 Tourism and Sustainable Development

According to Sharpley, (2010) the term ‘sustainable tourism’ first entered the language of tourism development policy two decades ago. His historical perspective describes mid-1960s as witnessing the spread of international mass tourism with calls for restraint in its development. He posits that by the end of 1980s, the alternatives to mass tourism were established with concepts such as green, low-impact, responsible and soft-tourism. His historical account for the early 1990s to the present, suggest that academic study and tourism policy and planning processes have refocused on alternative approaches to sustainable tourism development.

The World Commission on Environment and Development (WCED) argues that the only effective method of protecting the environment, ensuring economic progress and preserving human rights is through a development paradigm that provides for the needs of the present without compromising the ability of future generations to sustain their own needs (WCED, 1987). By introducing ‘sustain’ it creates a distinction between growth and development introducing the term sustainable. Butler (1993, p.29) defines sustainable development of tourism as an activity that remains “viable over an indefinite period and does not degrade or alter the environment in which it exists”. According to McMinn (1997), sustainability accounts for the long-term effects of tourism, economic, political, social, cultural and ecological phenomena in development. Ritchie and Crouch (2003) state that sustainable development is a fundamental pre-requisite to a destination, as irresponsible development principles for short-term profits are destined for long-term failure.

Bramwell et al., (1996, p. 11) explain that small tourism organizations face constraints to respond positively to the environmental challenge because they lack resources while Middleton (1998) states that small firms prioritize profitability over environment. Conversely, research
suggests that small operators may have a strong sense of commitment to the future of an area rather than maximizing on profit (Swarbrooke, 1999) or that small business owners may be concerned with tourism development that is sustainable (McKercher, 1998). However, little is known about small firm perceptions of the environmental agenda or their role to it (Carlsen et al., 2001). Favorable views related to large firm interest in tourism for sustainable development suggest that it is large firms that generally adopt policies and practices for tourism for sustainable development (Pigram, 1997; Stabler, 1997). Researchers posit that tourism sector firms’ response to improve environmental performance is unclear but firms remain unconvinced to alter their business behavior (Carlsen et al., 2001; Stabler, 1997).

Thus, there is no consensus on the definitions of sustainability and sustainable tourism (Bramwell et al., 1996; Swarbrooke, 1999), but there is concern that widely adopted interpretations of the latter are focused on preservation rather than the effective use of resources by the tourism sector (Hunter, 1995). This has prompted initiatives in the U.K. to encourage voluntary action within a framework of public sector guidance (Department of Culture, Media and Sport (DCMS), 1991; English Tourist Board (ETB) and Employment Department Group (EDG), 1991; Rural Development Corporation, 1996) with production of good practice guides and pilot projects (RDC et al., 1995).

Sharpley (2010) suggests that the academic study of sustainable tourism has reached an impasse. He explains that there remains lack of consensus over not only definitions and the theoretical foundations of the concept but the inability to translate this concept into a set of practical policies, planning and management of tourism in the real world. Furthermore, he posits that there is little evidence of individual businesses in the travel sector as having adopted principles of sustainability. He contends that a gulf remains between academic theory of tourism
for sustainable development and the reality of tourism development ‘on the ground’. Research support for this thinking describe sustainable tourism debates as disjointed, theoretically flawed and based upon weak or false assumptions (Liu, 2003), and they criticize principles of sustainable tourism as micro solutions to a macro problem (Swarbrooke, 1999; Wheeller, 1991).

According to Inskeep (1991), sustainability depends on how well the planning is formulated relative to the characteristics of an area’s environment, economy, society, and on the effectiveness of its development plan. Hunter (1997) posits that in reality trade-off decisions skew the destination priorities on understanding stakeholder perspectives, balancing competing interests providing for trade-offs on contentious issues. Researchers argue that tourism for sustainable development is not an end product but a process or path to be followed (Sharpley & Telfer, 2002; Swarbrooke, 1999; Weaver & Lawton, 2002).

Sustainable tourism does not just happen, it occurs with decision-making processes that are desirable and the pathways leading to them requiring varied programs (McCool & Moisey, 2008). A review of literature suggests that for development of sustainable tourism an enabling co-existence between tourism on one hand and sustainable development on another is essential. This provides the freedom of bridging tourism strengths to sustainable development principles and objectives (Sharpley, 2002). The concept of sustainable development can be one of the pathways for development and is underpinned by three fundamental principles of being holistic, futuristic and being equitable, which emanate from development and environmental contexts (Streeten, 1977; WCED, 1987; IUCN, 1991).

A review of the literature suggests that tourism development requires collective decision-making, perspectives and attitudes of all stakeholders as important considerations in development policy and the necessity of creating links with stakeholders has been acknowledged.
(Hall, 1999; Simpson, 2008). The tourism sector creates business opportunities, jobs and income through a wide range of services it provides. Despite stakeholder diversity (local government, tourism businesses, residents and local institutions and associations) they attempt to balance tourism activity against the capacity of the resources available (Timur, 2008). Researchers concur on the importance of stakeholder involvement and soliciting their perspectives (Bramwell & Sharman, 2000; Getz & Timur, 2005; Hall, 2007; Hardy & Beeton, 2001).

Active stakeholder participation in the planning process has been deemed essential by some researchers (Byrd, 2003; Southgate & Sharpley, 2002). Tourism development can result in the heavy exploitation of local resources by developers, other users and visitors if not well managed and the need to involve DMOs and other stakeholders is deemed essential (Haywood, 2006). In urban destinations the aims of sustainable tourism development are to maintain physical heritage of cities, strengthen the cultural and social viability of local community and provide employment, which makes government (at national, provincial and municipal levels as legitimate stakeholders (Timur, 2008). Timur and Getz (2005) suggest that the tourism sector and government are perceived to be the most important stakeholders to be involved in implementation of tourism for sustainable development.

Tourism for sustainable development implies the need for primary resources at the destination to be sustainable through responsible use (Carter et al., 2001). However, with varied stakeholder goals, consensus building is a challenging process. Furthermore, interaction of key stakeholders to coordinate their efforts through effective engagement and partnerships makes the process complex and challenging (Gossling, Hall, & Weaver, 2009; Timur, 2008).

Despite growing interest in stakeholder engagement, this involvement is complex and the notion of long-term, multi-sector decisions present challenges (Jamal and Getz, 1999; Mowforth
Challenges arise due to collaboration being complicated due to diverse and disparate perspectives (Ladkin & Bertramini, 2002); empirical research on stakeholders in tourism is sparingly documented (Dodds, 2007; Hall, 2007); although tourism for sustainable development is holistic encompassing economic, social and environmental dimensions, most research has been focused on environment and economic development, disregarding the social aspects and stakeholder processes (Hardy, Beeton, & Pearson, 2002; Ryan, 2002). The stakeholder concept coordinates multiple relationships (Freeman, Harrison, Wicks, Parmar, & Collie, 2010) and assumes that managerial decisions influence organizational and stakeholder relationships (Phillips, Berman, Elms & Johnson-Carmer, 2010).

Although, stakeholder literature allows destinations to identify and understand key stakeholders with the implication that tourism policies balance the needs of the tourism sector, residents, and local community without compromising social, cultural and ecological integrity of host environment. However, research posits that multi-stakeholder sustainable development processes require leadership, vision, and financial resources (Farrell & Twinning Ward, 2005) and provide for many concerns and challenges for tourism for sustainable development. There is recognition that more research is required into application of sustainable development of tourism for informed decision-making (Baker, 2006).

### 2.4.2 Link between Tourism and Development

Sustainability of tourism can be ensured if tourism and development is linked and resource, activity and community impacts of tourism are minimized. The definition of tourism development coupled with the use of resources on one hand and the simultaneous need to protect them on another, presents a major challenge (Mathieson & Wall, 1982). The link between
tourism and development is beset with operating needs of the sector and all activity has benefits but also costs and different outcome based on the processes utilized.

**Resource-based:** Roots of the research tradition are grounded in natural sciences and the tourism sector’s use of natural resources implies tourism causes impacts, and in order to achieve growth and development, stakeholders have to cope with environment in a new and better way by altering behavior, coping mechanisms and the way a resource is used (Gossling, 2002; Sharpley & Telfer, 2002; Swarbrooke, 1999; Weaver & Lawton, 2002). Describing and evaluating the intensity of the physical, social and cultural changes resulting from tourism reflect the relation between condition of the resource and the impact of development. The challenges are how to define the original non-tourism conditions of the resource and separate these impacts from tourism development to activities or human-induced processes at the destination. Tourism always causes some impacts, which lead to the critical question of which impacts are objectively acceptable and to what degree?

Literature review has been applied to tourism and development and both terms have conceptual problems with debates and arguments on the multi-dimensionality of both concepts. Research does not provide exact definitions and the notion of tourism development has been understood as an ideology rather than an exact operational definition (Sharpley & Telfer, 2002; Swarbrooke, 1999; Weaver & Lawton, 2002). The needs for tourism development are based on activity and use of resources and there is a dilemma in what to develop for whom. Furthermore, the focus in the local destination level is based on multi-stakeholders with varying interests that influence the final outcome of type and scale of tourism development. Thus, although tourism development may in practice contribute to development on the local scale, it may fail to maximize benefits and minimize negative local impacts.
In-spite of the contested nature of tourism development, the political arguments and justification are often derived from the idea of tourism development being an economic driver and socially beneficial with a track record for global success based on growth in the number of travelers (Sharpley & Telfer, 2002).

**Activity-based:** Activity development reflects the relation between activities and development based on the shifting needs for utilizing resources and involves activities in which changes can be permanent and this notion is problematic for the sector and its development (Sharpley, 2002; Hall, 2007). Tourism development produces impacts with a broad range of interests with some being perceived as negative. UNEP and many international organizations have defined the dimensions of tourism development but it is essential to understand that activity based tourism development suggests different thinking and abilities to cope with impacts (Gossling, Hall, & Weaver, 2009; McCool & Moisey, 2008; Timur, 2008). The subject of evaluation and capacity for growth for tourism development is not within the scope of this research.

**Community-based:** Stakeholders represent diverse groups of interests ranging from entrepreneurs who favor development to conservationists and local heritage society who may not (Fennell, 2003; Middleton & Hawkins, 1998). These groups are not equally represented or involved in the participatory processes and this makes stakeholder inclusion of ‘who’ or what really counts as an essential consideration to the influence exerted (Freeman, 1994).

### 2.5 Impacts of Tourism

Researchers state that the environmental, social and economic costs of tourism are outweighing its developmental benefits and this suggests tourism development to be unsustainable (Sharpley,
Tourism development can place stress on natural resources which are scarce or mismanaged with specific reference to water resources, local resources, land degradation, destruction and alteration of ecosystem and degradation of a habitat. Tourism competes with other activities for the use of limited resources of land, water, labor and capital (Wall, 1997).

Tourism development problems of natural resource management affect numerous individuals and groups (Jamal & Stronza, 2009). Specific studies of tourism’s consequences began in the late 1970s and early 1980s (de Kadt, 1979; Mathieson & Wall, 1982), and concerned academics, journalists, pressure groups and the tourism sector (Sharpley & Telfer, 2002). Tourism can have major beneficial or detrimental impacts at the destination region based on judgment that is relative, for example: Building a hotel in an area of little tourism activity may be viewed as creating more jobs or conversely as jobs may be created but they would be part-time, poorly paid, semi-skilled, be seasonal and take people away from their traditional forms of employment (Mason, 2008).

Impacts on key elements of tourism supply are multi-faceted and it is important to categorize them as environmental, economic, social, the nature of facilities, ownership, aspects of investment or to any specific type of tourism, for example: initial criticism focused on mass tourism as the problem (Poon, 1993; Croall, 1997) thereby encouraging alternatives to mass tourism as a potential means of minimizing the negative consequences of tourism whilst optimizing the benefits to the destination (Sharpley & Telfer, 2002). International organizations, governments, non-government organizations (NGOs), and critics promote alternative forms of tourism such as ecotourism, community tourism, pro-poor tourism, responsible tourism and ethical tourism as morally superior alternatives to package holidays (Butcher, 2003).
However, irrespective of the type of tourism, a review of literature identifies varying negative impacts, for example (Table 2): consumption of resources; creating waste; tourism having the ability to over-consume resources; tourism competing with other resource users with a need to survive; tourism being private sector dominated; tourism being multifaceted and impossible to control; tourism product being manipulated to satisfy the needs of tourists (Mason, 2008; McKercher, 1993). None of these features act in isolation, but tend to influence each other, and it is the interrelationship which establishes the overall impact of tourism in a destination (Godfrey & Clarke, 2000).

**Table 1 Varying Negative Impacts of Tourism in a Destination**

- Tourism consumes resources, creates waste and has specific infrastructure needs
- It has the ability to over consume resources.
- Tourism, as a resource dependent sector must compete for scarce resources to ensure survival.
- Tourism is a private sector dominated sector, with investment decisions being based predominantly on profit maximization.
- Tourism is a multi-faceted sector, and it is almost impossible to control.
- Tourists are consumers not anthropologists
- Tourism is entertainment
- Tourism generates income by importing clients rather than exporting its product

**Source:** Adapted from McKercher, 1993
The severity of the impacts detailed above can be minimized through an understanding of their implications. Through an organized response to effective development, the tourism sector stakeholders (public & private) need to work in partnership and collaboration.

Tourism impact research has been criticized for a narrow focus on local factors with researchers recommending a holistic approach that incorporates all stages of the travel process, including generating tourism, round-trip travel to the destination, and the destination itself (Hall & Higham, 2005). Gossling et al. (2009) argue that alternative tourism (e.g. eco-tourism, pro-poor tourism, hunting, arts and heritage tourism, wine-tourism, ethnic tourism) has failed to consider accessibility to markets and explain that majority of tourism is dependent on mass tourism, mass international transport, and infrastructure for travel to a destination with alternate forms of tourism using existent facilities. They posit that most travelers may indulge in alternative form of tourism as a secondary activity, and conclude that alternative forms of tourism are no more of a solution than traditional forms of tourism (Gossling et al. 2009).

Butler and Clark (1992) caution that even alternate forms of tourism eventually lead to unsustainable changes as tourism activity interferes with fragile vegetation and wildlife and causes irreversible damage to ecosystems. Gossling and Hall (2006) state that links between tourism and natural environments may benefit local communities and the environment, where human and nature co-exist in a state of mutual respect and understanding, but concede that tourism may impact the natural environment irreversibly.

An economic solution proposed by researchers is to include the cost of outcomes through policy and development (Middleton & Hawkins, 1998; Sharpley & Telfer, 2002). While the importance of a natural resource is recognized, a review of literature suggests that it is not only significant to create value but to ensure that the finished product reflects a realistic price. Tribe
(1999) recommends considering the impacts with greater accuracy and concludes that tourism contribution would be smaller if an all-encompassing calculation is adopted.

Tribe (1999) provides an example of air travel valued in GDP calculations at face value of ticket sales for tourists and travelers that is not inclusive of adverse impact of congestion, noise and air pollution. The broader realm of commercial activities generates waste and pollution and does not reflect a price tag for environmental damage maximizing short term profits at unrealistic prices. This assertion is based on commercial organizations that are focused on profits and may not reflect the full cost or benefit accruing from tourism development in the final pricing of the product for sale. Thus, he asserts that the need to sell travel products inclusive of the cost of all impacts is critical to ensure responsible development. Although, Tribe’s (1999) observations have merit, practical implementation may be challenging due to complexities of competitive pricing and what a consumer may be willing to pay.

The complexity of tourism development based on unresolved questions, uncertainties, problems and little knowledge on implications of its linkage with varied issues is evident. There is a call for action by researchers to inform business, communities and governments about the issues and potential ways forward (Weaver, 2011; Scott, 2011). Gossling (2002) posits that tourism development is detrimental but not immediately discernible as this sector deliberately undertakes continuous expansion into remote areas thereby shifting long-term adverse consequences. Other researchers contend that responsible tourism development is a marketing gimmick as the sector is driven by commercial motivations (Wall, 1997; Swarbrooke, 1999).

Arguably, while the growth of tourism sector globally is a success story, there have been warning signs of over-saturation and deterioration of some destinations, transport bottlenecks and a growing resentment by residents in some destinations (Agenda 21, 1996). Agenda 21
identifies environment and development issues, which threaten economic and ecological
catastrophe. It suggests a transition through careful planning, hard policy decisions, and meeting
growth in a responsible manner protecting natural and cultural resources on which it depends.

Thus, there is a need for protecting resources, but Wall’s (1997) criticism is directed at
resources being ‘mismanaged’ and posits that tourism development places stress on scarce
natural resources. For instance, pressure on local resources like water, energy, food, raw
materials that may already be in short supply is exacerbated with demands from the tourism
sector. He asserts that fresh water is one of the most critical natural resources. Croall (1995)
states that tourism has ruined precious landscapes, country-sides and destroyed cultures of many
communities and has been used as an agent of change by governments, planners, developers and
stakeholders who should be accountable.

The tourism sector due to its high fragmentation and diversity has been an easy scapegoat
for negative impacts of tourism development (Mowforth & Munt, 2003; Hall, 2008; Redclift,
1987). Tourism impacts are varied, rarely occur in isolation and are often separated into
economic, socio-cultural and environmental categories. Despite recognition of tourism impacts
the two key reasons for encouraging tourism development are income and employment benefits.
However, economic gains are seldom exclusive of social and environmental change and this
introduces the element of measuring, monitoring and managing tourism impacts (Sharpley &
Telfer, 2002). It is essential that before development is initiated that a system to monitor and
evaluate the effectiveness of action is in place (Godfrey & Clarke, 2000). However, it is beyond
the scope of this study to discuss monitoring tourism development to managing impacts

UNEP’s (2005) annual report suggests that tourism can benefit bio-diversity conservation
and local communities with increased cooperation between the management of resources in
natural areas and the tourism sector (UNEP, 2005). While the importance of natural resources is recognized, there is a need not only for the responsible use of resource but for it to be linked to responsible stewardship of future resources. The private sector uses a market-oriented approach, while the public sector takes a supply-oriented (resource-based) approach to tourism development (Altinay et al., 2007). There is a natural contradiction between the danger of destroying the environment and the commercial imperatives for investors and governments’ desire to generate tax revenues.

Although, this study accepts the potential negative impacts of tourism there is a need to explore the benefits of tourism through the responsible use of resources. Crouch and Ritchie (1999) provide a tabulation of positive and negative tourism development impacts presented in Table 3. They posit that little research progress has been made to develop an account for the environment over the long-term. Negative and positive impacts of tourism create complications in managing stakeholder interests in the development of tourism in any destination. This study recognizes the importance of stakeholders, their potential to help or harm the tourism sector, and their involvement and participation and awareness of the positive and negative impacts of tourism allows informed decision-making process (Liu & Wall, 2006; Tosun, 2000).

Table 2 Impacts of Tourism Development Program on a Typical Destination

<table>
<thead>
<tr>
<th>Impact</th>
<th>Positive</th>
<th>Negative</th>
</tr>
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<tbody>
<tr>
<td>Economic</td>
<td>Increased expenditure</td>
<td>Price increases during special events</td>
</tr>
<tr>
<td></td>
<td>Creation of employment</td>
<td>Real estate speculation</td>
</tr>
<tr>
<td>Physical</td>
<td>Construction of new facilities</td>
<td>Environmental damage</td>
</tr>
<tr>
<td></td>
<td>Improvement of local infrastructures</td>
<td>Overcrowding</td>
</tr>
<tr>
<td>Social</td>
<td>Psychological</td>
<td>Political</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Strengthening of community</td>
<td>Increased local pride and</td>
<td>Enhanced international</td>
</tr>
<tr>
<td>fabric via volunteerism</td>
<td>community spirit</td>
<td>recognition of a region and its</td>
</tr>
<tr>
<td>Increased local interest</td>
<td>Increased awareness of non-local perceptions</td>
<td>values</td>
</tr>
<tr>
<td>and participation in regional</td>
<td></td>
<td>Economic exploitation of local</td>
</tr>
<tr>
<td>events</td>
<td></td>
<td>population to satisfy ambitions of political</td>
</tr>
<tr>
<td></td>
<td></td>
<td>elite</td>
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<tr>
<td></td>
<td></td>
<td>Distortion of true nature of events to reflect values of political</td>
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<tr>
<td></td>
<td></td>
<td>system of the day.</td>
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</tbody>
</table>

**Source:** Ritchie (1987)

Research has cited many challenges to tourism development related to: coping mechanisms to alternative approaches to tourism development being controversial (Butler, 1990; Mowforth & Munt, 1998; Wheeller, 1991). Wall and Mathieson (2006) suggest that practical solutions to control tourism development impacts remain unclear; there have been issues associated with mistrust of government policy, poor administration, failure to involve local rural communities and unclear lines of communication (Ioannides, 1995); research studies identify lack of stakeholder involvement, lack of awareness and coordination (Dodzi, 2007; Timur & Getz, 2009; Tribe, 2010); stakeholders need to discuss issues that influence the quality of their lives and to be empowered to do so (Wall & Mathieson, 2006); multi-stakeholder processes require leadership, long-term vision and financial resources (Farrell & Twining-Ward, 2005).
2.6 Tourism and Governance

Governance and tourism sector are multi-faceted, cannot be treated in isolation and are diverse. There are many potential uses of the concept of governance (Bulkeley, 2005; Ruhanen, Scott, Ritchie, & Tkacynski, 2010). Governing systems provide a means for “allocating resources and exercising control and coordination” (Rhodes, 1996, p. 653). According to Atkinson (2003, p. 103), governance involves process “whereby some degree of societal order is achieved, goals decided on, policies elaborated and services delivered”. The concept of governance is broader than that of government and can include stakeholders from business, community and volunteer sector (Bramwell & Lane, 2011) and markets (Hall, 2011a). There are power relations around tourism governance, with some groups having relatively more influence than others on the governance processes affecting tourism (Dredge & Jenkins, 2007). Governance involves collective action that is holistic (Bramwell, 2011).

2.7 Collaboration and Interdependencies

The term collaboration is described as interaction between parties on some agreed rules to achieve common policy or goal (Bramwell, 1999). There are many benefits to stakeholder collaboration ranging from avoiding conflicts, which would facilitate a potential project to be realized; stakeholder can have greater influence over decision-making thereby improving the coordination of policies; and collaboration ‘adds value’ to knowledge, insights and stakeholder capabilities in the destination (Bramwell & Broom, 1989).

This literature review draws on general theories to assess local inter-organizational collaboration related to tourism policy-making, to explain how stakeholders may collaborate to solve problems (Jamal & Getz, 1995; Selin & Beason, 1991). In the field of inter-organizational
theory, Gray (1989, p. xviii) suggests that collaboration occurs when the problem is complex and a single organization cannot solve it on its own. It “is a process in which those parties with a stake in the problem actively seek a mutually determined solution”. Getz and Jamal (1994) use inter-organizational theory to assess stakeholder collaboration in tourism planning in Canada’s Canmore and Bow corridor. Selin and Chavez (1995) develop an evolutionary model of partnership in destinations to assess factors constraining or promoting the effectiveness of such partnerships.

Reed (1997, p.567) argues that “while power relations are included within collaborative theory, it is frequently assumed that collaboration can overcome power imbalances by involving all stakeholders in a process that meets their needs”. She contends that power differences are embedded in society and affect the nature of collaboration. A further problem is that collaboration theory might be inequitable when stakeholders may be excluded from collaborative arrangements if they lack resources or capacity (Bramwell & Sharman, 1999).

Healey (1997) emphasizes that systemic constraint such as power inequalities and institutional practices, which inhibit the influence of stakeholders on collaborative arrangements. Emphasis is placed on respectful listening and speaking to build consensus, trust, confidence and mutual understanding among stakeholders (Friedman, 1992). Healey contends that consensus-building has the potential for formulating rules and how resources flow.

This literature review highlights issues in collaborative tourism development with attention to power imbalances among stakeholders. Given that the goal of this study is to develop insights into stakeholder perspectives of how tourism development is undertaken in a region, a linkage between stakeholder involvement and tourism development is essential. Research suggests the need for stakeholders themselves to define what they believe tourism
development to be. Next, there is a need to identify stakeholders and for consistency in stakeholder understanding, this study provides definitions of key terms (Appendix A).

2.8 Stakeholder Definition and Theory

2.8.1 Definition of Stakeholder

Freeman (1984, p. 46) define a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. Donaldson and Preston (1995) refined Freeman’s definition stating that to be identified as a stakeholder the group or individual must have a legitimate interest in the organization or activity. Research has been conducted on stakeholders, stakeholder identification and involvement in business management, which focuses on the management and power of stakeholders (Clarkson, 1995; Donald & Preston, 1995; Freeman, 1984). Research on stakeholder right to be involved irrespective of their level of power has been conducted (Carmin, Darnall, & Mil-Homens, 2003; Curry, 2001; Steelman, 2001). Research on stakeholder groups and the significance of their interests has been published (Andereck & Vogt, 2000; Davis & Morais, 2004; De Lopez, 2001; Gunn, 1994; Gursoy et al., 2002; Yuksel et al., 1999). Research on stakeholders and their role in tourism development meets with identifying four stakeholder categories: tourists, residents, entrepreneurs and local government officials (Goeldner & Ritchie, 2003).

Freeman states that an organization has relationships with several groups and individuals e.g., employees, customers, suppliers, members of the communities, governments, stating that:

Stakeholder is any group or individual who can affect, or is affected by, the achievement of a corporation’s purpose. Stakeholders include employees, customers, suppliers, stockholders, banks, environmentalists, government and other groups who can help or hurt the corporation…a stakeholder should denote those groups which make a difference in an
organization is (by definition) any group or individual who can affect or be affected by the achievement of the organization’s objectives (Freemen, 1984, p. 46).

According to Savage et al. (1991) stakeholders are risk-bearers and have financial or human capital at risk depending on the organization’s behavior and describe stakeholders to “have an interest in the actions of an organization and the ability to influence it” (Savage et al., 1991, p. 61). Carroll (1993) defines stakeholders as “those groups or individuals with whom the organization interacts or has interdependencies” and “any individual or group who can affect or is affected by the actions, decisions, policies, practices or goals of the organization” (Carroll, 1993, p. 60).

Mitchell et al. (1997) describe the stakeholder typology in terms of managerial perceptions to three stakeholder attributes: power, legitimacy and urgency. They define power in terms of the ability of a party to gain access to impose its will in the relationship. They describe legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions” (Mitchell et al. 1997, p. 866). Urgency is defined as “the degree to which stakeholder claims call for immediate attention” (Mitchell et al. 1997, p. 867). They state that power and legitimacy are variables and explain that power can be acquired and lost, and legitimacy may be present or absent. Mitchell et al (1997) conclude that stakeholders who possess three attributes are more salient than those who possess one or two of the attributes.

Frooman (1999) identifies power as a core stakeholder attribute and defined key stakeholders as those who control resources critical to the survival of the organization. He argues that the dependence of firms on stakeholders for resources determines the power of the
stakeholders. Greater dependence of a firm on the stakeholder suggests more power is exerted by the stakeholder (Frooman, 1999). Weaver and Lawton (2002) expand the definition to include origin governments, tertiary educational institutions, and non-government organizations (NGOs) as playing an important role in tourism development. Figure 2 depicts the tourism stakeholders system as described by these researchers (Weaver & Lawton, 2002). Pavlovich (2003, p.203) defines tourism destination as “different types of complementary and competing organizations, multiple sectors, infrastructure and an array of public/private linkages that create a diverse and highly fragmented supply structure”

2.8.2 Stakeholder Theories and Research

The identification of stakeholders, their categorization, management, and prioritizing them has met with focus in the tourism literature (Clarkson, 1995; Hall, 2000; Ryan, 2002; Sheehan & Ritchie, 2005; Timur & Getz, 2008; Yuksel et al., 1999). Methods have been developed to identify stakeholders based on an audit that includes: identifying stakeholders, determining their interests, estimating the power of each stakeholder group, and formulating strategies to improve stakeholder relations (Hall, 2000). Yuksel et al. (1999) emphasize the need for stakeholder feedback as central to facilitating tourism development, as there has been limited research on individual stakeholder perceptions (Hardy, 2005). A destination requires to be harmonized ecologically, socially and economically (UNEP, 2005). However, the challenge is to achieve this triple bottom line in a fast changing fragmented tourism sector with diversity of stakeholder interests. This challenge is exacerbated by myriad of regulations, varied levels of authority, and competition providing a need for sound theoretical perspective (Sheenan & Ritchie, 2005).
What this study needs is a theory of stakeholder identification that can reliably separate stakeholders from non-stakeholders. This is achieved through examining how scholars have answered the central question of who is a stakeholder, and what is a stake? What is needed is a theory of stakeholder salience that can explain to whom and to what the researcher can pay attention (Sheenan & Ritchie, 2005). They state that the level of stakeholder participation depends upon interest, understanding, and capacity which in turn influence power, legitimacy and salience of these stakeholders.

Freeman (1984) theorized the concept of stakeholder theory in his book Strategic Management: A Stakeholder Approach. A decade later Freeman (1994) published “The Principle of Who or What Really Counts” presenting three key attributes: power, legitimacy and urgency as identifiers of stakeholder classes. Although, the key attributes provide a good basis for identifying stakeholders they do not determine stakeholder interests and underlying influences for decisions. Thus, stakeholder identification is deficient without integrating elements that influence decisions based on their interests, providing a need for SET.

SET is based on the principles that human beings are reward-seeking and that people are motivated to action by the expectation of profits (Skidmore, 1975). SET theorists argue that all human relationships are formed by the use of a cost-benefit analysis and that an individual is likely to enter an exchange if the resulting rewards are valued, and the perceived costs resulting from the exchange do not exceed the benefits derived from the exchange (Skidmore, 1975). For example, when a person perceives the costs of a relationship as outweighing the perceived benefits, then the theory predicts that the person will choose to leave the relationship. The notion of equity is central to SET, and when the costs and benefits are equal it is defined as equitable (Ap, 1992; Madrigal, 1995).
Stakeholders have been researched based on varying circumstances and diversity for example: research on the rights for stakeholder to be involved irrespective of their level of power has been conducted (Carmin, Darnall, & Mil-Homens, 2003; Curry, 2001; Steelman, 2001); the significance of their interests has also met with research (Andereck & Vogt, 2000; Davis & Morais, 2004; De Lopez, 2001; Gunn, 1994; Gursoy et al., 2002; Yuksel et al., 1999); and stakeholders role in tourism development with four stakeholder categories: tourists, residents, entrepreneurs and local government officials (Goeldner & Ritchie, 2003). Researchers comparing residents, entrepreneurs, tourists and government officials have reported divergent views and found differences between these groups in their perceptions of impacts (Pizam, 1978; Puczko & Ratz, 2000; Murphy, 1983).

Differences in perception result in conflict between stakeholder groups based on different interests, perceptions of the overall costs and benefits to development (Byrd, 1997; Gursoy & Rutherford, 2004; Ioannides, 1995; Reid, Mair, & George, 2004). To effectively reduce conflict it is necessary that the attitudes and perceptions of stakeholders are identified and understood (Hunter & Haider, 2001; Reid et al., 2002; Yuksel et al., 1999). They recommend that tourism developers and planners consider long-term interests of all stakeholder views by drawing on their knowledge and insights. Sautter and Leisen (1999) found that as agreement across stakeholder interests increased, so did their likelihood of collaboration.

The complexity underlying this study involves multiple stakeholders with varied perspectives, diverse interests, motivations and agendas. A systematic approach is essential for active participation of stakeholders. However, this task becomes complex as decision-making is a product of competing interests and not reflective of public interest (Beierle & Konisky, 2000).
Whilst there is increasing research with recommendations for the involvement of stakeholders in tourism development, there is no clear understanding of how best to achieve this goal.

The two stakeholder frameworks selected for this study identify key destination stakeholders based on their attributes and interests. For valid outcomes of this study it is critical to exercise the correct stakeholder choice for their perceptions on how tourism development is undertaken in the Waterloo Region. The joint use of stakeholder theory and SET identifies stakeholders and enables the researcher to manage their convergent and divergent interests.

### 2.8.3 Destination Stakeholders

Weaver and Lawton (2002) posit that a tourism sector includes accommodation, transportation, food and beverage, tour operations, travel agencies, commercial attractions and merchandizing of souvenirs, and the sum of industrial and commercial activities that produce goods and services mainly for tourist consumption. Broad categories of a tourism destination comprise of different complementary and competing organizations, multiple sectors, infrastructure and an array of public/private linkages creating a diverse and fragmented supply structure (Pavlovich, 2003).

The local community is a participant in development of tourism decision-making: community is comprised of residents, local government, local business organizations, and local institutions and associations (UNWTO, 1993). Researchers suggest that industry and government (at national, provincial and municipal levels) as most important stakeholders to be involved in tourism projects (Madrigal, 1995; Timur & Getz, 2008). Each stakeholder group has varied perspectives and goals for tourism development (Figure 2).
2.8.4 Multi-Stakeholder Participation

UNEP (2005) posits that stakeholder participation in tourism development requires harmonized development that is ecologically responsible, socially compatible and economically viable. However, to achieve this triple bottom line in a fast changing tourism sector, fragmented with diversity of stakeholder interests, multitude of regulations, varied levels of authority, and competition, is daunting. To better understand citizen participation, Arnstein (1970) developed a typology of participation, which is dated but best illustrates participation, based on three categories: (1) non-participation when stakeholders have had no input; (2) Degrees of tokenism
occurs when stakeholders are allowed to voice their interests but have no power to influence decisions: (3) Degrees of citizen power involve giving stakeholders the ability not only to voice their interests but also to influence decisions being made.

For participation to be empowering, stakeholders need to be involved throughout the process and know that their participation has the potential to influence decisions (Carmin, Darnall & Mil-Homens, 2003). Gunn (1994) states that stakeholders must be involved throughout the entire planning and management process, not just the initial stages. Susskind and Cruikshank (1987) recommend that for stakeholder involvement to be successful the involvement must be fair, efficient, provide knowledge, wisdom and stability. They posit that if stakeholders perceive these five elements to be present in the decision making process they are more likely to be involved.

Research suggests that failed tourism strategies can be attributed to poor communication and excluding stakeholders from decision-making and catering to the demands of only a few stakeholders (Sheehan and Ritchie, 2005). The aim of effective stakeholder participation is to reconcile differences among stakeholders toward goal-sharing and building trust on a wider acceptance of plans, policies leading to balanced community development (Andriotis, 2005; D’Angela & Go, 2009; Jamal, 2004; Reed et al., 2009; Timur & Getz, 2008).

There are varying opinions on stakeholder participation. Reed (2009) attributes the lack of uniformity and cohesion to top-down planning with calls for participatory, inclusive and effective bottom-up approach for the integration of diverse but mutually interdependent interests. Fisher and Ury (1991) draw attention to a trend toward interest-based participation on a group or individual’s needs, hopes, interests and fears. Researchers recommend an inclusive approach,
which provides fair representation and participation for all stakeholders in finding congruities, conflicts and trade-offs (Belle & Bramwell, 2005; Ryan et al., 2002).

Sheehan and Ritchie (2005) do not favor pre-defined, strict categorization of stakeholder participation as it masks differences. However, they support identification and integration of stakeholders in tourism planning and development through flexible, collaborative and iterative processes (Yuksel et al., 1999). This broader perspective gives recognition to moral stakeholders who have a direct interest or are indirectly affected (Freeman, 1984; Sheehan et al., 2007). For ecological issues, a national and international level of participation is recommended to provide ecological knowledge and build public support (Reed et al., 2009).

Hall (2008) emphasizes that stakeholder participation must be undertaken through collaboration and a vision of common goals where the concerns of industry stakeholders are articulated to decision makers stating: “it becomes imperative that government at all levels, uses its influence to encourage greater industry coordination on planning issues by creating structures and processes that enable stakeholders to talk to each other and create effective relationships and partnerships” (p.63). The tourism sector at the destination is dynamic and creates business opportunities, jobs, income and a wide range of tourism services comprising of residents, local government, local business organizations, local institutions and associations with the onus on the public sector to manage constant change (UNWTO, 1993). Through a review of literature, this study endeavors to understand stakeholder salience through attributes of power and influence, legitimacy, urgency and interests as outlined in stakeholder and SET.
2.8.5 Understanding Stakeholder Attributes

Thus, in keeping with the objective to identify appropriate stakeholders to be interviewed, the stakeholder framework specifies key destination stakeholders with salient attributes that explains to whom and to what the researcher can pay attention (Sheenan & Ritchie, 2005). The salience of the stakeholders is based on their interest, understanding, and capacity to assert their involvement in decision-making, planning and development. Research findings suggest that stakeholder involvement is based on stakeholder interest and has the capacity to transform their participation from low interest and low influence to becoming key players with high interest and high influence (Reed et al. 2009). Thus, the level of stakeholder participation and the significance of the stakeholder perspective depend on their interests, influences and the time available. Other determining questions are: what are their goals and interests? How do these stakeholders influence destination development? What is the relationship among various stakeholders?

The joint use of stakeholder theories on salience represents interest and capacity based on the principles of ‘who’ or ‘what’ influences varied stakeholder engagement in tourism development. According to Freeman, (1994) a combination of power, legitimacy and urgency, (discussed below) provide for stakeholder influence in tourism development. There are numerous considerations where it may be presumed that the local government has the legitimacy to protect the natural resources and safeguard the social and economic interests of the host community (Timur & Getz, 2002). It is probable that government may not have the understanding to engage all stakeholders to achieve tourism development. Furthermore, there is a possibility that stakeholders vested with influence might not be willing to commit time and resources. According to Byrd (2007) effective and legitimate stakeholders have the knowledge, capacity
and are empowered to interact with other stakeholders to realize tourism development. Stakeholder theories provide an appreciation for who is a stakeholder, what is at stake and stakeholder attributes of power, legitimacy, urgency (Freeman, 1994) and interest (Ap, 1992).

**Power and Influence**

The Weberian definition of power is “the probability that one actor with a social relationship would be in a position to carry out his own will despite resistance” (Weber, 1947). Pfeffer and Salancik (1974) definition of power is a relationship among social actors in which one social actor can get another social actor to do something that would not otherwise have been done. It is evident that power may be difficult to define but it is not difficult to recognize as the ability of those who possess power to bring about the outcomes they desire. Much of the literature on stakeholders focuses on identifying primary and secondary stakeholders as key stakeholders if the issue is salient to them (Savage et al. 1991). They suggest that primary stakeholders are those with formal, official or contractual relationships and have direct economic impact. Secondary stakeholders are diverse and not directly engaged in the destination’s economic activities but exert influence (Savage et al. 1991) and they have variable power that is legitimacy based (Mitchell et al. 1997).

**Legitimacy**

Mitchell et al. (1997) state power is crucial but do not explain why some stakeholders who do not have power matter to the destination. They explain that in a socially constructed world the ‘legitimate’ stakeholders are the ones who have been appointed or hired into positions of capacity to make decisions that matter, stating: “in summary, it is clear that no individual organizational theory offers systematic answers to questions about stakeholder identification and
salience, although most such theories have much to tell us about the role of power or legitimacy (but not both) in stakeholder-manager relations” (Mitchell et al., 1997, p. 864). They posit that legitimacy and power are implicitly coupled and that many scholars may define stakeholders narrowly based on an assumption that legitimate stakeholders are powerful and that powerful stakeholders are legitimate. They conclude that legitimacy without power leaves major gaps in stakeholder identification as these stakeholders have no influence (Mitchell et al. 1997). Davis (1973, p. 314) distinguishes legitimate from illegitimate use of power: “in the long run, those who do not use power in a manner which society considers responsible will tend to lose it”.

A stakeholder may have legitimate standing but unless this is accompanied with power to enforce its will or the perception that the matter is urgent, the stakeholder will not achieve salience. Suchman (1995, p.574) defines legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions”. Suchman’s definition implies that legitimacy is a social good and may be defined and negotiated differently at various levels. Researchers suggest that although power and legitimacy advance stakeholder salience they do not capture the dynamics of stakeholder interactions until the attribute of urgency is added to make stakeholder theory dynamic (Freeman, 1994; Mitchell et al., 1997).

**Interest**

Stakeholder interests are formed by the use of an implicit cost-benefit analysis whereby a stakeholder is likely to enter an exchange if the resulting rewards are valued, and the perceived costs resulting from the exchange do not exceed the benefits derived from the exchange (Skidmore, 1975). Thus, stakeholder interest is based on the notion of equity and the primary
motive of exchange is the improvement of the community’s economic benefits with costs and benefits being equitable for stakeholder interest (Ap, 1992; Madrigal, 1995).

Research uses a social exchange process model as a conceptual basis for understanding why residents perceive tourism impacts positively or negatively. The model is based on the concept of exchange, where a resident is inclined to support tourism development if the stakeholder perceives favorable benefits (Ap, 1992). Research studies using SET test relationships between the perceived positive and negative impacts and stakeholder interest and support. Researchers posit that positive attitudes to tourism are accompanied by higher levels of support for the tourism sector while negative attitudes lead to lower levels of support (Nunkoo & Ramkissoon, 2010; Vargas-Sanchez et al., 2009). Thus, an individual perceiving benefits from tourism is likely to view it positively while an individual that perceives costs is likely to evaluate it negatively.

While diversity is good, it can create a weakness in the ability of communities to achieve tourism’s full potential with some stakeholders seeking to maximize their interests at the expense of the wider interest of the whole community. However, tourism is not the prerogative of the private sector or the government or any single group (Godfrey & Clarke, 2000). They posit that the best destination development plans are those created jointly by non-profit organizations, local government and the private sector. Waterloo Region has WRTMC and Regional Tourism Organization 4 (RTO4) suggesting a need for this study to better understand the roles of these organizations in tourism development.
**Urgency**

Mitchell et al. (1997) criticize the principles of salience, in stakeholder theory, for not describing the circumstances under which an issue is time-sensitive. They suggest that for a systematic identification of stakeholders, when power and legitimacy are present, stakeholder theory describes the resulting attribute as urgency. They define urgency as the degree to which stakeholders call for immediate attention are considered compelling and imperative and suggest these descriptions are appropriate when two conditions are met:

1) When a relationship is of a time-sensitive nature.

2) When that relationship is important or critical to the stakeholder.

The Merriam-Webster dictionary defines urgency as “calling for immediate attention” or “pressing”. A review of the literature suggests urgency has existed in issues of management and crisis management for decades and has become explicit in stakeholder literature recently (Wartick & Mahon, 1994). Middleton and Hawkins (1998) posit that the urgency of stakeholder involvement can be realized only if there is an opportunity to translate aspirations into reality. They emphasize that concerns about the environment since the Brundtland Report in 1987, have had a major impact on the activities of environmental lobby groups and in purchasing attitudes and product development from the tourism sector (Middleton & Hawkins, 1998).

**2.9 Link between Stakeholder and Social Exchange Theories**

No single theoretical perspective explains everything. This study identified two theories focused on stakeholders and their identification based on specific attributes. While stakeholder theory focused on stakeholder attributes of power, legitimacy and urgency and the principle of who and what actually matters, SET provides insights in convergent and divergent views with the notion
of equity being central to understanding stakeholder interests based on benefits and costs and differences in perception influencing ultimate decisions..

Researchers suggest that stakeholder identification and involvement is the main step toward achieving stakeholder support, partnership and collaboration within the tourism sector (Hardy & Beeton, 2001). Stakeholder identification is an important precursor for this study as is managing their interests. Thus, both theories complement each other with stakeholder theory being focused in identification of appropriate stakeholders based on their attributes whilst SET helps differentiate stakeholders complex issues and shared use of resources and is useful in analysis of divergent perspectives based on benefits and costs from exchange of resources.

2.10 Destination Management Organization Role

Destination management calls for a coalition of many organizations and interests working towards a common goal. Many destinations have Destination Management Organizations (DMOs) to lead and coordinate activities under a coherent strategy. Although they bring together resources and expertise to lead the way forward, they do not control the activities of their partners (UNWTO, 2007). To perform this role, DMOs need to develop a high level of skill in developing and managing partnerships in the geographical area of their responsibility which can be national, provincial or local.

Historically, the principal marketing role of DMOs has been promotional but this is changing on account of increased competition, tourism sector complexity, and the importance of public and private sector collaboration in implementing marketing strategies (UNWTO, 2007; Weaver & Lawton, 2002). They posit that the DMO role is becoming broader and its most critical assets are its credibility as a strategic leader in tourism destination marketing and
development and its ability to facilitate industry partnerships and collaboration towards a collective destination vision.

Freeman’s (1984) stakeholder theory provides a framework for management and organizational contexts for tourism application. Gartrell (1994) describes most DMOs as independent not-for-profit entities, while some are part of entities such as a government department or a chamber of commerce. DMOs coordinate efforts to attract business and leisure tourists to a destination and their role is based on:

Interdependence, small size, market fragmentation, and spatial separation are all factors which may lead to a desire for combined action, a willingness to unite to achieve common goals, a need to form tourist organizations (Pearce, 1992, p.5)

According to Bonham and Mak (1996) government intervention in the form of public funding for promotion is required for the public good as the benefits are widespread. Empirical research by Sheehan and Ritchie (1997) confirms that DMOs receive a large portion of their budget from the public sector as an investment for which an appropriate return is sought. They explain that DMOs in addition to fulfilling their traditional role of destination marketing have become policy advocates recognized as the voice of the tourism sector in their communities.

Researchers conclude that while triad between city government and DMO can be productive and functional, it may be highly political and problematic. Sheehan et al. (2007) recommend four key strategies for DMO survival.

1. Employ a strategy of collaboration with strategic stakeholders.
2. Institutionalize the collaboration with strategic stakeholders
3. Ensure regular, frequent, and clear communication with members.
4. Receive, interpret, and disseminate market information to stakeholders.

Wang and Fesenmaier’s (2007) study on collaborative destination marketing found that collaboration and cooperation may improve DMO marketing skills but may also result in learning problems related to uncontrolled information disclosure. Research posits that there is a lack of understanding and appreciation for the work of DMOs as destinations have eliminated departments of tourism, and DMO value and relevance is under question bringing marketing budgets under attack (Hall, 2011). He posits that although DMOs perform an essential role in tourism development, they are vulnerable as governments meet with growing demands for dollars and he recommends that DMOs organize an advocacy plan. According to Rickard (2011), advocacy is an attempt to persuade or convince stakeholders of goals, target audiences, message points, delivery channels, and outcome measures. The issue of resource allocation prompted Destination Marketing Association International to commission the 2008 Futures Study, which revealed three overriding themes: Relevance, The Value Proposition and Visibility.

Sheenan and Ritchie (2005) state that considerable resources are being directed to DMOs in destinations and little is known regarding the degree to which they recognize other stakeholders in the destinations, and the problems that occur between the two. They suggest that DMOs must have an understanding of external entities (individuals and organizations) that can influence the achievement of their objectives. There is an expectation that stakeholders may exert influence on resource acquisition (financial, human, knowledge and authority) coordinated through legal mandate or conflict resolution (Hall & Jenkins, 1995; Pearce, 1992; Pfeffer & Salancik, 1978). Selin and Beason (1991) examined the relations between tourism associations, chambers of commerce, and the US Forest service and found lack of cooperation across the organizations. Hall and Jenkins (1995, p. 31) observe the need to:
Identify and access the relevant key actors and agencies, examine the values, perceptions, and interests of significant individual organizations, and isolate the relationships within and between stakeholders.

Numerous research studies such as: the issue of power perspectives by (Wearing & McDonald, 2002); stakeholder management by Robson and Robson (1996); tourism planning by Hall and Jenkins (1995); or community planning by Jamal and Getz (1995) examine relations between stakeholders and provide an understanding of DMO in tourism development. A DMO in the United Kingdom identified its primary stakeholder groups to be:

The [city] council itself, the department chiefs and councilors, their customers (hosts and guests), and professional bodies. Thus, these are the groups or individuals that the marketer feels most accountable to. Secondary stakeholders include central government, national tourist boards, local businesses, and the environment (Wheeler 1993, p.356).

Based on the definition of a stakeholder having the potential to help or harm the tourism sector in the community in which it operates (Carter et al. 2001), this study focuses on WRTMC as a stakeholder with diverse and varied composition of other stakeholders. While researchers stress that industry and government (at national, provincial and municipal levels) must involve stakeholders in tourism development, there is a perception that stakeholder involvement is difficult due to limited time, money and resources (Byrd, 2007; Timur & Getz, 2002).

Next, our focus shifts to methodology and the strategies of inquiry for this research.
CHAPTER THREE: METHODOLOGY

3.1 Introduction

The objective for conducting qualitative research is to follow a path of discovery to understand stakeholder perspectives through face-to-face interviews on how tourism development is undertaken in Waterloo Region. A qualitative research design identifies the influences of environmental, economic and other contexts within which people live. Interaction between the researcher and stakeholders enabled grasping multiple realities that could not have been predicted a priori (Lincoln & Guba, 1985). Crotty (1998) states that in methodology, research is driven by researcher’s choice of methods and this strategy of inquiry consists of: qualitative inquiry, specifically, a case study method comprised primarily of personal interviews with select stakeholders, supplemented by secondary information from document analysis and personal observations (Creswell, 2009).

3.2 Theoretical Foundation for Study

A research design involves the intersection of philosophy, strategies of inquiry and specific methods (Creswell, 2009). Although philosophical ideas may be only implicit (Slife & Williams, 1995) they influence the practice of research. Crotty (1998) expresses bewilderment at the maze of methodologies and methods challenging a pathway to orderly research. He posits “in this understanding of knowledge, it is clear that different people may construct meaning in different ways, even in relation to the same phenomenon” (p.9). He observes “the view that all knowledge, and therefore all meaningful reality as such, is contingent upon human practices, being constructed in and out of the interaction between human beings and their world, and
developed and transmitted within an essentially social context” (p.42). This research understands how tourism development is undertaken in Waterloo Region based on stakeholder perspectives.

From an ontological stance, this study recognizes that there is a ‘reality’ from stakeholder perspectives and acknowledges that human understanding of this can be imperfect and is probabilistically determined (Guba & Lincoln, 2005). This study’s focus is to uncover stakeholder perspectives, through an interview process, for the construction of their perceived interpretation of social reality. This paradigm recognizes the importance of the subjective human creation of meaning (Yin, 2009) but recognizes that stakeholder perspectives formulate reality. With respect to the ontological, epistemological and methodological thinking, it is argued that case study fosters integration of research strategies and bridges the methodological gap (Johansson, 2003).

3.3 Justification for Qualitative Inquiry

According to Stake (2005), qualitative inquiry finds meaning in the concept being researched with a capacity to learn. A justification for the use of qualitative inquiry for this study is based on acquiring an in-depth understanding to construct knowledge based on the personal engagement of the researcher during face-to-face interviews which accorded flexibility for probing responses (Stake, 2005). This qualitative research considered many variables and probed with “how” and “what” in an attempt to seek explanations for a better understanding of how tourism development is undertaken in Waterloo Region (Creswell, 2009; Stake, 2005; Yin, 2009).

This study acknowledges the merits of qualitative research as it provides a pragmatic response for an in-depth understanding for this exploratory research. According to Patton (2002) different methods are appropriate for different situations and he calls for pragmatism in the
choice of research methods and posits that “situation responsiveness means designing a study that is appropriate for a specific inquiry situation or interest” (p.72).

3.4 Understanding of Case Study

3.4.1 Introduction

A review of literature suggests many definitions for case study. Stake (2005) states “a case study is the study of the particularity and complexity of a single case, coming to understand its activity with important circumstances” (p. Xi). He posits that “case study concentrates on experiential knowledge of the case and close attention to the influence of its social, political and other contexts” (p. 444). Case studies are described as flexible, pragmatic, detailed and intensive study of the particular, contextual and bounded phenomena that is undertaken in real life situations (Patton, 2002). Creswell (2007) defines a case study as cases bounded by time and activity and the researcher collects detailed information by using a variety of data collection procedures over a sustained period of time, involving multiple sources of information rich in context to understand the phenomenon. He states that a case study is a strategy of inquiry that allows researchers to explore in-depth a program, event, process or one or more individuals. Smith (2010) describes case studies as designed to offer ‘deep’ insights, including conclusions based on the context of the topic being studied, and involves the use of multiple methods and data sources. In fact, Xiao and Smith (2006), state that case study is not merely a data collection tactic or an analytic method, but a comprehensive research strategy.

Still, the term ‘case’ carries a variety of meaning that are not well defined and a subject of debate (Johansson, 2003). In a case study, the case is a contested subject that may be a person or program or a specific bounded object or a process and it may be theoretical, empirical or both
(Johansson, 2003). For example, one might have sampled the accommodation sector as the unit of analysis, expecting to do case studies of accommodation, and in reviewing the fieldwork, decide that case studies on three specific hotels are a more meaningful unit of analysis and shift to case studies of specific hotels instead of the accommodation sector. Contrariwise, one could begin by sampling hotels and end up doing case studies on the accommodation sector. Phenomena of interest are revealed through the case and understandings of complex human interactions and personal meanings developed through multiple methods including sustained engagement in the field (Johansson, 2003; Yin, 2009). Thus it is pragmatic to use a case study approach to understand stakeholder perspectives on how tourism development is being undertaken in Waterloo Region.

Beeton (2005) notes that defining the boundaries or scope of the case study enables the researcher to focus on the research and reporting process. For example boundaries are set via the description of the locale, culture, group process or institution; or the nature and size may be conceptualized from boundaries of time, place, geography, event, organization and individuals creating a case that is real and empirically bound (Beeton, 2005). Researchers recommend the use of literature as a guide informing the boundaries of the case and factors such as time, place, event and resources to gain contextual definition (Creswell, 2007; Yin, 2009).

Smith (2010) draws attention to the variable use of case studies in the fields of anthropology, political science, business, marketing, community studies, education, ethnography, history, planning and development, psychology, public health, sociology, social work and tourism-related research. He attributes the growth and popularity of case studies to the rich understanding of interest and deeper insights into the phenomenon under study, which cannot be achieved through other methods.
Case study research design links the data to the initial questions and ensures coherence, and provides a conceptual framework and an action plan from questions to conclusions providing a clear view on what is to be achieved by the case study (Yin, 2009). This involves defining research questions, being attentive to validity and reliability, and selecting a case study design. In keeping with research suggestions, this study established in the initial stages of the research process to be qualitative research with case study method using personal interviews to guide its methodological approach (Beeton, 2005). According to Smith (2010), a case study protocol should be an essential part of every case study project to guide the actual work where a protocol contains the instrument for the research, the procedures and general rules that should be followed (Smith, 2010).

There are different types of cases. Stake (2005) has categorized intrinsic, instrumental and multiple case designs (Stake, 2005). Intrinsic case studies allow researchers to gain a better understanding of a particular case without developing or testing theory. The intrinsic case study provides learning about a phenomenon to distinguish it from others based on a sequence of events or features. It draws researchers toward understanding what is important about the case design based on issues, contexts and interpretations (Stake, 2005).

An instrumental case study focus on a phenomenon of interest, which may not be the case itself, but some external theoretical questions or problems with a view to examine an issue for insights. Thus, the difference between the intrinsic and the instrumental case study is not the case, but the purpose of the study of the case (Stake, 2005). The collective case study provides an understanding of using a number of instrumental case studies that occur on the same site or come from multiple sites. When multiple cases are used, a typical format provides detailed description of each case and then presents the themes within case analysis and cross-case analysis. The
problem of how many cases arises, as using few cases makes generalization difficult whilst too many cases challenges the depth of understanding (Stake, 2005).

The case study approach is an inclusive research approach encompassing the logic of research design, data collection and analysis as a comprehensive research strategy. This research study is structured to use multiple methods as sources of encompassing information to include: open-ended face-to-face interviews, to be supplemented by observations and analysis of secondary sources of information (Creswell, 2007; Smith, 2010; Yin, 2003). Patton (2002) acknowledges that within a case study there is no agreed set of methods but those selected in relation to the nature of the case and research questions. According to Johansson (2003), different methods are combined to illuminate a case from different angles. Case study is emphatic about multiple methods and sources of information providing a ‘rich description’ of the phenomenon (Berg, 2007; Beeton, 2007; Creswell, 2007; Smith, 2010; Yin, 2009).

3.4.2 Case Study in Tourism Research

A review of literature suggests that case study is a research methodology for applied disciplines as a process of scholarly inquiry and exploration to create new knowledge and understand the meaning of our complex social world (Stake, 2000). Although, case studies have been recognized as an effective method of contextual knowledge in tourism development, planning, and community perceptions of the impacts of tourism its usefulness has met with criticism by Xiao and Smith (2006), who observe the need to take on ‘new’ challenges in systematically trying to add knowledge rather than producing more case studies of limited scientific value.
3.4.3 Weaknesses of Case Study Research

Despite the widespread use of case study, like any other research methodology, the case study approach has its weaknesses and strengths. The following are some perspectives on the weaknesses of case study methodology.

- Case study may have traditionally been considered ‘soft’ research especially when analyzing the information (Patton & Appelbaum, 2005). The differing quality standards regarding truth, applicability, consistency and neutrality in qualitative research are difficult to codify (Johansson, 2003).

- Case studies are reputed to be time-consuming and labor-intensive because they are long, difficult to conduct and produce a massive amount of documentation. Thus, the need for the data and the process to be managed and organized systematically is essential (Zainal, 2007).

- Case study makes use of multiple methods and data sources that are rich in data, but complex in its analysis, producing lengthy reports that can be deterring for the readership (Yin, 2003; Beeton, 2005). Beeton (2005) recommends reducing lengthy reports but cautions against the possibility of removing relevant material that may undermine evaluation of the research outcomes.

- Xiao and Smith (2006) observe that case studies generally have focused on small geographical areas and are limited to single cases. A common criticism of case studies is that they may not be generalized (Smith, 2010).
• Zainal (2007) observes that case study investigators may be sloppy and allow evidence or bias to influence the findings and conclusions thus falling prey to narrative fallacy or confirmation bias (Smith, 2010).

If the researcher is the primary instrument of data collection and analysis, the case study can reflect the bias of the researcher (Beeton, 2005). Other scholars have noted that researcher bias may exist in any subjective research design and posit for proper planning as essential for these concerns to be addressed (Yin, 2003).

### 3.4.4 Strengths of Case Study Research

Case study popularity and increased use has been attributed to its approach in tourism research (Beeton, 2005; Xiao & Smith, 2006; Smith, 2010). Beeton (2005) argues that the use of case study in tourism studies is so widespread that its justification is no longer necessary. She states that “the learning value from what is observed which is intrinsic to the development of human psyche, justifying its extensive use in tourism” (p.37). Scholars note the learning value of case studies and state that the approach is a process that provides instant recognition and understanding (Berg, 2007; Yin, 2003). Some of the strengths outlined are:

- One of the key strengths of case study is the flexibility of method and the potential for practical application to use varied evidence, multiple sources and techniques in the data gathering process, for instance: interviews, observations, documents, arte-facts (Yin, 2003; Vissak, 2010).

- Given its ‘face-value’ credibility, case studies have been described to provide practical applications, evidence and illustrations to understand a real-world problem with which readers can readily identify. Researchers suggest that a case
study is a valuable tool to observing the real-world, producing ‘deep’ insights into complex or rarely occurring phenomena that can be analyzed with varied perspectives (Bachor, 2000; Berg, 2007; Smith, 2010; Yin, 2003).

- Case study research allows collaboration between the researcher and the participant while enabling participants to tell their stories (Beeton, 2005; Berg, 2007; Stake, 2003).

- Case study allows the researcher to capture various nuances, patterns, and latent features that other research approaches might overlook (Berg, 2007).

- Case studies have been described as a needed approach in tourism research useful in holistic subjects such as tourism development (Xiao and Smith, 2006).

The strengths of a case study approach outweigh the weaknesses for application for this study (Stake, 2005). In subsequent chapter this study examines the use of case study under methodology and the main components of gathering data in greater detail.

3.5 Research Design

3.5.1 Introduction

Research design provides description of case study site, tourism context, challenges and previous research. The purpose of this case study is to understand from a stakeholder perspective how tourism development is undertaken in the Waterloo Region. Past research experience in tourism development coupled with a desire to contribute to the Region of domicile provide for this study interest. The rationale for choice of research site stems from the potential of linking tourism development to Waterloo Region’s aspiration to be a destination of choice. Researcher
recognizes the need for practical action by involving local stakeholders and soliciting their perspectives. In addition, General Manager of WRTMC, support for the relevancy of the topic formalized the proposed study site.

### 3.5.2 Description of Research Site

Waterloo Region (Figure 3) is located in south-western Ontario in Canada. It is just over an hour west of Toronto and three hours from the nearest border-crossing with the United States. Waterloo Region comprises of urban and rural communities providing a blend of urban centers and rural communities in the cities of Cambridge, Kitchener, and Waterloo and the townships of North Dumfries, Wellesley, Wilmot and Woolwich. In the minds of many the Waterloo Region is best known for Oktoberfest, the large Bavarian festival in Kitchener-Waterloo. The area offers tourism attractions such as, St Jacobs, Blues and Plowing festivals, Farmer’s Market, Bingeman, Chicopee Ski & Summer Resort, Centre in the Square, Canadian Clay and Glass Gallery, Museums, rural country drive tours, birding trails in Grande River watershed, walking and bike trails, universities, insurance companies and think tanks.
As of year-end 2009, the population estimate for Waterloo Region was 534,900. Based on Waterloo’s Region Official Plan, the Region’s population is anticipated to reach approximately 712,000 by 2029. Waterloo Region has a rich and diverse heritage, including distinctive cultures, traditions, natural features and archaeological resources. Table 4, illustrates population distribution to be the heaviest in the cities of Kitchener, Waterloo, and Cambridge with 82.7% domiciled in these cities. Arguably, it is fair to surmise that population distribution influences development and may be indicative of potential plans for tourism development in the Region.

Table 3 Population District in Waterloo Region

<table>
<thead>
<tr>
<th>Municipality, 2005</th>
<th>Population</th>
</tr>
</thead>
</table>


<table>
<thead>
<tr>
<th>Location</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Cambridge</td>
<td>120,300</td>
</tr>
<tr>
<td>City of Kitchener</td>
<td>209,000</td>
</tr>
<tr>
<td>City of Waterloo</td>
<td>113,000</td>
</tr>
<tr>
<td>Township of North Dumfries</td>
<td>9,140</td>
</tr>
<tr>
<td>Township of Wellesley</td>
<td>10,000</td>
</tr>
<tr>
<td>Township of Wilmot</td>
<td>16,790</td>
</tr>
<tr>
<td>Township of Woolwich</td>
<td>19,570</td>
</tr>
</tbody>
</table>

Source: Region of Waterloo Fact Sheet (2006)

3.5.3 Tourism Context

Data have been drawn from Statistics Canada through regional profiles from Ministry of Tourism, Culture and Sport based on travel survey of residents of Canada. Tables 5 through to 8 provide the profile of visitors and their spending in the Region for 2009 on origins, length of stay, trip-purpose, calendar quarter and visitor-spending.

Table 4 Origins and Length of Stay in Waterloo Region

<table>
<thead>
<tr>
<th>Person Visits: Origin &amp; Length of Stay</th>
<th>Total visits (000s)</th>
<th>Overnight Visits (000s)</th>
<th>Same-Day Visits (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Visits</td>
<td>4,037</td>
<td>1,361</td>
<td>2,676</td>
</tr>
<tr>
<td>Ontario</td>
<td>3,700</td>
<td>1,098</td>
<td>2,602</td>
</tr>
<tr>
<td>Other Canada</td>
<td>73</td>
<td>67</td>
<td>6</td>
</tr>
<tr>
<td>US</td>
<td>170</td>
<td>132</td>
<td>38</td>
</tr>
<tr>
<td>Overseas</td>
<td>94</td>
<td>64</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: Statistics Canada Regional Profiles

Table 5 suggests the Province of Ontario to be the major generator of visits to Waterloo Region with 70% of total visitors representing same day visits and 30% overnight visits. Ontario’s potential market is large as Waterloo Region is within a 96,560.64 meters (sixty miles) radius of cities such as Toronto, London and Hamilton. The Region’s objective to increase its overnight visits suggests a preference for additional spending that can occur in the Region. Proportionately,
although the number of visitors from US, rest of Canada and overseas is insignificant, visitors from these areas display a tendency for overnight stays as compared to same-day visits generated from Ontario.

**Table 5 Main Purpose of Trip to Waterloo Region**

<table>
<thead>
<tr>
<th>Origin</th>
<th>Same-day visit (000s)</th>
<th>Same-day visit</th>
<th>Overnight Visits (000s)</th>
<th>Overnight visits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pleasure</td>
<td>VFR</td>
<td>Business</td>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
<td>1070</td>
<td>2417</td>
<td>293</td>
<td>256</td>
</tr>
<tr>
<td>Ontario</td>
<td>988</td>
<td>2265</td>
<td>223</td>
<td>223</td>
</tr>
<tr>
<td>Other Canada</td>
<td>19</td>
<td>40</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>US</td>
<td>49</td>
<td>51</td>
<td>56</td>
<td>13</td>
</tr>
<tr>
<td>Overseas</td>
<td>14</td>
<td>61</td>
<td>6</td>
<td>13</td>
</tr>
</tbody>
</table>

**Source:** Statistics Canada Regional Profiles

Table 6 depicts the main purpose of visits to the Region as visiting friends and relatives (VFR) with Ontario being the leading generator of visitors. For same-day visits Ontario represents 94% of the total of same day visitors and this number represents 56% of the total visitors to the Region.

Table 7 illustrates the largest proportion of trips in the summer months (Q3) comprising 30% of the total visits. The third quarter receives more visitors than any other quarter which could lead to seasonal fluctuations with other quarters. Focus on the same-day visitors suggests that the third quarter receives more visitors than other quarters.
Table 6 Waterloo Region Person Visits by Calendar Quarter

<table>
<thead>
<tr>
<th>Origin</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>852</td>
<td>902</td>
<td>1168</td>
<td>1116</td>
<td>239</td>
<td>334</td>
<td>446</td>
<td>342</td>
</tr>
<tr>
<td>Ontario</td>
<td>806</td>
<td>814</td>
<td>1030</td>
<td>1049</td>
<td>202</td>
<td>267</td>
<td>346</td>
<td>284</td>
</tr>
<tr>
<td>Other Canada</td>
<td>8</td>
<td>10</td>
<td>32</td>
<td>22</td>
<td>6</td>
<td>10</td>
<td>30</td>
<td>21</td>
</tr>
<tr>
<td>US</td>
<td>28</td>
<td>54</td>
<td>61</td>
<td>27</td>
<td>25</td>
<td>41</td>
<td>45</td>
<td>21</td>
</tr>
<tr>
<td>Overseas</td>
<td>8</td>
<td>23</td>
<td>45</td>
<td>18</td>
<td>6</td>
<td>16</td>
<td>26</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: Statistics Canada Regional Profiles

The fourth quarter receives 1% less visits than the third quarter whilst the first and second quarters get 7% and 8% less visitors respectively than the third quarter.

Table 7 Total Spending in Waterloo Region

<table>
<thead>
<tr>
<th>Visitor Spending ( $000s)</th>
<th>Total Visitor Spending</th>
<th>Overnight Visitor Spending</th>
<th>Same Day Visitor Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Ontario</td>
<td>Other Canada</td>
</tr>
<tr>
<td>Total Visitor Spending</td>
<td>371,978</td>
<td>269,625</td>
<td>18,282</td>
</tr>
<tr>
<td>Overnight Visitor Spending</td>
<td>218,889</td>
<td>120,097</td>
<td>17,951</td>
</tr>
<tr>
<td>Same Day Visitor Spending</td>
<td>153,088</td>
<td>149,528</td>
<td>331</td>
</tr>
</tbody>
</table>

Source: Statistics Canada Regional Profiles

Table 8 illustrates total visitor spending for overnight visitors to the Region equaling an average of $92 per night. Ontario-origin visitors spend $109 per night. The average spending for visitor is $38 while the same day Ontario-origin visitor spends $40. This difference suggests a need for more overnight visitors.
3.5.4 Challenges

The tourism sector in the Region of Waterloo faces several development challenges:

Arguably, Waterloo Region’s aspiration to be the destination of choice is based on a pro-growth paradigm, where annual growth in arrival numbers measures success. There may be reason to reconsider this strategy based on the need for sound management principles combined with development to be a comprehensive approach to social, cultural and environmental issues (Sharpley & Telfer, 2002; Gossling et al. 2009).

A report on the future of tourism, Discovering Ontario, from the Government of Ontario suggests that the tourism sector confronts several varied challenges for tourism development (Sorbara, 2009). This report highlights alternative forms of development for tourism and recommends that the key task for each of the regions is to identify alternative forms of development. It recommends consideration for local initiatives for jobs, or to take advantage of, entrepreneurial or management opportunities for training in accommodation, food and beverage services, recreation and entertainment, transportation and travel services.

There is lack of research, as the only previous study on tourism development for the Region was conducted 27 years ago by McFarlane (1985) and it attributes infrastructure, seasonality and limited supply of attractions to the under-developed nature of tourism:

Waterloo Region is one area that does not have an appealing physical environment and does not possess any outstanding tourism assets something about the area must be promoted. It is true that the underdeveloped nature of tourism in the Region is in fact due to that reason: a limited supply of attractions (McFarlane, 1985, p. 21).
Thus, this research study will be the first to link stakeholders and tourism development in the Region and to solicit stakeholder perspectives for how tourism development is being undertaken.

Waterloo Region typifies the rest of Ontario with its disproportionately high visiting friend and relatives (VFR) inbound profile, where residents are hosts to out-of-province guests. It is fair to assume that hosts invite friends and relatives. Thus, they are the main drivers of VFR visits, and influence guests travel plans, choice of attractions and experiences. With over 82% of its visitors (same-day and overnight) being VFR, there is a need to attract other category of visitors.

In addition, there are promotional challenges detailed by Regional Council (2006) that include: a fragmented approach to marketing the Region; low external profile; duplication of efforts; and no central body to develop partnerships or provide a marketing mandate to grow inbound tourism to the Waterloo Region. Two organizations (WRTMC and RTO4) have the responsibility for marketing Waterloo Region. This study focuses on understanding WRTMC and its role as described in report (CA-11-008) from the office of the Chief Administrator in the Region dated December 6, 2011. Appendix H details the role WRTMC.

A brief outline to understand the role for RTO4 is essential to satisfy the objective of understanding the impact of RTO4 on WRTMC. In 2010, Ministry of Tourism, Culture and Sport announced Regional Tourism Organizations (RTO) in the form of 13 new tourism regions. The Ministry declared each RTO to be independent, industry-led, and not-for-profit. The responsibility for each is to build and support competitive tourism regions and to help attract more visitors, generate more economic activity and create more jobs.
Region 4 encompasses Huron County, Perth County, Waterloo Region and Wellington County (Figure 4) and has been allocated an annual funding of $1.265 million by the provincial government. This commitment is through to 2013, and RTO4 in a pro-active attempt to secure funding identified the accommodation sector for a regional tourism tax, which met with rejection from this sector. Following, the incorporation of RTO-4, its Board of Directors focused on developing a long-term strategic plan for developing heritage and gardens, trails and waterways, and to finalize plans for marketing campaigns. RTO4 roles and responsibilities require for it to develop a regional strategy; provide marketing and innovative product development initiatives, attract investment, workforce development and training coordination (CA-11-008, 2011).
3.5.5 Limitations of the study

Although, this research has reached its aims, there were some unavoidable limitations related to stakeholders identified; interview questions; time allowed for the interview process; and the subjectivity of this study.

Despite, conducting this research among sixteen successful professionals, they represent a small minority of the tourism sector. All stakeholders are in occupations with senior positions in government, businesses or are entrepreneurs in the tourism sector. They interviewed as
directors on the board of WRTMC representing the tourism sector as opposed to residents. As directors on the board of WRTMC they have many similar characteristics (i.e., represent marketing interests for Waterloo Region and these stakeholders are vested with legitimacy based on their appointment).

As this is a qualitative study, the sample size is small and does not represent the majority of stakeholders in the tourism sector in the Region. The study should have involved more participants representing employees of WRTMC and residents. Having cited this limitation, the researcher acknowledges that the board of directors from WRTMC and RTO4 provided the best representation for this exploratory qualitative research study in Waterloo Region.

The joint-use of stakeholder theory and SET proved pragmatic for this study. Stakeholder theory helped identify stakeholders based attributes of power, legitimacy and urgency while SET helped manage divergent and convergent stakeholder interests. However, stakeholders from the private sector repeatedly referred to lack of resources, which have not been addressed by the two frameworks used.

Although, stakeholders spoke with passion and shared their perspectives with much openness there are limitations to what they may have said and how they said this. A couple of stakeholders refused to be digitally recorded because of their reservations about confidentiality. Furthermore, stakeholders may have toned their responses to be ‘appropriate’ because they were being interviewed.

The researcher strictly observed the time allotted for each question to ensure an effective interview process. Time constraint was mutually felt by the interviewee and interviewer with stakeholders having to compress their thoughts and the researcher having to curtail probing.
longer time frame would have been preferable but not practical as stakeholders are overloaded with demanding professional responsibilities. Thus, fewer questions would have proved more efficient.

Despite every effort having been made to ensure objectivity, certain degree of subjectivity was unavoidable as the researcher is the interviewer, author and interpreter of the data gathered. Although, the researcher attempted to be impartial she has been influenced by her past work experience in the tourism sector.

3.6 Data Collection and Fieldwork

3.6.1 Stakeholder Identification

The joint use of stakeholder theory and SET proved instrumental in the determination of stakeholders to be interviewed. Based on the principles of ‘who’ counts, individuals with attributes of power and legitimacy were deemed as important. Directors on WRTMC board were identified with attributes of power, legitimacy, experience and knowledge. Their composition represented eight tourism sector members (representatives from five identified sectors and three at large) and six municipal representatives (the CAO or designate of the Region, Cambridge, Kitchener, Waterloo, Wilmot and Woolwich).

The researcher was unable to establish connection with three board members from WRTMC and made a decision to interview three board members from RTO4 instead. At the time of scheduling interview appointments, thirteen individuals represented WRTMC and three board members were from RTO4. Eleven stakeholders are on the board of WRTMC; one is a joint member on the boards of WRTMC and RTO4; three directors are from RTO4 and one is an employee of WRTMC. A total of 16 stakeholders (Appendix B) have been interviewed from
across Waterloo Region with the exception of one director who is at an attraction outside the Region. These stakeholders have professional knowledge, experience and skills and represent diverse interests in Waterloo Region. Stakeholders are the primary source of data collection and are highly significant to this study.

3.6.2 Systematic Approach

This case study involves an in-depth understanding of a single case in its natural surrounding and has adopted a systematic approach to collecting data, analyzing information, and reporting results. Case study researchers, Stakes (2005) and Yin (1984), suggest techniques for organizing and conducting research successfully. This study draws upon their work for the proposed steps for a systematic approach:

1. Determined eleven research questions

2. In the interest of consistency, the same research questions were posed to all respondents.

3. Preparatory work was undertaken to collect data. This entailed preparing each stakeholder profile prior to the interview to enable effective probing, consent letters, access to digital recorder, interview date and venue were pre-established.

4. Data was collected through fifteen face-to-face interviews and one telephone interview. Thirteen interviews were digitally recorded.

5. The interviews were transcribed and coded for evaluation.
6. 3.6.3 Research Questions

The following questions were posed to each stakeholder through personal interviews.

1. What is the potential of tourism to Waterloo Region?
2. What are the perceived benefits from tourism development for Waterloo Region?
3. What are the perceived costs of tourism development for Waterloo Region?
4. Who is responsible for tourism development in Waterloo Region?
5. What significant tourism developments have you observed over the last five years?
6. What has been the impetus for tourism development?
7. Do you think tourism development in the Waterloo Region is sustainable?
8. What role does WRTMC play for tourism development in Waterloo Region?
9. Given that WRTMC is primarily a marketing organization, does it have any role in product development?
10. What role does RTO4 play?
11. What is the relationship between WRTMC and RTO4?

3.6.4 In-depth Interviews

Veal (1997) and Creswell (2003) state that the most commonly used method in qualitative research is in-depth interviews. Researchers suggest that in-depth interviews provide the flexibility for the researcher to manage and organize the interview process (Babbie, 1992; Creswell, 2003; Creswell, 2007; Patton, 2002; Veal, 1997). They posit that in-depth interviews are suitable for probing questions. Veal (1997) suggests, in-depth interviews are an appropriate
information collection method, because the principal research purpose is to understand stakeholder perspectives on the how tourism development is undertaken.

Veal (1997) states that in-depth interviews are usually conducted with small number of subjects, and interviews are recorded and transcribed. Researchers suggest an open-minded approach to collecting data using a general interview guide. For an open-ended approach, the interviewer makes lists of the interview questions to be explored, but is free to explore topics in no particular order (Patton, 2002; Veal, 1997). They posit that this flexible approach allows the researcher to probe stakeholders being interviewed but recommend that structure be observed in conducting in-depth interviews.

Creswell (2003) suggests that identification of key informants in the study sites is important task when conducting in-depth interviews. He suggests that key informants should hold positions of authority and have expertise and knowledge about the research subject. He emphasizes the importance of identifying the appropriate interviewees. However, he notes that the researcher’s interpretation of the data gathered and the interviewees’ articulation may be different but inevitable. He posits that the researcher’s presence may bias the interviewee’s responses but the information provided by informants may be filtered by investigator’s personal view. Furthermore, time commitment for a qualitative study has been very demanding (Creswell, 2007).

3.6.5 Document Analysis

Yin (2009) suggests that when a research uses multiple sources of data it supports research findings and creates a case study data base. Patton (2002) posits that document analysis is
valuable not only because of what can be learned directly but also stimulates paths of inquiry that can be pursued only through direct observation and interviewing.

However, Creswell (2003) argues that there are questions about the accuracy of secondary data due to the relevance of the data gathered. Researchers suggest constraints in the analysis of documents that are often not only dated but also biased (Creswell, 2003; Smith, 2010). Nevertheless, sometimes, as in this study, the nature of such biases may be pertinent research information. This research has used information from web-sites and YouTube blogs, for information that was essential. Generally, the researcher exercised caution on drawing secondary information for being at risk for misinterpretations or incomplete conclusions (Smith, 2010). Smith’s guideline for controlling risks from narrative fallacy prompted this researcher to not request secondary information from the stakeholders but deemed multiple stakeholder interviews to have provided adequate information (Smith, 2010).

3.6.6 Participant Observation

Creswell (2003) suggests that participant observation is valuable for reflecting researcher’s perspective and can effectively complement empirical methods. However, Creswell (2003) notes that it is not free from limitations due to reliability constraints based on the observation occurring subject to interpretations of the investigator. He posits that it is restricted by the case study site and that the observation occurs at a specific time.

Participant direct observation in this study was focused on the stakeholder in not only what was said, but how it was said. In addition, natural attractions, cultural heritage, restaurants, theatres, farmer’s markets, farms and local events helped the researcher establish a better understanding of key stakeholders’ perspectives.
3.6.7 Data Collection Process

Fieldwork was carried out at the study site during July and August 2012 to better understand perspectives in relation to the urban and rural features of the Region. Stakeholder perspectives are a major source of primary data for this research, with the researcher being cognizant of limitations to what people say (Patton, 2002). The primary data collected from personal interviews is the key strength for this case study (Smith, 2010; Yin, 2009). Sixteen stakeholders identified are successful professionals or entrepreneurs from the public and private sectors (e.g., Presidents, executive directors, CAOs, general manager, tourism sector business owners, sales directors).

In advance of the interviews, a pilot study was conducted to test the questions and timing requirements and to rectify problems in how the research questions were phrased (Xiao & Smith, 2006). In preparing for the data collection process, the researcher organized files for systemic recording of field notes (Patton, 2002; Xiao & Smith, 2006). The researcher studied stakeholder profiles in advance and revised three appointments to accord flexibility to the stakeholders. Consent letters and research questions were emailed to the stakeholders to be interviewed. In the interest of professionalism, suitable introduction was prepared to generate a good interview. Supplementary to interviews, the researcher took notes during the personal interview and observed stakeholder behavior to understand what was being said (Tull & Hawkins, 1993). An integrated overview of research objectives, and questions was prepared for researcher convenience (Appendix F).

Prior to entering the field, ethics approval was sought and received from the Office of Research Ethics at the University of Waterloo for approvals on sample telephone script, consent letter, and appreciation letter (Appendix C, Appendix D, Appendix E). Identified stakeholders
were scheduled for interviews for a specific time, venue and duration of sixty minutes. Ten board members requested details on the interview process and were emailed research questions in advance of the interviews. This process enabled stakeholder familiarity with the questions prior to the interviews being conducted. To ensure confidentiality and protect the identities of the stakeholders this research used pseudonym names. As previously mentioned stakeholder profiles have been detailed in Appendix B.

3.6.8 Data Collection in the Field

Each interview commenced with an explanation and an overview of the purpose of research, benefits and information about the time frame and structure of the interview. The researcher recognized the importance of primary data and recognized that interviews were critical to the success of this case study. The interviewer maintained a low profile and encouraged stakeholders to talk freely (Bailey, 2007; Long, 2007; Yin, 2009).

The researcher controlled the sequence of the research questions, used appropriate probing and kept the respondent on track. A standardized approach of using the same research questions for every interview ensured consistency (Bailey, 2007; Dillon et al., 1994). Stakeholder participation in the study was voluntary and consent was sought prior to commencing the interview. The stakeholder confidentiality was ensured through the use of pseudonyms for their names (Bailey, 2007). Prior to commencing the interview each stakeholder provided consent to being interviewed, with a separate consent to be digitally recorded (Veal, 2006). One stakeholder refused to be recorded, one was a telephone interview, whilst a stakeholder forty minutes into the interview requested for the recorder to be switched off.
Previous interviewing experience at conducting market surveys, focus groups and personal interviews provided skills for an effective interview process. Questions were posed in a neutral manner with follow-up probing based on stakeholder responses. A combined role of researcher and interviewer enabled effective probing and the interviewer observed the role outlined (Dilllon et al., 1994).

The interviewer used familiar words and provided (Appendix A) for key terms.

- Questions were posed in a neutral manner.
- The interviewer remained objective.
- The interviewer phrased questions to discourage ‘yes’ or ‘no’ answers.
- The interviewer was effective at probing but felt restrained based on time frame.
- The allotted time agreed to for the interview was observed, although all stakeholders graciously allowed for more than the agreed to sixty minutes.
- The respondent was assured of complete confidentiality and the researcher has conferred with her supervisor to ensure that this assurance is maintained.
- The respondent was thanked for his/her time and is to be provided with an executive summary of the findings.

All interviewees were supportive, shared their knowledge and experience freely and were pleased to have been consulted for a study they suggested as long overdue. The interviewer recognized time constraints for the interviewees and attempted to schedule appointments early or late in the day. The interviewer scheduled to meet one of stakeholders in Stratford as that was the only available time slot during the week for the interview. Many interviewees especially CAOs
wanted to spend more than 60 minutes and allowed the interview to exceed the allotted time despite reminders of their next appointment. The interviewer and interviewees mutually would have appreciated more time for the interviews.

The interviewer optimized on the limited time available and was systematic in the sequence of questions. Interviewees expressed their comments freely revealing controversial information as documented in the findings. Personal interviews provided for in-depth understanding for the research case study and allowed access to individuals who have legitimacy, are knowledgeable and experienced. On average each director has performed as a board member for 4.2 years; been in the tourism sector for over 20 years. The integrated process of studying stakeholder profile, meeting and interviewing stakeholders, observing their places of work proved pivotal for a better understanding of stakeholders and the case study site. Personal interviews provided great insights not only into stakeholder perspectives for how tourism development is being undertaken in Waterloo Region, but an understanding for tourism sector and the role of tourism for the Region and collaboration between stakeholders.

A summary of the field trip and data gathered suggest the need for revised marketing to include bundling of tourism product and services, use of technology to promote the bundled product, need for leadership and strategy, tourism sector being instrumental in QOL, the need for government sector to support the tourism sector, the importance of promoting locally grown agricultural products with buy local buy fresh slogans and protecting the Mennonite community from being used as a draw for tourism. In addition the researcher observed attractions in the Region, rural and urban lifestyles, music festivals in Kitchener, Waterloo and Cambridge, farmers markets in Kitchener and Waterloo, walking and bike trails, recreational stadiums built by the municipalities, theater and dining establishments in the Region.
3.6.9 Data Analyses

The process of data analysis entails making sense out of text, preparing the data for analysis, and interpreting the data. The researcher organized and read through the transcripts and field notes prior to commencing qualitative analysis. For a systematic approach, codes were organized into process codes, activity codes, strategy codes, and relationship codes (Bogdan and Biklen, 1992; Creswell, 2009). The process of data collection and data analysis were concurrent as researcher interpretations commenced with the first interview with a detailed description of the stakeholders. Researcher observation on identifying themes or clustering issues from the data collected was used when analyzing the data (Stake, 2005). According to Creswell (2009), an overview of data analysis is a linear, hierarchical approach with the various stages being interrelated as outlined in (Figure 5).

The interviews were digitally recorded and downloaded onto the researcher’s computer to be analyzed. The process of data analysis entailed transcribing the digital recordings and making sense out of text for analysis and interpreting the data. This research acknowledges the need for accuracy and reliability as fundamental to data collection (Stakes, 2005; Yin, 1984) and the researcher spent an inordinate time to organize the data for analysis.

Data analysis commenced with the researcher getting a sense of the whole; one interview was coded at a time and the researcher handled 176 responses collectively. Coding was the transitional process between data collection and more extensive data analysis. The 176 responses met with analysis to identify repetitive pattern of action presenting over 100 process codes representing action. Next the coding process ranged in assembling divergent and convergent responses based on stakeholder interest and occupation e.g., public sector and private sector stakeholders could be clustered for similar responses. The researcher in search for
patterns began to group responses not because they were alike, but because they had something in common or paradoxically that there were differences. This led to organizing the data into topics, and new categories and reducing total list of categories. The act of coding required researcher’s analytic lens and coding decision were influence by literature review (Creswell, 2007; Mason, 2002). Coding helped link data to the idea from the idea to all data pertaining to the idea (Richard & Moore, 2007). Coding and recoding data helped capture the essential elements of the research and when clustered according to similarity, categories developed.

Researcher used intuitive senses to determine convergent data and grouped them together (Lincoln and Guba, 1985). This brought forth 30 major categories that cluster under 6 major themes. One major theme was optimism with related categories of potential, revenue, generator, create, jobs, expands, spin-offs, profile, contribution, effective, efficient, promote, develop, sustainable, collaborate.

Qualitative inquiry required deep reflection on the emergent pattern and several cycles of coding and re-categorization. Finally, major categories provided a reality and three themes were developed. Themes were an outcome of coding and categories. Certain attributes are essential for the researcher in undertaking this type of analysis. First one needs to be organized. Next one needs perseverance and an ability to deal with ambiguity, exercise flexibility, creative and be ethical.
In summary, the researcher organized and read through the transcripts prior to commencing qualitative analysis. The researcher identified emerging themes and clustered issues from the data collected (Stake, 2005). Despite having observed the recommended processes for analysis by researchers (Creswell, 2009; Patton, 2002; Stake, 2005; Yin, 1984) this exercise proved to be the most challenging process in time, thought and effort.

Researcher organized and prepared the data for analysis by transcribing interviews, reading field notes, sorting and arranging the data.

Researcher read through the data for a general sense and tone of the information for an impression on the overall use of information.
Detailed analysis began with getting a sense of the whole, by working with one interview at a time; organizing into topics; clustering similar topics; checking for new categories; creating category titles and reducing total list of categories.
CHAPTER FOUR: FINDINGS

This chapter provides perspectives from sixteen stakeholders who share their understanding on how tourism development is undertaken in Waterloo Region. From an epistemological and for data gathering purposes, this research acknowledges the significance of lived experience from the perspective of tourism sector stakeholders living in the Waterloo Region (Andrews, 2012; Schwandt, 2003). Arguably, personal interviews have been deemed as an essential mode of collecting information and represent primary data gathered from stakeholders who are predominantly board of director members for WRTMC and RTO4.

The joint use of stakeholder theory and SET provided the theoretical lens for an effective and systematic approach to identifying stakeholders and managing their divergent perspectives. These theoretical frameworks enabled an integrated approach to managing stakeholder perspectives (i.e., identifying stakeholders, analysis of perspectives and reporting findings). Stakeholder theory identifies “The Principle of Who or What Really Counts” and presents three key attributes of power, legitimacy and urgency (Freeman, 1994; Friedman & Miles, 2002; Frooman, 1999). All members on the boards of WRTMC and RTO4 have legitimacy based on their appointment to the board, but from the findings this research questions if they really have the power to influence decisions.

SET framework “suggests people evaluate or exchange based on the costs and benefits incurred as a result of that exchange” (Andereck et al., 2005, p. 1061). This helped evaluate stakeholder decision-making based on benefit and cost outcomes suggesting that the private sector decisions hinge on profit being the immediate motivation while public sector decisions are based on general well-being of the community and not always a product of immediate profit or benefit. Application of the two theories proved useful in deciphering stakeholder attributes for
undertaking decisions based on power and legitimacy and the conditions that influenced their decision-making.

In addition to the theoretical frameworks there was an attempt at organizing the data strictly based on stakeholder perspectives. This approach did not uncover underlying meaning of the data as much of what the stakeholders were saying remained hidden. Realization that even “in the real there will always remain something unknowable and ineffable” (Crotty, 1998, p. 93), the researcher persisted for meaningful extrapolation from the data. Repeated readings of all the transcripts, phrases, sentences and paragraphs was undertaken to identify similar themes in the data gathered. In addition, a constant comparison was undertaken to contrast the data (Charmaz, 2003) by grouping data according to similar thoughts. Thus, several large categories of data with commonalities emerged to be condensed into themes.

The data was divided into parts to decipher stakeholder perspectives using a series of codes for key concepts from which categories were formed with three themes and several sub-themes being identified (Charmaz, 2003; Ryan & Bernard, 2003; Strauss & Corbin, 1998). The researcher’s use of inductive and deductive observations uncovered underlying meanings to the stakeholder interviews and the following themes being identified.

1. Optimism
2. Limitations and uncertainty to development
3. Conflict between stakeholders

The aim of the interviews was to listen to stakeholders without judgment or assessment and responses to the eleven research questions provided findings for this chapter. Personal interviews provided for diverse opinions and voluminous data set, which lead to complex
thematic ideas. The findings are a product of interaction between the researcher and the stakeholders and a brief insight into the research journey provides an overview of the process. Prior to the interview, each stakeholder was informed on the purpose of the interview, assured confidentiality and had to sign an ethical consent form (Appendix D). Based on stakeholder consent, interviews were digitally sound recorded (Appendix D). Through an iterative process of data collection, transcribing and analysis the interviews were conducted over a period of six weeks.

Identified themes take us through a journey for the role of tourism sector to have a lot of potential, and for it to be effective with strong partnership and collaboration among stakeholders. However, the researcher questioned the contradiction of optimism on one hand and lack of tourism development on the other and attributed the optimism to stakeholder naïveté. Upon further analysis, stakeholder expressions of limitations and uncertainty, competition from other sectors, lack of impetus and resources, was revealed. But the most impeding constraint was the conflict between public and private sector stakeholders. Let us first understand stakeholder perceptions on the role of the tourism sector.

Theme 1

4.1 Optimism - Role of the Tourism Sector

Ashley et al., (2007) posit that tourism companies are not development agencies and are in business for profit. They explain that business activity creates jobs, cultivates inter-firm linkages, enables technology transfer, builds human capital and physical infrastructure, generates tax revenues for governments, and offers a variety of products and services. Each of these contributions has multiplier effects on development. Milton Friedman (1970) might say ‘the
business of business is business’ and this gives firms the capability to expand economic opportunity to enable people manage their assets to generate income. Friedman’s concept of profits aligns with SET articulation of stakeholders’ are motivated by profit.

Tourism development incorporates stakeholder activities from the public and private sectors (to include natural attractions, built facilities, cultural events and buildings, historic sites, infrastructural amenities, transport, accommodation, restaurants and entertainment). Stakeholders suggest that the Waterloo Region has great potential to be a destination of choice, but tourism development is constrained and the potential has not been realized.

Tourism is a logical revenue generator, creates jobs, smart business and trickle effect for many small businesses indirectly linked to visitors
Maurice (Representative Private Sector)
Tourism has the potential to expand technology tourism, meetings and conventions, eco-tourism with country-side tours to buy local buy fresh. Local farmers are linking with restaurants and shops to sell their produce.
Clooney (Representative Public Sector)
Enough reasons for people to come to the Region but need to change drive for overnight visitations. Challenge for growing business over 365 days of the year. Marguerite (Representative Private Sector)

### 4.1.1 Quality of Life and Sense of Community

Stakeholders defined development in broader terms describing tourism as an all-encompassing sector to include quality of life. Quality of life (QOL) research in tourism has gained much momentum over the last two decades with tourism bureaus and government agencies measuring the impact of tourism on the QOL of the residents of the host communities (Uysal et al., 2012). It is not the scope of this research to examine QOL except to report it from stakeholder perspectives that have linked tourism activities to QOL. Waterloo Region tourism sector includes activities that are used by resident communities i.e., culture, restaurants, museums, attractions, festivals, accommodation and events. Stakeholders find a relationship between companies
locating to the Region because of conducive and enabling conditions to attract the right labor to the Region. Application of SET framework suggests this to be a government initiative as it is concerned with the QOL of community. The provision of this service is not profit-driven.

But what is tourism? It is an aspect of what can be done in leisure time and broadly includes cultural, culinary, sports, festivals, exhibitions, accommodation…it improves the quality of life and attracts businesses and labor to the Region. Cary (Representative Public Sector)

Tourism sector is to encourage companies to locate to the Region. Duvall (Representative Public Sector)

Perspectives link QOL and sense of community to services that a tourism sector attracts. Stakeholders express strong sense of community potential through volunteering and local events compared to Greater Toronto Area (GTA). QOL links to community residents coming together to celebrate shared circumstances and build sense of community through shared enjoyment i.e., fairs, festivals and parades.

Perceived benefit is to have a community that enjoys socio-economic-cultural enrichment with good services in the Region. Duvall (Representative Public Sector)

Tourism sector and its strong cultural pull combined with the technology sector and digital state of art businesses to attract greater QOL. Meg (Representative Public Sector)

Waterloo Region has great potential for its identity with a sense of community versus that of GTA. There is a tremendous sense of community in hosting and volunteering events. Marguerite (Representative Private Sector)

4.1.2 Spin-offs

The interdependence between tourism and broader socio-cultural, political and economic environment is essential. Tourism development system is dynamic and this research recognizes the multi-directional relationship between the nature of tourism development, the consequences
of development in the destination, the nature of local development and the environment external to the tourism system (Sharpley & Telfer, 2002). Stakeholders recognize the varied nature of this sector to provide spin-offs to other tourism businesses (festivals, events and culture), technology-tourism, agri-tourism, conferences, retail business, rural tourism, universities and local infrastructure. Often it is the additional income earned from tourism which helps other services and supports the diversity of restaurants, theatre and other cultural events.

Tourism is a lever for broader ramifications. Tourism development helps conferences, leisure activities, learning about community, sense of place, trails, investment, enhancement to investments, improves QOL, arts and culture. Emile (Representative Private Sector)

St Jacobs provides a good example of specialty shopping, restaurants and farmer’s market promoting buy local buy fresh movement. Local farmers are linking with restaurants and shops to sell their produce… Tourism has the potential to expand…Technology tourism, meetings and conventions, eco-tourism with country-side tours. Clooney (Representative Public Sector)

Application of SET framework helps understand that spin-offs provide benefits, which attract private sector businesses that are motivated by profits accruing from businesses (retail shopping, restaurants, meetings). However, private businesses are motivated by numbers and bottom-line profit while public sector links benefits to QOL, culture and leisure activities.

4.1.3 Raises the profile of the Region

Stakeholders recognize that the tourism sector can raise the profile of the Region globally especially through hosting international events. A consultant report states that Ontario's festivals and events are a major economic driver for communities across the province (PKF, 2009). Using an example of Oktoberfest, as a cultural event, the Waterloo Region hosts the second-largest Bavarian festival in the world attracting over 700,000 visitors. This event stretches to an annual
nine-day celebration of traditional German food, culture and entertainment.

http://www.youtube.com/watch?v=DtVuUVj8bv4&feature. Stakeholders acknowledge that this event raises the profile of the Region domestically, nationally and internationally with business expansion and investment opportunities.

Oktoberfest is a good example of cultural tourism. Clooney (Representative Public Sector)

Oktoberfest is sustainable. It is one of the largest in the world. Emile (Representative Private Sector)

Tourism raises the profile of the Region beyond Canada and has the potential for economic development attracting industry to the Region. Clooney (Representative Public Sector)

Stakeholders agree that irrespective of the reason for a visit (cultural event or other) once a visitor experiences the beauty of the Region, they are likely to return. The Region’s advertising campaign promotes: ‘Fall in Love with Waterloo Region’ and ‘Explore Waterloo Region’ to promote themes like ‘honoring yesterday while creating tomorrow’.

Stakeholders recognize Waterloo Region to be attractive and to possess rural beauty.

Desirable place to visit and live because of a robust tourism sector… and for it to attract new residents as this is linked to growing tourism as the Region is attractive. Meg (Representative Public Sector)

International visitors especially recognize the specialty of rural beauty and its enabling tourism opportunities. Stefan

The intent to visit friends and relatives (VFRs) is the largest tourism category for the Region and generates 790,000 VFRs (Statistics Canada, 2009). Weaver and Lawton (2002) suggest that VFRs are distinct from pleasure tourism in the destination decision normally being
predetermined by the person who is to be visited and does not stem from destination choice and various factors that influence that choice. They posit that VFR-dominated tourism systems are affiliated with migration systems (Weaver & Lawton, 2002), can be international in profile and raise the profile for the Region, internationally. In addition, stakeholders attribute recruitment of international students to universities to the tourism sector.

Local residents need to explore and discover and they will encourage VFRs to enjoy these experiences. Harrison (Representative Private Sector)

The Region attracts a lot of VFRs and day-trippers due to its proximity to Greater Toronto Area. Meg (Representative Public Sector)

Tourism to the Region helps academic institutions recruit international students for higher studies. Stefan (Representative Public Sector)

Application of SET framework suggests indirect bottom line implications. Marketing efforts are essential and raising the profile of the Region is important to both private and government sectors, as increased awareness represent the probability of incremental visitors.

4.1.4 Economic potential from Tourism

Tourism exhibits characteristics that make it an attractive option for economic development (Fletcher, 2009) and is frequently justified on the basis of its potential contribution to economic development (Sharpley & Telfer, 2002). They posit that despite the wide-spread and justifiable support for tourism as an economic development agent (i.e., income and employment generation), its potential may not always be fully realized. Stakeholders were unanimous on the tourism sector’s economic contribution to revenue generation. Stakeholder responses to positive economic impacts from tourism development include employment creation, economic diversification and a variety of other factors that collectively justify tourism’s role as a vehicle
for development. Maurice’s reference to 600+ jobs is for arts and culture projects. Statistics Canada (2009) posits 3,200 total jobs are created by the tourism sector in Waterloo Region.

The growth potential for Waterloo Region from a tourism standpoint is significant…Tourism is an economic generator and provides for 600+ jobs and is an economic generator for arts and culture. Maurice (Representative Private Sector)

Tourism sector is significant for jobs, economic base, tax assessment and retaining wealth within the community. Cary (Representative Public Sector)

Economic development, jobs, pride, opportunity for growth for the private sector, global presence…Tourism is an important economic engine for development and its potential for festivals and events to urban areas. Stefan (Representative Public Sector)

Stakeholders predominantly link the tourism sector to positive socio-economic contributions based on visitor spending. For example, tourists visit attractive places and generate expenditure in the host region and tourism businesses contribute to economic growth in the region, although tourism earning in this first stage are not significant (Sharpley & Telfer, 2002). Attractions in Waterloo Region attract almost a million visitors (not including African Lion Safari and Stratford, which are actually outside the Region but seen as part of the local attractions base. A perspective reported 4.5 million visitors, Statistics Canada (2009) reports 4 million visitors with a total spending of $372 million.

Economic contributions are evident with over 4.5 million visitors spending $372 million in accommodation, transportation and attractions. The average spending per person of $100 per day is under provincial averages… Potential from its current attractions is great e.g., Chicopee being one hour from GTA attracts visitors from both Waterloo Region and GTA; African Lion Safari gets 500,000; Bingeman receives 225,000; Stratford receives 1,000,000; Oktoberfest 225,000 and Blues festival the largest ahead of Ottawa gets 125,000. Kitchener downtown events are growing and drawing visitors to Jazz fest in uptown waterloo country and
comedy festival, Plowing Festival receives 100,000; Sporting events are large with Hockey sports. Meg (Representative Public Sector)

New festivals and events, Congress 2012 hosted 7,000 delegates. Waterloo Region has think tanks like Perimeter Institute, Center for International Governance, universities and colleges…creation of creative enterprise organizations with focus on arts and culture with a notion to build talent in the region, which will benefit tourism sector. Stefan

[The] Region is recognized for holistic approach and creating a product line that provides a menu of attractions, special interest museums, culinary and cultural events. Gertrude (Representative Private Sector)

The tourism sector has a strong pull for business investment and an enabling infrastructure. Meg (Representative Public Sector)

As the number of visitors and the consequential opportunities for tourism businesses increase, the destination enters the second tourism development stage where tourism development is promoted and politically supported with investment (Sharpley & Telfer, 2002). Most businesses attracted to the Region are from the technology and aero-space sectors. Tourism sector has the potential for attracting business investment, job creation and revenues for existing operations and attractions but political support and investment in the tourism sector is generally lacking when compared with the emphasis given to the technology sector.

Face-book, Google and Games have moved to Kitchener... Wind turbines require building visitor centers to explain wind power and its functionality. This attraction benefits the resident community and creates green tourism with socio-cultural and economic benefits. Meg (Representative Public Sector)

Tourism development has encouraged aero-space companies to locate in this Region e.g., Com Dev Satellite Communications Ltd., a private company. Duvall (Representative Public Sector)

Waterloo Regional Museum opened in November 2011. Two hotels to be added to St Jacobs based on need for more accommodation. Emphasis on festivals; blues festival now up to 3 days up from 1. Oktoberfest, culinary, cultural, family and bike fest events. Meg (Representative Public Sector)
Public and private sectors have a vested interest for economic benefits from technology and application of SET suggests that investment in technology is lucrative for both. Although, the tourism sector satisfies government interest for jobs, tax assessment and retaining wealth within the community it is not significant when compared to the technology sector. Private sector tourism businesses have added two new hotels in St Jacobs based on economic gains from incremental visitors attracted to St Jacobs.

4.1.5 Effective Marketing Approaches

Ontario Tourism Marketing Partnership Corporation (OTMPC) has been marketing to consumer travel preferences through online travel marketing activities by realigning tourism services through tourism online websites, call centers and brochure distribution. Marketing focus in Waterloo Region has used organizational capacities of WRTMC (Appendix H) and RTO4 to introduce online travel marketing activities.

WRTMC Marketing

In 2007, Waterloo Region announced the establishment of WRTMC as its local DMO with a marketing mandate: to enhance the external community profile; to increase number of visitors and their length of stay; to increase economic activity, jobs and tax revenues to the region; to support Canada Technology Triangle and the local municipalities; to support initiatives to attract skilled workers; to enhance the Region to attract tourism-related funding from the provincial government; and to unify the tourism sector (Report: CA-11-008). This mandate was created to address many challenges recognized by stakeholders from the tourism sector, related to tourism sector being fragmented with a low external profile; and having no central body to develop partnerships and creating duplication of efforts.
Prior to the establishment of WRTMC, three cities and two townships provided tourism-related services such as destination marketing and visitor services. The approach in 2004 was described as fragmented with no overall brand or marketing strategy and a low external profile. Since the inception of WRTMC in 2007, Kitchener, Cambridge, St. Jacobs, Woolwich, Waterloo and Wilmot have independent visitor services but have centralized marketing under WRTMC.

Municipalities acknowledge funding the cost of WRTMC to realize savings from joint marketing to reduce marketing costs and increase cost efficiency.

Historically the Chamber of Commerce provided visitor services and this has now been performed by WRTMC that provides the service. In 2004/2005...Some cities still maintain local visitor centers and let WRTMC provide marketing services. Gwyneth (Representative Private Sector)

Cost of operating WRTMC has been funded from the municipalities and deemed to reduce duplication and increase efficiency. Gwyneth (Representative Private Sector)

WRTMC has a distinct marketing role and it brings cost-effectiveness for the municipalities. It assists the municipalities achieve marketing through synergies and provides great value for municipality contribution. Duvall (Representative Public Sector)

Stakeholders praised WRTMC for having united 235 members from the tourism sector under its aegis. Stakeholders refer to WRTMC as a centralized tourism organization with one voice for the tourism sector in the Waterloo Region.

Yes the partnership mix is present and membership model is valuable as it has provided for an umbrella for all members and can provide for pragmatic outcomes for WRTMC. Proof is in the active participation of the membership. Given the growth of population in the region the opportunity for sustainability through this growth is real. Stefan (Representative Public Sector)

WRTMC membership in numbers is around 300 paying an annual full membership fee of $300. General membership fee is $100. Artisan
membership fee is $99. These fees are used toward the cost of marketing. Maurice (Representative Private Sector)

The Municipalities recognize the merits of stakeholders under one umbrella and depend on collaboration between public and private initiatives. Duvall (Representative Public Sector)

Chief Administrative Officers (CAOs) work for the municipalities and are Board of Director Members on WRTMC. CAO presence on WRTMC board provides for communication and better awareness for issues in the tourism sector. CAOs praise WRTMC for being cost-effective, leveraging marketing efforts, avoiding duplication in promoting tourism and providing for incremental growth in visitors to the Waterloo Region. Stakeholders suggest a growth in the number of visitors to the area. Statistics Canada visitor spending for 2009 reflects a decline (detailed in Chapter 5).

WRTMC has a distinct marketing role and it brings cost effectiveness for the municipalities. It assists the municipalities achieve marketing through synergies and provides great value for municipality contribution. Duvall (Representative Public Sector)

Marketing outreach has helped increase tourism numbers year over year. Stefan (Representative Public Sector)

However, this cost represents good value as it leverages with 8 municipalities to promote the Region which could not have been possible by each municipality. Duvall (Representative Public Sector)

Eight municipalities unite and amalgamate into coordinated tourism development efforts because sum of the parts and a broader initiative is an optimum way for return on investment. Harrison (Representative Private Sector)

Private sector stakeholders praise WRTMC for its marketing contribution, synergies, cost-effectiveness, mitigating marketing duplication between the cities and townships and providing presence at trade shows
WRTMC brings marketing value to the municipalities and is cost effective in marketing activities for the Region. WRTMC is young and has managed amazing accomplishments. Destination marketing fund will have to be researched and levied for the long-term to ensure that WRTMC is sustainable and can perform a product development function from inception through to implementation of an identified opportunity. 

Marguerite (Representative Private Sector)

Cooperation among the municipalities has turned a cost prohibitive exercise into one of partnership, collaboration and cost-effectiveness. 

Emile (Representative Private Sector)

In conjunction with RTO4 it markets outside the Region in a cost-effective manner. 

Emile (Representative Private Sector)

CAOs recognized a need to reduce duplication and create a central organization. 

Gwyneth (Representative Private Sector)

More visible presence at trade shows promoting a tangible tourism product. 

Jane (Representative Private Sector)

Both theoretical frameworks met with application in the analysis of WRTMC establishment and its role. According to stakeholder theory, it was the power, legitimacy and urgency in the Regional Council that led to the establishment of WRTMC. Based on the urgent need for tourism marketing effectiveness, Regional Council tabled the motion for the need of WRTMC in 2006 and WRTMC met with establishment in 2007. Application of SET is appropriate as municipalities were favorably influenced based on benefits WRTMC provided. It was interesting to note that CAOs spoke in economic terms using phrases like cost-effective, which they have not generally used for their decision-making throughout the findings.

Meridian Reservation System

Stakeholders announced an RTO4 initiative of Meridian Reservation System, an online reservation system, which provides customized choices to book and pay for tourism products, packages or services over the internet.
RTO4 has created a leadership role in coordinating a positive constructive tool, Meridian booking engine, to sell tourism. Gwyneth (Representative Private Sector)

Website development has created an awareness of the tourism sector in the Region. Jane (Representative Private Sector)

Use effective marketing techniques through the use of website bookings to pull programs to Chrysler with a visit to theatre and arts. Cary (Representative Public Sector)

RTO4 has forecasted an aggressive goal to increase the number of visitors to the Region. Chief Executive Officer (CEO) for RTO4 stated, (Guelph Tourism Partner blog, 2012) that at its core this increase will be achieved by increasing overnight stays.

RTO4 has set itself a mandate for 25% incremental visitors by the end of 2015/16 and to increase overnight stays. Maurice (Representative Private Sector)

The online reservations system is being funded by RTO4 while operational costs for credit card transactions are to be recovered from consumers through fees. WRTMC will feature this system in their web-site and will benefit from resultant growth. RTO4 CEO stated that 173 attractions and over 209 accommodators have agreed to participate in the system (Guelph Tourism Partner blog, 2012) allowing for a wider selection of choices. The CEO described the Meridian Reservations system to be an ‘experience based’ front-end website interface to the reservation system, allowing ‘demand generator’ experiences.

RTO4 has purchased the Meridian Booking Engine System at a cost of $80,000. WRTMC will use this system and feature it in its Web-site Maurice (Representative Private Sector)

Stakeholders described the Meridian system as a constructive tool likely to increase business to the Region, unite the tourism sector in its product offerings, provide empirical data and allow
visitors to customize their bookings. The system is to provide bundled and experiential travel opportunities and match the tourism product to what people want.

The key is to appeal to emotions and make it easy to make a purchase based on emotion. RTO4 is bundling experiences into experiential and demographic packages. Maurice (Representative Private Sector)

There is a high potential to grow tourism especially if focused efforts are placed on niche tourism…Thus, a need to target culinary tourism, develop programs around the Grand River, high technology tourism, rural-urban links for contrast, create a match between what people want and what is offered. Christine (Representative Public Sector)

Participants are required to sign a three year contract and Meridian is to provide one three-hour training session. Public infra-structure amenities serving the resident population are not marketed, as their provision is taken for granted.

Application of stakeholder theory to RTO4 suggests this organization has the key attributes of power, legitimacy and urgency in introducing the Meridian Reservations system. RTO4 has been empowered to undertake decisions and been provided with a budget of over $1.265 million per annum. It has legitimacy based on its appointment by provincial government. RTO4 has set itself aggressive goals, which provide the urgency for meeting marketing objectives and levying user fees for bookings made through the system as a future revenue source. Stakeholders from the private sector look to the system to provide customized choices for visitors and the prospect for incremental sales. SET is the theoretical lens for evaluating private stakeholders support for the Meridian system. For a fee, tourism businesses can feature their product on the Meridian system for on-line reservations.
4.1.6 Infrastructure

Waterloo Regional Airport has met with recent expansion to facilitate American Eagle with its 13 round-trip flights per week using 50-seat jets for service between O’Hare International Airport and Waterloo Regional Airport. This benefits the economy in general but tourism in particular (thespec.com, 2011) and it is hoped that light rail trains will be functional by 2017 to connect Go Rail, VIA Rail and Grand River Transit. Stakeholders deem infrastructures that feed market growth as favorable for the Region and praise these initiatives. Statistics Canada has ranked the Region of Waterloo International Airport as the 10th busiest Airport in Canada according to their Aircraft Movement Statistics report for July 2012.

Transportation infrastructure is very important and growth forecasts for the Regional Airport and the provision of light Transit and Go train respond to increased visitations from GTA. It is anticipated that by 2035, 60% of GTA will not drive. Meg (Representative Public Sector)

Perceived benefits are from economic, cultural and recreational development enriching life of local residents with access to better infrastructure and more tourism experiences. Julia (Representative Private Sector)

Example of AA flights to Chicago is a baby step in the right direction meeting with flight schedule and expansion of local airport facilities to attract American visitors to the Waterloo Region and beyond. Jane (Representative Private Sector)

SET is the theoretical lens for evaluating private stakeholders support for the Regional Airport expansion as these stakeholders benefit from incremental visitors to the Region with no direct costs incurred in the provision of these infrastructural services. The government’s provision of infrastructural services is based on service to the community as they do not undertake decisions based on short-term cost and benefit analysis. The Regional Council has demonstrated the attributes of stakeholder theory for the expansion of the Regional Airport.
4.1.7 Tourism Promotes Culture

While a destination can obtain financial returns from promoting a culture, research suggests social problems arise with loss of cultural identity (Weaver and Lawton, 2002). French, German, Scottish and Mennonite cultures are present in Waterloo Region. Stakeholders acknowledge a diversity of cultures but are averse to promoting the traditional Mennonite community as a draw for tourism. Thus, there is a stark contrast in aggressively promoting the German culture at Oktoberfest and the preservation of the Mennonite culture that is frozen in time. St. Jacobs Farmers Market is renowned for being Canada’s largest year round Farmers Market www.woolwich.ca with fresh produce from many farms throughout the Woolwich Township.

St Jacobs is a local initiative progressively meeting with development. WRTMC is leveraging St. Jacobs pull for the area. Clooney (Representative Public Sector)

The focus for drawing tourism is the farmers market. Some vendors have organic produce, quilts, maple syrup and in St. Jacobs there are opportunities to learn how electricity is produced, watch artisans weaving quilts and making pottery…The accommodation sector has performed admirably compared to other regional averages and in response this sector will meet with an expansion of 200 rooms with the announcement of building a Holiday Inn and Hilton Homewood Suites. Audrey (Representative Private Sector)

International Plowing Match September 18-22, 2012 is funded by Regional Tourism Organization 4 (RTO4). The five day event draws 20,000 people a day to celebrate traditional rural skills and talents, including quilting, cooking, plowing and farming. Julia (Representative Private Sector)

The villages of St Jacobs and Elora attracted visitors to the Region in early 1970 and were known for Old Order Mennonite community. As the Mennonite community is not to be a draw for tourism, St. Jacobs has become a destination featuring St Jacob’s village, the Outlet Mall, Farmer’s Market and Market Road Antiques all in close proximity to create a rural, cultural
tourism product and attraction. In addition, a visitor to St. Jacobs can enjoy a self-guided tour through Mennonite country and enjoy the peaceful scenic countryside, small villages and towns without causing negative social effects on this closed community. Whilst the tourism sector displays sensitivity for the Mennonite culture, external investment met with approval by Woolwich Township council in 2000 for a power center retail project anchored by Wal-Mart, on lands adjacent to St. Jacobs Farmers Market. Mitchell (1998) had already posited the village of St Jacobs as a model of creative destruction, based on the commoditization of rural cultural heritage, two years prior to the approval of the power center. Creative destruction occurs when external investments and large-scale developments introduce less authentic cultural tourism products and destroy the initial product that attracted visitors in the first place (Mitchell, 1998).

The traditional Mennonite community is a natural draw for tourism despite a conscious decision not to use Mennonite community as a tourism draw. The traditional Mennonite community is not to be put on display for tourism but is of great cultural interest. This community is in need of more farming land and making purchases outside of Waterloo Region. Audrey (Representative Private Sector)

Seasonal nature of the tourism sector leads to costs e.g. St Jacobs is busy in summer; The Mennonite community with its 4000 traditional families is a big draw based on the agrarian horse and buggy life-style. But out of respect for this culture it is protected from being put on display. Meg (Representative Public Sector)

Great potential with many untapped opportunities e.g. West Montrose Kissing Bridge was constructed in 1881 and is best known for being the last remaining historical covered bridge in Ontario. In 1960 the bridge was recognized as an historic site by the Ontario Archaeological and Historic Sites Board and was designated as a heritage site in 1975. Julia (Representative Private Sector)

This researcher, no different to other visitors to the Region, is fascinated by the Mennonite community and this prompted several visits to St. Jacobs and Woolwich Township to watch horse-drawn vehicles and to shop for homemade items for sale (usually farm produce, flowers,
food, furniture or quilts). Any proximity to the Mennonite families was only possible through a self-guided historic walk through the village or a visit to the center in St Jacobs for information on Mennonite beginnings, life-style and culture. Stakeholder advisory of not using this community as a tourism draw proved serious and the researcher settled for a multi-media journey at the visitor center for an appreciation of the history, culture and religion of Mennonite community (Appendix D).

Benefits can be accrued from cross section of opportunities that combine new age with traditional e.g. Drayton and Elmira theatre promoting arts and culture with tech tourism. Use farmer’s market with an iconic brand of St Jacob’s with the potential for meetings and convention with untapped opportunities through eco-tourism for country-side tours with buy local buy fresh programs promoting road-side food stands. Cary (Representative Public Sector)

Tourism sector and its strong cultural pull combined with the tech sector and digital state of art businesses to attract greater QOL. Meg (Representative Public Sector)

There is merit in linking rural/urban experiences and combining attractions to make the Waterloo Region an interesting destination. The popularity of these combinations can ultimately be measured when visitors exercise customized choices through their purchase.

Linking theater with larger attractions or providing small town tranquility (rolling hills, Mennonite horse and buggy experiences) to a five minute drive for business with RIM and the technology sector. Harrison (Representative Private Sector)

There is a need to unify attractions where theatres can merge with larger attractions to create a sustainable model. There is no government funding but a not for profit budget can provide for a back-end product development for an innovative, Mennonite cultural experience within a 5 minute drive to RIM. Harrison (Representative Private Sector)

There is great perceived benefit to promoting three cultures in the region German, Scottish and French. Through cultural events each sub-set has activities and attracts a following. Cary (Representative Public Sector)
4.1.8 Tourism Sustainability in Waterloo Region

According to UNWTO (2007), without proper planning and management for tourism development adverse impacts on destination environment social, cultural, and host communities is probable. UNWTO maintains that sustainable tourism development manages the impacts of tourism on a destination’s resources (WTO, 2007). Research posits that integration of sustainable development is a fundamental pre-requisite to a destination, as irresponsible development principles for short-term profits are destined for long-term failure (Butler, 1993; Hall, 2008; Ritchie & Crouch, 2003). However, stakeholders did not place emphasis on the need for planning and management for tourism development or display any concern for adverse socio-cultural and environmental impacts as probable outcomes in the absence of planning. Stakeholders were focused on proximity to GTA and sustainability of WRTMC.

Stakeholders’ optimism on the future for Waterloo Region’s tourism sector can be attributed to a forecasted population growth of over 25% by 2029 (Statistics Canada, 2009), and Waterloo Region’s close proximity to population dense areas of GTA, Hamilton, London and United States border. Stakeholders are convinced that tourism attractions, local events and festivals hosted by the Waterloo Region provide a good alternative to Toronto experiences that typify long line-ups and higher costs for entry.

Tourism sector in the Waterloo Region is highly sustainable. There are 16,000 homes to be developed around the Breslau area. The growth is going to be explosive…Waterloo Region is a very strategic spot in the province within an hour’s drive of 8 million people. Toronto is getting chocked… guests from GTA and Brampton mention that it is easier for them to get to Bingeman than to Wonderland…and Bingeman offers a different experience to a metro type environment. Maurice (Representative Private Sector)

It is highly sustainable because the Region enjoys smart growth. Toronto is choked and it is easier to drive to Kitchener and the experience is
different to Toronto. There is more connection with family and a reconnect with normalcy. Maurice (Representative Private Sector)

Many visitors from GTA show a preference for Bingeman’s facilities as they can afford the gas and are a short distance from the Region. They avoid long line-ups typical of Toronto attractions…the Region has become affordable, convenient and efficient to many consumers. Maurice (Representative Private Sector)

Bundling tourism product has met with widespread stakeholder support. They suggested combining theatre and accommodation with a variety of activities to the Region for visitor appeal. Meridian Reservation system can bundle tourism product and services in a customized mode to meet visitor expectations.

Yes it is sustainable. Cambridge has added Drayton Entertainment. There are signs of active economic development and proactive thinking with events and festivals. Audrey (Representative Private Sector)

Stakeholders link the Region’s sustainability to WRTMC and its continued decision-making capacity for tourism development in the Waterloo Region.

Yes, it is sustainable. WRTMC will survive with municipal financing. Thus, collaboration is apparent and WRTMC will be the driver to ensure that tourism development meets with the desired focus. Gertrude (Representative Private Sector)

Stakeholders link product quality, infrastructure and provision of amenities in the Region to visitor expectations. Baby Boomers represent the most significant demographic and Canadians aged 45+ now account for 55% of the country’s adult population, approximately 14.5 million people (Statistics Canada, 2010). This report states that baby boomers shadow every other demographic and their search for experiential travel could position Waterloo Region favorably.
This report confirms stakeholder assertions and optimism for baby boomers to seek the urban rural mix.

It is sustainable because of raw materials in the region. Economy is all about ability to market to demand. Baby boomers are likely to seek the urban rural mix available in the Region. Duvall (Representative Public Sector)

Stakeholders are confident in the direct linkage between product quality and infrastructure and the provision of these amenities to meet visitor expectations related to accommodation, museums and ancillary tourism services (Middleton and Hawkins, 1998).

Tourism is sustainable because of the infrastructure that respects private property…important to understand impacts on rural area e.g. washrooms, roads, signage, security, water delivery, and managing volunteers. Need to involve universities and colleges, to create a template for responsible development. Julia (Representative Private Sector)

Yes it is sustainable. Product comprises of museums and the history of the region. This history is unique to the region and to supplement there is land, river, agriculture with ancillary rise of technology tourism…. In addition the Tannery has commerce technology themed with tech tourism as an attraction. SIGGRAPH is planned to create experiences through technology– there are planned activities i.e. virtual reality games. University Of Waterloo and Conestoga College have technology tourism component for enabling tourism. Meg (Representative Public Sector)

Sustainable based on what it has to offer. Need a marketing umbrella to make it sustainable and albeit it may be a small piece of the pie but it can draw traffic to a unique product in the region i.e. topography of Grand River, fly fishing, architecture in Cambridge, rural country, Langdon Hall but all these attractions need a proper sustainability action strategy. Gwyneth (Representative Private Sector)

From the findings it is evident that stakeholders from the private sector are strictly motivated by profit and have no interest in pro-active measures to avoid future costly damage.

The government must accord responsibility for sustainability and introduce initiatives to ensure
that adverse impacts are minimized. Thus, SET application for the private sector requires incentives and awareness initiatives detailed in the discussion section in chapter 5.

4.1.9 Tourism Development Projects in the Past Five Years

Application of SET suggests that the significance of tourism development is important to the private sector businesses based on benefits to be realized but the private sector is lacking in financial resources to undertake projects. Large businesses in the tourism sector have provided for expansion of their existing businesses in the past five years (e.g., Bingeman, Chicopee, St. Jacobs and Langdon Hall). The public sector vested with power, legitimacy and resources accords tourism sector low priority with the resultant lack of investment in the tourism sector.

Stakeholders suggest that tourism growth in Waterloo Region is driven by demand and should be initiated by the public sector. Stakeholders have cited marketing organizations as examples of development projects in the past five years.

WRTMC and RTO4. Audrey (Representative Private Sector)

WRTMC has harnessed its membership to a unified voice of the tourism sector which comprises of small business operators with limited funds for marketing. Clooney (Representative Public Sector)

WRTMC leveraging St Jacobs pull for the area. Clooney (Representative Public Sector)

Municipality created WRTMC. Maurice (Representative Private Sector)

In addition, stakeholders cited museums, although it needs to be noted that museums have been established for resident communities and can be used by visitors.

Museums improved with almost 14 museums in the Region. Jane (Representative Private Sector)

Children’s Museum downtown to benefit local and visitor traffic. Waterloo Regional Museum on Homer Watson funded by municipality
and supported in advocacy by WRTMC…. New museum in Conestoga Mall partnered with private sector. Stefan (Representative Public Sector)

Kitchener and St Jacobs merited mention as encouraging development projects.

St. Jacobs is a local initiative progressively meeting with development. Clooney (Representative Public Sector).

The city of Kitchener created center in the square which is a tourism destination. Maurice (Representative Private Sector)

Creative enterprise provides the space and business support to individuals in Kitchener…with focus on arts and culture to build talent in the Region, which will benefit tourism sector. Maurice (Representative Private Sector)

4.1.10 Collaboration between WRTMC and RTO4

Findings are positive as stakeholders share the many potential benefits of collaborating to build a consensus about tourism development. Bramwell and Sharman (1999) detail three advantages that meet with outline. First, collaboration potentially avoids the cost of resolving conflict among stakeholders in the long-term (Healey, 1998). Second, collaborative relations may be politically legitimate if they give stakeholders a greater influence in the decision-making which affects their lives (Benveniste, 1989). Third, collaboration improves the coordination of policies and related actions, and promotes consideration of the economic, environmental, and social impacts of tourism (Lane, 1994)

Although, destination management is the coordinated management of all the elements that make up an attraction (attractions, amenities and marketing), stakeholders have been focused on marketing. Stakeholders described WRTMC and RTO4 as organizations that enjoy collaboration and a harmonious working relationship. Most respondents had positive comments on the relationship between the two organizations, suggesting that despite lack of provincial
mandate, the two organizations have been using their resources and framework to enhance efficiencies and effectiveness for the tourism sector. Having the two organizations collaborate in areas of mutual interest, provides benefits for the Region.

WRTMC is a key partner for RTO4. More than 60% of the tourism product comprises of product, lodging, transportation including airport, all components require a collaborative environment. Maurice (Representative Private Sector)

WRTMC brings a wealth of information to RTO4. Needs of WRTMC membership is shared between the two organizations with membership communication responsibilities being with WRTMC. Gwyneth (Representative Private Sector)

RTO4 and WRTMC work closely. WRTMC is on advisory council to help inform the work of RTO4. Audrey (Representative Private Sector)

RTO4 works closely with WRTMC in product development and together conduct a SWOT analysis of trip motivators and product analysis. Questions such as how do we cluster? How can we package? What niche product opportunities exist and what to explore i.e. contemporary culinary, sports tourism and heritage tourism products. Meg (Representative Public Sector)

According to UNWTO (2007), DMOs should lead and coordinate different aspects (physical, social and economic) of the destination to create an enabling environment for tourism development. Stakeholders allege that WRTMC works closely with RTO4 because of resources.

RTO4 has a dedicated resource to work with CAOs on WRTMC board. It has created a booking engine to measure sales made through the system for Waterloo Region plus Huron, Perth and Stratford. Meg (Representative Public Sector)

RTO4 has provincial funding while WRTMC has support from the municipalities and members. Marketing strategies are different but they have a harmonious relationship. Jane (Representative Private Sector)
RTO4 has provided an integrated model for tourism product and services that are bundled for customized choice in Meridian system. RTO4 cooperates with WRTMC to bridge product gaps for a unified tourism sector.

Growth from bookings to Meridian is significant for RTO4 as it has brought a fundamental change in driving more from existing resources and by bringing more investors and suppliers into the system. Examples of this can be found in convention and meeting facilities, sports tourism, culinary tourism, heritage tourism, agro-tourism, accentuating Grand River activities. It is a move to link right people to investment opportunities through proper communication. Maurice (Representative Private Sector)

RTO4 is a provincial initiative but it recognizes expertise and strengths with WRTMC and dialogues on the deficiencies to bridge the gaps. This has been demonstrated with the establishment of the Meridian system which unifies all attractions and accommodation sector within the RTO4 region which includes Waterloo Region. Harrison (Representative Private Sector)

In addition, there is connect in establishing culinary chain and the Region is bundling experiences into experiential and demographic packages. Julia (Representative Private Sector)

UNWTO (2007) has articulated a need for effective collaboration between the many organizations, public and private, as essential for tourism development at the destination. It has recommended that stakeholders be brought together through strong leadership. Stakeholders repeatedly express that pooling resources provides for effective and cost-efficient outcomes. Arguably, varied stakeholders suggest the importance of bringing their expertise, knowledge and network to introduce favorable adaptations and transformations for the tourism sector.

SET aligns perfectly with the notions of collaboration and partnership based on widespread benefits to all stakeholders. Stakeholders acknowledge that examples of effective collaborative thinking that can lead to greater innovation, development and strategic investment is lacking.
Thus, this research looks to stakeholder theory to understand why stakeholders with power and legitimacy have not forged collaboration and partnership. Ensuing findings on limitations and uncertainties reveal stakeholder perspectives on why tourism development is lacking in the Region.
Theme 2

4.2 Limitations and Uncertainties

Tourism development is challenged by economic, political, social, cultural and environmental issues. In addition, stakeholder uncertainty, doubts, concerns and suggestions for an alternative model for tourism development need to be addressed. Stakeholders are concerned that failure to change will provide for continued stagnation. The ensuing findings suggest that stakeholders in the Waterloo Region are uncertain on how tourism development is being undertaken and perceive serious limitations to this process. The researcher observed stakeholders not only with the use of words but how they said it. This research understands limitations to describe limits on capacity with a restricted level of achievement whilst uncertainty describes lack of certainty due to limited knowledge to describe the existing state or future outcomes.

If stakeholders perceive tourism to have great potential, it is only logical that the tourism sector be vibrant, attracting incremental visitors, and stimulating the local economy. Instead, tourism development is marred with lack of progress, a drop in visitor spending and has not met hopes. While the joint use of stakeholder theory and SET proved valuable in understanding the attributes of stakeholders and how decisions are made, their perceptions of uncertainty present challenges in application for both the theoretical frameworks. SET suggests that if benefits are to be accrued then stakeholders will favor this decision. In reality, despite benefits to be enjoyed ‘non’ decisions are wide-spread. Stakeholder theory meets with challenge as despite stakeholders’ power, influence and authority there is lack of tourism development.

This research recognizes the validity of the theoretical frameworks selected, but realizes the challenges to their application in cases of stakeholder uncertainty, limitations and lack of
political will to develop the tourism sector. These revelations lead to questions regarding stakeholders’ effective use of power (stakeholder theory) and their awareness of the benefits accruing from decisions (SET). Stakeholders attribute lack of progress to limitations for informed decision-making to a fragmented tourism sector; lost opportunities; lack of strategic plans; lack of awareness amongst decision-makers; limits and uncertainty for the DMO responsible for tourism sector. This research suggests that whilst application of theoretical frameworks was feasible with positive results the application of theoretical frameworks is challenging as ‘non’ decisions become wide-spread. Resultantly, each categorization in the ensuing findings does not meet with an application outline.

4.2.1 Diverse and Fragmented Sector

While tourism is a big sector on a global scale, at the local level it is dominated by small- and medium–sized enterprises (SMEs), a characteristic that leads to challenges for the sector. Smith (2006) explains that tourism is no different from other sectors in the Canadian economy and concludes that the tourism sector comprising of SMEs. Tourism sector in Waterloo Region typifies this characterization with vast majority of tourism enterprises to be small or medium-sized operations offering a wide range of products and services with each small operator maximizing its own position as opposed to collective action for the wider interests of the sector.

If you study tourism world-wide, tourism is an entrepreneurial sector very much a family business, typical mom and pop type business that Waterloo Region mimics. Maurice (Representative Private Sector)

Large businesses represent 1.5% of the tourism sector in Waterloo Region, but dominate and influence decision-making because of their financial resources and capacity for assuming risk. These hand-full of businesses are large in size, revenues and labor and have an agenda that
differs from those of SMEs. This observation explains some of the challenges facing tourism businesses, such as lack of access to capital or management skills (Smith, 2006).

The private sector demonstrates most of the initiatives with 5 members dominating a membership of 300 i.e. St Jacobs, Bingeman, Chicopee, Waterloo Inn, Langdon Hall. Maurice (Representative Private Sector)

Tourism sector in the Region is highly fragmented and hinders the ability for strategic alignment for a unified vision and approach. Stefan (Representative Public Sector)

This research will use an example of the accommodation industry as offering a homogenous product and using homogenous technology (Smith, 2006) but has varying operational requirements based on its size, brand, location and amenities offered. Thus, there is a challenge to meet requirements of each hotel, motel or bed and breakfast establishment to their varied requirements. In addition, there is the challenge of meeting requirements of this sector cumulatively with planning, strategy, policy, development and marketing. In using the example of the Meridian Reservations system, this research illustrates the different technological requirements of the accommodation industry in the same Region.

The Meridian Booking system with an online strategy will provide incremental business…It will provide tracking…it is not interfaced with existent booking system so the need to fax and email reservations and maintain inventory manually. In the absence of a system, businesses will be able to use this booking engine for marketing and housing their inventory. Marguerite [Perspective for a brand hotel]

Training on the reservations system is not an advantage for small businesses as they propose to collect money paid by the consumer and not forward it to the supplier until after six weeks or when travel is completed…small businesses cannot afford this luxury and RTO4 has not consulted with stakeholders on the functionality of this system or what conditions are conducive to small stakeholders…I categorically will not participate in this system and neither will most of bed & breakfast establishments. Gertrude [Perspective from a Bed & Breakfast establishment]
The predominance of small businesses in the tourism sector has led to fragmentation, variable quality, unnecessary competition and costs due to missed opportunities. Potential opportunities require positive calls for action, which if not implemented result in missed opportunities that can be perceived as costly.

4.2.2 Lost Opportunities

“I was seldom able to see an opportunity until it had ceased to be one” Mark Twain

Stakeholders lament over lost opportunities for incremental revenues and growth as not being recognized. Constraints and failure to seize opportunities have been attributed to inadequate resources and inappropriate marketing. Stakeholders suggest that the public sector can provide financial support for tourism development and allege that projects identified to provide net benefits have been lost to SMEs due to financial constraints. They blame the public sector for lost opportunities because of lack of support for SMEs with grants, loan guarantees or other support. The abundance of natural resources in the Waterloo Region affords a variety of tourism development opportunities that are not optimized and Harrison calls for an ethos of greater accountability, transparency and research.

There is an inherent cost of not attracting a potential customer for the great value of combining a cross road communities in the middle of nowhere with a show at a country playhouse. There is a cost of not creating awareness of the potential value of one show at Mirvish (Toronto) that can be equivalent to 4 shows in a country playhouse with comparable show quality. Harrison (Representative Private Sector)

Perceived costs are related to negatives from tourism development. Need to conduct research and understand the product. There are cost related to a change in thinking and ethos for greater transparency and accountability and marketing costs for targeting the visitor and creating awareness for the Region. Harrison (Representative Private Sector)
Stakeholders identified the need for additional meeting space and convention facilities to compete with Toronto. This brief outline distinguishes between meetings, conferences and convention facilities to understand if recommendations for a convention center are conducive for the Region.

Conferences are at the forefront of modern communication for internal communications (sales meetings, training seminars, board retreats, major annual conferences). Conferences are usually general sessions facilitating face-to-face groups getting together to obtain facts and information or solving organizational and operational problems. Conferences are mainly confined to members of the same company, association, or profession. Delegates attending a conference may range up to 150 or more but 30-50 is typical (Hiller, 1995; Lawson, 1980).

Conventions are meetings that can draw thousand or more delegates. When conventions become very large they can take on the character of a mega-event for a host city. When Toronto hosts a large convention, for which it is routinely prepared, the convention does not become a mega-event. However, when a medium-sized city that does not routinely attract larger gathering on a regular basis hosts a substantial convention, it can become a mega-event (Hiller, 1995; Lawson, 1980).

Meetings are spontaneous and occur in combination with social events such as joint-dinners. Firms set up meetings with their established suppliers located indifferent regions to discuss changes in product specifications, developments in markets and conditions in the future. At the same time, they also identify new suppliers exhibiting modifications of products and new applications. This provides a rich arena for learning processes. Meetings are less formally organized but encourage collective participation in reaching stated objectives or goals (Hiller, 1995; Lawson, 1980).
Potential cost being borne by the Region because of lack of meeting and convention facilities...leads to loss of business with a cost to the Region. Maurice (Representative Private Sector)

Cost of losing business because of inadequate conference, break-out meeting-rooms... The need for a convention center is evident. Current facilities provide 7,000 square feet which can accommodate 500-1000 guests depending on requirements. There is an additional 20,000 square feet for break-out and trade shows which prove inadequate in attracting large business requirements with resultant loss of business to GTA that can provide the space. Jane (Representative Private Sector)

Waterloo Region needs a conference center. Javier (Representative Private Sector)

Cost and benefit analysis is needed to re-evaluate the benefits of building an expensive facility versus a focused attempt for expanding and specializing in small meeting room facilities. Stakeholders recommend the building of convention facilities, which could prove to be a costly proposition. Convention space must meet with consideration for year-round demand and critical analysis for Toronto’s competitive bidding for conferences, which may push Waterloo Region to aggressively price its convention facilities. This competition could have adverse financial implications for the convention facility. Furthermore, majority of conferences take place in large cities, so most buyers think in terms of city destinations, not regions; it is the city they are buying. Associations have to be invited to a city and international association bids start between four and twelve years in advance of the actual event date (UNWTO, 2007).

4.2.3 Different Models or Strategies for Performance Improvement

Almost all stakeholders expressed varying degrees of frustration marketing limitations based on an ineffective distribution system; poor strategic planning and lack of development. Repeated references to ‘if done properly’ suggest room for improvement and a call for better performance through change in current strategies.
If done properly it is a significantly strong supporter for creating a sense of place, an asset for the residents, again if it is done properly. It is a piece that makes us more marketable and much more attractive for outside business investment. Maurice (Representative Private Sector)

A comment for a long-term strategic plan with sustainable tourism development suggests that current implementation activities are short term and lack strategic planning.

Not sustainable under current model. Not doing enough to ensure that we fill hotels… but much needs to be done to ensure a strategic approach to ensuring that tourism development meets with the resources, policy and planning. Clooney (Representative Public Sector)

To be sustainable, tourism development needs a coordinated approach with questions on how to achieve long-term planning and strategy…It can be sustainable with a calculated approach. Harrison (Representative Private Sector)

Stakeholders recognize the establishment of WRTMC and RTO4, as steps in the right direction for tourism development. However, they suggest that these organizations are not optimized in their models for product delivery. Optimization, arguably, is about making the most of any activity through adaptation and a broader approach.

Key is to recognize potential of WRTMC and RTO4, know the inventory and the demand generators to attract visitors; recognize what we have and how to capitalize on existent assets. Harrison (Representative Private Sector)

WRTMC and RTO4 efforts for the accommodation sector in the region have had limited success in occupancy depending on geography and these organizations will have to get more aggressive in their efforts. Javier (Representative Private Sector)

Stakeholders emphasize the need for synergy to the Region’s marketing with an ability to bundling products to strengthen the destination brand. Their recommendations for a revised
marketing and promotion strategy with an avant-garde approach require dedicated technology distribution systems and the internet to target niche tourism products.

An avant-garde approach with sports and culinary tourism is needed. Marguerite (Representative Private Sector)

It can draw traffic to unique product in the Region i.e. topography of Grand river, fly fishing, architecture in Cambridge, rural country, Langdon Hall, but all these attractions need a proper sustainability action strategy. Gwyneth (Representative Private Sector)

This approach must be developed in concert and must relate to the equity that exists and compliment the products e.g. Bingeman, Butterfly Conservatory… Perimeter Institute does innovative sessions as a standalone should it be integrated with other like-minded attractions? Harrison (Representative Private Sector)

There is stakeholder ambivalence and dissention as to whether tourism sector should meet with development. This not only provides for limitation and uncertainty but for tension. Arguably, dissention amongst stakeholders has led to no strategic planning with the resultant lack of tourism development in the Waterloo Region.

Tourism sector in the Region is highly fragmented and hinders the ability for strategic alignment for a unified vision and approach. Stefan (Representative Public Sector)

Tourism sector is significant for jobs, economic base, tax assessment and retaining wealth within the community…but tourism is not to be the primary focus. Cary (Representative Public Sector)

Frustration was expressed that despite CAO presence on the board of WRTMC the tourism sector has not achieved significance. This lackluster achievement has been attributed to lack of research and no strategic plans for tourism development. Realization that the tourism sector in the Region has no leadership or strategic plan and is not to be the primary focus relegates this sector to a level of insignificance.
Stakeholders in the private sector are frustrated that over the past 25 years tourism sector has not achieved a position of significance. Gwyneth (Representative Private Sector)

There is lack of research to prepare this Region as a tourism center. Awareness comes with experience and the need to develop tourism essential. People are friendly but need to be proactively educated on the merits of tourism with plans for tourism development. Javier (Representative Private Sector)

No one is vested with the responsibility for creating a strategy for tourism development. I am not aware of a master plan for tourism development and nobody has taken the bull by the horns. Duvall (Representative Public Sector)

The announcement of Meridian system was concurrent with interviews being conducted, and not all stakeholders were privy to the introduction of the system and its capabilities. Although, the Meridian system will be subject to teething problems it has been designed to offer customized choices and matching expectations to an inventory of products offered by the Region. This research will now share stakeholder perspectives on potential benefits from tourism development that have not been realized.

4.2.4 Perceived Benefits

Stakeholders acknowledge that perceived benefits from tourism development have the potential but have not been realized. There is a sense of frustration in the tone of responses, which is interpreted by the researcher, as conveying a sense of uncertainty as to why tourism development is not being undertaken to realize benefits. This provides an example of SET being challenged as despite an awareness of benefits that can be accrued, decisions to undertake tourism development are non-existent.

Let us get realistic and recognize that the perceived benefits from tourism development for the Region have not been realized. Tourism is in its infancy with great potential and benefits from development that can be
realized once tourism sector meets with development. Audrey (Representative Private Sector)

Perceived benefits can be realized once tourism development takes place on an incremental basis and when regional investment happens and the Region is known. Emile (Representative Private Sector)

Need development action to beget benefits. Perceived benefits can happen when word of mouth advertising takes hold, when local stays and purchases enjoy incremental growth, when conference centers are developed and corporate client needs are met. Jane (Representative Private Sector)

Stakeholders described Waterloo Region as a ‘diamond in the rough’ stating that the Region has the potential for many attractions contingent upon the tourism sector meeting with development.

Perceived benefits from tourism development are in jobs, revenues to existing operations and attractions. Tourism sector is to encourage companies to locate to the Region. Thus, perceived benefit is to have a community that enjoys socio-economic-cultural enrichment with good services in the Region. Duvall (Representative Public Sector)

Tourism development in the Region is a diamond in the rough where undiscovered attractions and experiences can be created. Julia (Representative Private Sector)

Sports tourism could be more strategic investment… Culinary tourism can be a leader…Blending Agro-tourism with culinary is a tremendous opportunity contingent upon the right forethought… the Region has the potential for economic development around the river. Maurice (Representative Private Sector)

Stakeholders are emphatic that the tourism sector can be an effective vehicle for development. But there is a conceptual leap between unrealized perceived benefits and actual development that provides for economic growth.
4.2.5 Lack of awareness in the Public Sector

Limitations and uncertainty prevail when there is lack of confidence in decision-making capacity of individuals vested with power and legitimacy. Maurice explains that CAOs and people in the public sector are great people but they are not knowledgeable about the tourism sector and there is a need to create tourism sector awareness.

We are doing it presently through WRTMC, but fighting against the technology-sector and economic development sector is a tough bill. Maurice (Representative Private Sector)

Municipal policies need to adopt a positive enabling environment on how to handle tourism development and how they cross pollinate together. Maurice (Representative Private Sector)

Despite the widespread acceptance among stakeholders of the tourism sector as important to the Region, there is concern at the lack of understanding for the significance of tourism among decision-makers. Strong competition for municipal resources calls for a need to educate the general public, public sector personnel and elected officials. The tourism sector is hopeful that an education program for the general public will influence fundamental change in municipal plans for tourism development.

Opportunities are competitive and the challenge is to persuade municipalities on the merits and significance of tourism which competes with health care and roads and there is public input that can sway the process especially when they come from other sectors. Maurice (Representative Private Sector)

There is no question the challenge with tourism in general from a municipal stand point is competition for the dollar…there needs to be a fundamental change in how the municipal partners view tourism and how they spur tourism. They can be catalysts to… bring more investors to the Region. Maurice (Representative Private Sector)

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Private sector stakeholders allege lack of knowledge in the public sector and emphasize the need for continued education plans for CAOs as essential. Public stakeholders’ lack of awareness is evident from statements such as: “Municipalities have to realize” Maurice. Realization refers to the significance of the tourism sector in the Region.

Stakeholders perceive lack of progress over the past twenty five years as a constraint. Lack of tourism development is based on what the sector should have or could have achieved. Stakeholders attribute constraints for tourism development to lack of knowledge or experience in the tourism sector. Thus, some stakeholders allege that to provide effective representation on WRTMC board it is essential to be knowledgeable and experienced in the tourism sector, inferring that CAOs are limited in their capability for decisions. Stakeholders did not directly suggest that constraints may have been due to lack of budget, as reference is made to the use of castles for administrative purposes. But the perspective provided could be questioning the cities affordability for such an ownership.

Cities own castles - are these projects financially viable and can cities and tax revenues sustain them? Is there a development strategy for culture, heritage and tourism? Gwyneth (Representative Private Sector)

Stakeholders in the private sector are frustrated that over the past 25 years tourism sector has not achieved a position of significance. Gwyneth [Repeat Quote](Representative Private Sector)

Stakeholders recommend a renewed and continued education program for CAOs as essential for the tourism sector.

I have no doubt that the CAOs are starting to view tourism as an economic generator and in this economic downturn this has been fostered more so because when you have the Province of Ontario focusing more on tourism and stating that it is an economic item, when you see the
benefits from other areas from what is happening with tourism as an economic generator. Maurice (Representative Private Sector)

Although WRTMC does attempt workshops to educate the public sector stakeholders it also conducts work-shops for tourism sector members to develop their product. Educating stakeholders and politicians and building alliances to influence perceptions is a long-term process.

WRTMC is still in its infancy and recognizes the importance of educating the city staff, councilors, city council, elected officials and others about tourism development and its future growth. WRTMC has an educational component and supports tourism initiatives in the public and private sectors. Maurice (Representative Private Sector)

WRTMC educates the tourism sector stakeholders to develop their product through workshops. Clooney (Representative Public Sector)

WRTMC has undertaken marketing activities and its role is complex and becoming increasingly broader. Stakeholders repeatedly express concerns for the role, sustainability and resources available to WRTMC. This research will now attempt to understand stakeholder uncertainty on the role of WRTMC.

4.2.6 Stakeholder Uncertainty on WRTMC Role

UNWTO (2007) recommends an integration of separate organization actions, and the need for a link between strategy and action. This integration can be achieved by DMO. This research suggests that a DMO should have a destination management plan as a key instrument for building partnership and commitment and it should set out a plan of action and rationale for this program (UNWTO, 2007). WRTMC can strengthen the link between strategy and action; it can apply knowledge and expertise to project planning of other organizations; and it can foster a
learning approach to destination promotion and management. However, stakeholders contend constraints on WRTMC functionality as there is no strategy or plan.

**Marketing Mandate:**

Stakeholder responses suggest marketing as a dominant role for WRTMC (Appendix H). There is consensus within the tourism sector and municipal administration in Waterloo Region for a need to improve the delivery of tourism services particularly with marketing. A typical DMO vested with a marketing mandate has to be cognizant of the marketing trends, know market segmentation and marketing mix; provide for planning and promotion strategy; ensure advertising and promotional materials; establish a distribution system for tourism and seek promotional synergies with other sectors (Ritchie, 2003). Although stakeholders describe WRTMC to be responsible for varied forms of tourism marketing, there is uncertainty and lack of clarity on what this specifically entails. Their comments describe WRTMC role to include product development, education, research and training.

- WRTMC has a marketing mandate. Christine (Representative Public Sector)
- WRTMC performs a supportive marketing role in taking the tourism product to the market. Harrison (Representative Private Sector)
- Product development is linked with marketing…It helps create product development and promotes this product. Gwyneth (Representative Private Sector)

**Product Development Role:**

Stakeholders provided varying comments on WRTMC role for product development.

Perspectives ranged from no role, to an indirect or a secondary role. WRTMC is a critical
component to the tourism sector and ambiguity amongst its board members on a fundamental issue suggests uncertainty and a limitation to effective decision making.

WRTMC is not about product development. Harrison (Representative Private Sector)
WRTMC has an indirect role in product development. Julia (Representative Private Sector)
Its secondary efforts are to assist in product development. Cary (Representative Public Sector)
[WRTMC] provides a range of services for product development e.g. culinary tourism. Christine (Representative Public Sector)

Stakeholders suggested that Waterloo Region has to compete with other regions in Ontario and there is a need for the Region to position its tourism products to attract potential visitors. WRTMC has helped the tourism sector with product development (as per comments below) and has assumed responsibility for identifying product development opportunities (accommodations, attractions, and other recreational services). Product development is the creation of service and event packages or it can bundle product and services targeted for a niche group of visitors e.g., Congress 2012 hosted 7000 delegates to the Region. Stakeholder expectations for WRTMC to be the catalyst for product development role are strong.

It has to and it has! It brings together product development e.g. packaging for groups, festivals, sports, meetings and conferences. Gertrude (Representative Private Sector)
It brings creative ideas to arts and cultural portal for cultivation of attractions to the area. Harrison (Representative Private Sector)

WRTMC creates education, training and awareness among its membership, public sector personnel and community to foster awareness of the tourism sector. In addition WRTMC
educates key travel trade partners and media through familiarization trips about travel experiences in the Waterloo Region.

WRTMC educates and creates awareness for future growth…Creates awareness of attractions amongst local tourism sector membership
Maurice (Representative Private Sector)

Brings together players e.g. magazines, commercials, media, promotes Waterloo Region professionally through workshops, social media, familiarization trips. Clooney (Representative Public Sector)

It has the expertise to market product and educates its membership.
Gwyneth (Representative Private Sector)

It is currently conducting a familiarization tour of media from Chicago to ensure the appropriate publicity for Waterloo Region in Chicago and surrounding area. Cary (Representative Public Sector)

WRTMC shares responsibility, authority, and accountability through collaboration and partnership with RTO4 in identifying product gaps. WRTMC represents stakeholders whose interests are interdependent e.g., public sector comprising of municipalities for cities and townships; private sector comprising of tourism suppliers and businesses. A central role for the DMO is to be a coordinator in assessing requirements for tourism development. If the regional DMO can bring public and private resources to mutually reinforce within a common strategic approach, much more can be achieved (Ritchie, 2003)

Pulling membership in the tourism sector requires a lot of collaboration.
Audrey (Representative Private Sector)

It collaborates with municipalities, stakeholders, CAOs, RTO4.
Gwyneth (Representative Private Sector)

WRTMC provides collaboration and linkages. Duvall (Representative Public Sector)

It plays the role of being coordinator and facilitator for tourism activities to the Region. Clooney (Representative Public Sector)

It undertakes research and through collaboration and partnership, links stakeholders. Stefan (Representative Public Sector)
WRTMC has assumed responsibilities beyond the scope of its marketing mandate and is described to perform varying roles (stakeholder perspectives further suggest: advocacy; influencing policy, research and agenda; uniting its membership to attract investors).

WRTMC puts pieces together and performs an advocacy role. Stefan (Representative Public Sector)

[WRTMC] provides private initiative contacts for further investment. Harrison (Representative Private Sector)

Provides a focus for decisions on where investment can occur. Emile (Representative Private Sector)

It influences policy papers and conducts research. Cary (Representative Public Sector)

It is central, unbiased and provides professional linkages with other associations like Canada’s technology triangle (CTT), local chambers of commerce and RTO4. Marguerite (Representative Private Sector)

From the above outline of stakeholder perspectives, it is evident that there is no clarity on the role of WRTMC. Expectations from the tourism sector on this small organization are high and WRTMC is stretched into performing a role that is far broader than mandated e.g., advocacy, research, linking investors to local investment opportunities. This organization with a staff of four is challenged to meet high expectations and is vulnerable for its financing from its membership of 300 and the municipalities in the Region.

4.2.7 Limits to WRTMC Accomplishments

WRTMC was established in late 2007 with funding from eight municipal Councils in the Waterloo Region. In accordance with the commitment made at its establishment, an evaluation of WRTMC accomplishments is to be undertaken every five years. WRTMC met with an evaluation by its membership and the Regional Municipality of Waterloo for continued funding
of $300,000 through to 2015. However, stakeholders are concerned that significance of tourism is not easily recognized by the Regional Municipality.

Significance of tourism is difficult to grasp. It is easy when there is an iconic feature i.e. Niagara Falls… Opportunities are competitive and the challenge is to persuade municipality of the merits and significance of tourism. Maurice (Representative Private Sector)

According to Maurice, the funding provided to WRTMC from the municipalities barely meets costs of marketing the Region.

But WRTMC is challenged with lack of financial and human resources. Maurice (Representative Private Sector)

WRTMC is in its infancy and needs resources. Municipalities have a presence on the board through CAOs to influence municipalities. Maurice (Representative Private Sector)

Some stakeholders believe that WRTMC is a central decision making organization for the tourism sector but express concern at the lack of resources to perform many tasks. Most stakeholders recognize that WRTMC is stretched and its performance is based on the resources available.

How thin can WRTMC spread itself? Given WRTMC budget - how can it undertake product development and how many focuses can it have? WRTMC with its limited resources has to pick and choose and it makes the connections and acts as a catalyst. Audrey (Representative Private Sector)

WRTMC sees the need for product development but is constrained due to financial resources. Sports Tourism is an exciting opportunity that has been identified but WRTMC does not have the resources to make it happen. Christine (Representative Public Sector)

WRTMC is strapped for all resources and tourism is difficult to grow. Size of WRTMC is small and yet expectations are heavy. Harrison (Representative Private Sector)
Despite WRTMC limitations there is dependence on this organization to provide leadership and impetus for tourism development, QOL and provide economic diversification.

CAOs and cities depend on WRTMC to develop tourism that provides QOL and economic diversification. Gwyneth (Representative Private Sector)

WRTMC provides good leadership and has the ability to work with all involved. It provides synergies and positive influence to a fragmented traditional sector. Audrey (Representative Private Sector)

This research will next understand the role of RTO4 in order to meet the objective of understanding the effect it has on WRTMC.

4.2.8 Role of RTO4

Stakeholder comments on the role of RTO4 are predominantly negative. A majority of stakeholders indicated that RTO4 has no role and is a creation of poor provincial action. Based on recommendations from Discovering Ontario (A report on the future of tourism) the Ontario Ministry of Tourism, Culture and Sport split Ontario into 13 tourism regions. Each region was charged with a general mandate to provide regional leadership, coordination and work with industry partners to grow tourism through activities like strategic planning, research, product development, training, attract investment and marketing. Although, the province initially solicited stakeholder opinion on splitting Ontario into regions, these perspectives were not entirely respected in setting up the tourism regions. Comments reveal stakeholder uncertainty and confusion on the establishment of RTO4.

We were involved, but unfortunately based on the RTO process, input from the stakeholders was not an option. Original discussion was to include WRTMC with London in an attempt to bind projects. Maurice (Representative Private Sector)
Maurice explained that he vehemently opposed having Waterloo Region and London grouped into a region as the two are strongly competitive. However, he was not in favor of the geographical boundaries that ensued for an expansion of Waterloo Region to include Perth, Huron, Stratford and Guelph. Other perspectives shared Maurice’s opinion and suggest confusion over the boundaries.

RTO4 should not attempt product branding as it confuses the hell out of everyone in the area. I cannot understand the boundaries and geographical bundling that has occurred. It’s a puzzle. Cary (Representative Public Sector)

Geographically Huron County is far and they have a beach as an asset but beyond that they have nothing...There are some geographical locations that have no product, that are not significant or do not put any effort to develop tourism product. So in that case why share any type of funding? Tourism is not for everybody…there should be some rule that provincial funding would only be available once you reach a certain plateau. Maurice (Representative Private Sector)

Establishment of WRTMC prior to RTO4 incorporation is considered fortuitous with inference that RTO4 has not represented the interests of the Waterloo Region appropriately.

It is fortunate that WRTMC was established prior to the Sorbara report and RTO4 establishment. In my opinion, if we did not have WRTMC lobbying for the interests of Waterloo Region and its tourism sector we would have been in a cluster fog. Maurice (Representative Private Sector)

Stakeholders are dissatisfied with the provincial split of the regions and critical that RTO4 includes Waterloo Region with Huron, Perth and Wellington counties. To exacerbate matters an annual funding of $1.265 million through to 2013 (Wellington Advertiser, 2012) has exceeded $300,000 annual municipal funding granted WRTMC. In addition, stakeholders have been
further agitated as the province set a general role for the RTOs with no specifics. (www.mtc.gov.on.ca/en/regions/regions.shtml). Thus, WRTMC board members allege that RTO4 has no role set by the provincial government and they express uncertainty for the future of this organization.

It has no role, or a mandate set by the provincial government. Cary (Representative Public Sector)

RTO4 has been provided a larger geographical area with no distinct rationale. Stefan (Representative Public Sector)

RTO4 is a poor provincial initiative and one that meets with no praise. It is a forced marriage not of compatible partners but one that makes the best of a situation. Clooney (Representative Public Sector)

RTO4 is a mess! Funding is ‘loosey goosey’. It’s located in Stratford. It has limited knowledge for the tourism sector and is influenced by WRTMC. It is too political a creation and majority of stakeholders do not know RTO4. Marguerite (Representative Private Sector)

RTO4 was established in 2010 and is in its infancy. As a regional organization, it has many challenges including stakeholder uncertainties and lack of cooperation, which can adversely hamper its progress.

Province should have outlined a vision for the regions to cooperate. Instead it allowed autonomy. Clooney (Representative Public Sector)

RTO4 does not have an identified role and it will not make it! The provincial model for funding is nebulous and the future of this organization is in jeopardy. Gertrude (Representative Private Sector)

Having two organizations is confusing to stakeholders who fail to understand the need for two organizations to promote Waterloo Region. Jane (Representative Private Sector)

However, RTO4 has set its role to develop long-term initiatives and it has focused on providing a technology distribution system through Meridian Reservation booking system. It has
forecasted to increase tourism receipts by 25 percent and identified the Grand River for recreational opportunities such as biking and fly fishing (Wellington Advertiser, 2012). In addition, stakeholders on RTO4 board suggest that it will increase the number of over-night stays; attract visitors from a wider geographical distance than WRTMC; provide a bundling of products for customized visitor choices, utilize experiential marketing techniques and provide tracking for visitors to the Region. Thus there is validity to these stakeholders alleging that RTO4 has a role, one that they have established.

It plays an effective role in concert with municipality and is a conduit for collecting data to show and provide a portrayal for tourism to the region… it banks on credibility of WRTMC and municipality to provide private initiative contacts for further investment. Meridian system has many objectives in addition to being a search engine, a booking system and providing customized choice. Harrison (Representative Private Sector)

RTO4 role is to attract visitors from a further distance, develop over-night traffic, include the beaches of Huron in its marketing, develop a booking system that appeals to emotions and is experiential in its product offerings. Audrey (Representative Private Sector)

RTO4 role is one of marketing, advocacy, tourism investment and human resources training. RTO4 conducts research and provides a marketing strategy. RTO4 works closely with WRTMC in product development and together conduct a SWOT analysis of trip motivators and product analysis. Meg (Representative Private Sector).

However, a stakeholder expresses concern that she had not been consulted on the booking system and finds communications with RTO4 to be non-existent. This stakeholder is certain that she would not grant support to RTO4 initiatives. It would appear that RTO4 in using WRTMC as a communication front has alienated stakeholders by failing to communicate with them directly.

RTO4 communication has been poor with the stakeholders and it is depending on WRTMC to conduct a lot of its work…RTO4 has not
consulted with stakeholders on the functionality of the system. I categorically will not participate in this system. Gertrude

There is dissension among stakeholders on duplication of services between WRTMC and RTO4. It is suggested that duplication has been avoided on account of good communication between WRTMC and RTO4

There is a lot of communication between WRTMC and RTO4 on marketing plans and objectives to avoid duplication. There is always going to be some overlap. Maurice (Representative Private Sector)

Stakeholders express concerns for the duplication of services between the WRTMC and RTO4. They suggest that the funding provided to RTO4 should have been granted to WRTMC, for greater effectiveness. It is of interest to note that WRTMC has no claim to provincial funding. This DMO has applied for grants and has received $10,000 to date.

Waterloo Region would have enjoyed greater effectiveness had the province leveraged marketing and financial contribution for the Region to the existent WRTMC. Why the duplication? What a waste of time, resources and think of the opportunity cost. Gwyneth (Representative Private Sector)

So why did the province not allocate the resources and responsibility to WRTMC instead of creating RTO4 and avoid duplication of services to the Region? Marguerite (Representative Private Sector)

We are on various initiatives. Provincial funding currently goes to RTO4 but if it were not there it is possible for WRTMC to assume a bigger role. Maurice (Representative Private Sector)

WRTMC as a not for profit organization is eligible for grants for different projects e.g., arts, culture, and web portal. To date we have received a $10,000 grant. There are a lot of other things to go after i.e. festivals and events funding from Celebrate Ontario. Maurice (Representative Private Sector)
RTO4 is developing the organization’s first strategic plan with ideas and opinions from the tourism sector business owners and operators (www.rto4.ca). However, a stakeholder is critical of RTO4’s communication strategy as she has not been consulted on the booking system and finds communication with RTO4 to be non-existent.

We are informed of training on the Meridian system but were never consulted as stakeholders on our requirements or what would make this system viable and supplier friendly. RTO4 communicates through WRTMC. Marguerite (Representative Private Sector)

4.2.9 Relationship between WRTMC and RTO4

Stakeholder collaboration involves cooperation among various stakeholders for successful tourism sector. The perception is that tourism is fragmented and it follows that collaboration be emphasized in the development process. Research findings suggest that the roles of the two organizations are based on cooperation and collaboration. One of the objectives of this research is to understand the effect of RTO4 on WRTMC. Some stakeholders understand the relationship between these organizations as harmonious and these perspectives were cited in previous findings under a vibrant tourism sector. Findings below suggest uncertainties among stakeholders for the two organizations.

WRTMC and RTO4 need to be recognized as organizations vested with legitimacy for tourism in the Waterloo Region. WRTMC is a DMO with a marketing mandate and RTO4 is responsible for regional leadership including marketing. Stakeholders used the names of the two organizations interchangeably with the names of individuals in charge of these organizations. Reference to the names of individuals can create uncertainty among its membership especially if these individuals were no longer to represent these organizations.
Relationship between A and B has been described as harmonious but unproved. A assumes a strategic approach but has been challenged with a power struggle in introducing RTO4 when there was an established WRTMC in the Region. Duvall.

Relationship is sound as B attends 4 Partnership Council meetings every year held by RTO4. They work closely in trade shows and with travel writers. Julia.

Good relationship evidenced by partnership council. A gets a lot of ideas from WRTMC and uses the existent framework. Meg

B and A enjoy a close working relationship e.g. Chicago travel writers invited by B did not just tour Waterloo Region but conducted a tour of RTO4 region. Mutual understanding between two organizations of objectives, goals and future work suggests a close working relationship. Audrey

Some stakeholders did not wish to comment on the relationship, were confused about the roles or the differences in the roles of these organizations and described the creation of RTO4 as political. Although stakeholders have praised WRTMC accomplishments, they are uncertain about RTO4. Stakeholders are confused and question the need for two organizations to promote Waterloo Region.

It makes no sense. Province is the gate keeper of money and it created RTOs and gave them money. Density of hotels is predominantly in the Waterloo Region so why should the Region promote Huron and Perth and get a free ride. Political undertones seem prevalent. Cary

WRTMC provides very good support to RTO4… It does not make sense when 60 to 70% of product is from the Waterloo Region. But RTO4 adds Stratford, Guelph, Huron and Perth with minimal product from the latter two. This demonstrates provincial bungling. Christine

Not aware of a relationship. RTO4 identifies its strategy as macro while WRTMC is attributed a role that is localized. ..WRTMC is young but it has great board of directors and staff that display a passion for tourism to the area. Proud to be a board member on WRTMC and make a difference. Marguerite
Stakeholders are critical of RTO4 and consider its establishment political and describe it as ‘provincial bungling’. Although, stakeholders are not aware of the role and responsibilities of RTO4 they are critical of this organization and quick to comment on its budget and question its sustainability. RTO4’s communication strategy in using WRTMC has alienated stakeholders, while WRTMC in contrast to RTO4 has managed greater support and arguably used this opportunity to position itself favorably with its membership.

4.2.10 Sustainability of the Tourism Sector in Waterloo Region

There were two overarching goals related to understanding sustainability in Waterloo Region. First goal was related to tourism sector and the second was with institutional organizations responsible for marketing and tourism development in the Region. The literature review (Chapter 2) on tourism and sustainable development examined definitions, the need for planning processes leading to sustainable development pathways; the notion of this being a long-term process leading to trade-offs; there being no ideal mix but each destination making its own determinations based on principles of being holistic, futuristic and equitable.

Data reveal that stakeholders were focused on institutional sustainability and they minimized consideration to the impacts of tourism to the Region, by stating that there is no social cost to tourism development at this point. Arguably, this perspective suggests a gulf between academic theory of sustainable tourism and the reality of tourism development. In fact it permits an inference that stakeholder awareness of impacts of tourism have not met with sufficient development or alternately, it is possible to assume that stakeholders consider the economic, environmental and social costs of tourism as sustainable contingent upon municipalities providing an enabling environment.
At this point there is no social cost to tourism development. Gwyneth (Representative Private Sector)

Municipal policies need to adopt a positive enabling environment on how to handle tourism development and how they cross-pollinate together. Maurice (Representative Private Sector)

Yes it is sustainable as long as levels of government or private enterprise develop responsible tourism. Marguerite (Representative Private Sector)

Academic studies conducted in the Region by Mitchell and Waal (2008) and McClinchey and Carmichael (2010) suggest that rural landscape as rural resource is meeting with negative implications and rural landscape is connected with rural cultural heritage. Thus, there is a social cost to tourism development and a need for the Region to acknowledge impacts and incorporate planning tourism for sustainable development.

Probing stakeholders on tourism for sustainable development, there was an acknowledgement that sustainability could not be achieved under the current model and that sustainability would not automatically happen. Stakeholders suggest a need for a strategic approach, policy and planning, with a commitment of more resources to facilitate sustainable tourism.

Sustainability places a heavy demand on marketing the range of services. With this there is recognition for more product development. Christine (Representative Public Sector)

Not sustainable under current model. Need destination marketing fee to stabilize sources of funding. Not doing enough to ensure that we fill hotels... much is needed to be done to ensure a strategic approach to ensuring that tourism development meets with the resources, policy and planning for sustainable growth. Clooney (Representative Public Sector)

Sustainability will not automatically happen. There is a need for policy, development plan and action strategy but the region is strapped for resources. There is a need to hire staff, need more revenues to ensure
Numerous stakeholders suggested that sustainability is possible contingent upon other factors. Stakeholders lamented that private initiative was not meeting with required support from the public sector to ensure sustainable development. In keeping with SET theory, private sector stakeholders have been predictable in their support for positive financial benefits to undertake any initiative. They concede their lack of support for sustainability and attribute it to constrained financial resources. They attribute limitations from financial institutions and local government policies to compromise their attempts at sustainability.

In any business you have to reinvest and have to change with times to be relevant…a lot of the products are no longer relevant, they have no funds to be more relevant and again they drain more cash. Maurice (Representative Private Sector)

Private entities are not eligible for grants and this notion is insane. Maurice (Representative Private Sector)

Stakeholders were intent on discussing institutional sustainability of WRTMC. They criticized the current model, which makes WRTMC dependent on municipalities for continued funding. Concerns for the lack of resources for WRTMC were widespread and stakeholders lamented that based on the current model, WRTMC sustainability would always be dependent on continued municipal funding. Widespread concern on the lack of resources for WRTMC prompted a question on the probable increase of funding for better performance. Maurice explained that an increase in budget would allow for additional personnel who would be frustrated in their interaction with municipality’s lack of support for the tourism sector. Thus, he
was emphatic that municipal support be first achieved through education and awareness. He was adamant that creating an enabling municipal environment be a pre-cursor to any other initiatives.

Municipalities support for a tourism development policy and strategy plan should be a pre-cursor to any action. Thus, even if WRTMC is provided an additional funding of $100,000 with a staff person to be solely dedicated to tourism development initiatives. This individual’s progress would be conducive upon the municipal environment for making things happen. Maurice (Representative Private Sector)

Stakeholders were critical and blamed the municipality for limitations in not having created an enabling environment for sustainable tourism development. This research will attempt to understand the uncertainty for RTO4 sustainability in the ensuing findings under conflict in chapter 4.

4.2.11 Significant Tourism Projects observed in the Past Five Years

There is a need to create an enabling environment through collective action and this research calls for re-framing the development challenge. The co-ordination of tourism development is challenging but it provides more reason to recognize that tourism must not be planned in isolation as it does not function as a separate sector of the economy. The links between the separate yet related disciplines of tourism and development are important (Sharpley & Telfer, 2002). They posit that management, planning and informed decision making in a multi-sector environment with development objectives as essential.

Stakeholders struggled to identify significant tourism development projects observed in the past five years. The varying responses reflected no consensus on what each respondent considered as tourism development. Some stakeholders cited WRTMC, RTO4 and the Meridian booking system to be tourism development projects. Some stakeholders described developments
that had no relevance to tourism. Stakeholders linked lack of tourism development to lack of financial resources with a void of private entrepreneurs to assume risk. Puzzled stakeholder responses made an impression on the researcher, for the lack of tourism development in the Region.

WRTMC and RTO4…very little apart from Bingeman’s and St Jacobs expansion because of private initiative. I will answer the question with a twist… there is an obvious void of entrepreneurs willing to take risks

Audrey (Representative Private Sector)

No specific tourism development within the last five years. Who is to authorize and finance the development of tourism projects? Gwyneth (Representative Private Sector)

There have been no development projects of any significance in the past five years. Regional Airport expansion; widening of roads; boardwalk in Ira Needles; no major events. Javier (Representative Private Sector)

According to stakeholders there is a lack of tourism development and this is construed as a limitation, to attracting visitors to the Region. The researcher having deciphered numerous limitations and uncertainty continued her quest for the lack of tourism development. This revealed conflict between the public and private sector stakeholders that has been detrimental for tourism development in the Waterloo Region.
4.3 Conflict between Stakeholders

There is underlying tension between public and private sector stakeholders due to conflicting perspectives on leadership, strategy, impetus, and resources for tourism development. Conflict arises over unfair competition, allocation of resources, duplication of services, and organizational challenges. Private sector stakeholders were vocal and critical for the public sector having failed in its support for the tourism sector. But despite this criticism, their dependence on municipal governments for tourism development assistance, based on administrative knowledge, familiarity with local conditions, policy processes and financial resources is strong.

CAOs interviewed as representatives of the public sector, stated that tourism development is of significance to Waterloo Region but is not the primary focus. They acknowledged the tourism sector to be an economic driver and recognized this through the establishment of WRTMC with a commitment for its funding through to 2015 (Report CA-11-008, 2011). For ease in understanding the ensuing findings on conflict, an outline of whether stakeholders represent the public or private sector has been provided.

Core funding from municipalities is recognition that tourism development is an economic driver and creates jobs. Duvall [Representative from Public Sector]

Tourism is not the primary focus. Cary [Representative from Public Sector]

Private sector stakeholders accuse the public sector of sending mixed signals through the establishment and funding of WRTMC as an endorsement for the significance of tourism to
Waterloo Region. They complain that the public sector has not only competed against the private sector but it has been supportive of other sectors

Unfortunately, the Waterloo Region is heavily in the shadows of the technology-sector. Maurice [Representative from Private Sector]

We sink tens of millions of dollars for an outcome competing for tourism dollars and in some cases we have to compete against other assets that may be provided with public funding. Maurice [Representative from Private Sector]

4.3.1 Leadership and Strategic development

Successful leadership is among the most critical factors for tourism development as policy depends on the strategic alliance and collaboration between public and private sectors. Some stakeholders’ refer to the Province of Ontario’s focus on tourism development as significant for support to the tourism sector whilst others are critical of the province. Stakeholders concede that tourism development is a long-term process and emphasize the need for a vision and strategic planning. Providing an example of St. Jacobs, arguably a model of success, a stakeholder shared that this private initiative has taken 35 years of planning.

I have no doubt that the CAOs are starting to view tourism as an economic generator and in this economic downturn this has been fostered more so because when you have the Province of Ontario focusing more on tourism and stating it as an economic item, when you see the benefits from other areas from what is happening with tourism being an economic generator. Maurice [Representative from Private Sector]

The provincial government does not view tourism as important and changes Minister of Tourism every two years. Gwyneth [Representative from Private Sector]

An example of St Jacobs illustrates that it is not an overnight initiative but arduous work that requires planning, branding and awareness culminated over a period of 35 years… Residents make the choice of living, working, and setting up in the local community which is a plus for
tourism. Thus, tourism presents opportunity for quality of life choices. Audrey [Representative from Private Sector]

Irrespective of the type of tourism development, it is the process that inextricably connects tourism with issues of development (Hall, 2008). Tourism policy without the involvement of government is often unrealistic and unsustainable (Vanhove, 2005). Stakeholders recognize the long-term planning aspect for any initiative and suggest that responsibility for leadership is vested with the public sector, which has paid little attention to the inherent processes and outcomes of tourism-related development but show focus on consideration to communities.

Tourism development is a huge mandate comprising of quality of life, economic, cultural, recreational, revitalization of historical sites, taking care of public space... Tourism development is a public sector responsibility to be performed by municipal and provincial governments. Gwyneth [Representative from Private Sector]

City of Waterloo environment policy first grants consideration to community and seeks a balance deploying mitigation techniques to attract cycling, jogging and walking marathons, evaluating possible impacts on community. Council uses broad and general approach to noise, parking and community considerations. Stefan [Representative from Public Sector]

My understanding is that the municipality needs to focus on an economic plan...A tourist has no idea of boundaries in the Region and it is incumbent that municipalities bring the attractions to market and have WRTMC promote them. It is integral for cities to bring a cluster of attractions and experiences for WRTMC to promote. The need for umbrella branding brings strengths and efficiency in promoting the Region. Harrison. [Representative from Private Sector]

Upon probing the issue of leadership and impetus for tourism development, stakeholders admit to the absence of leadership, strategy or impetus for tourism development. The private sector depends on the public sector to provide the strategy and vision whilst the public sector
indicates that it has no strategy, lacks the resources for tourism development and the tourism sector is not their focus.

4.3.2 Who is Responsible for Tourism Development?
Stakeholders from the private sector concede that WRTMC is a marketing organization, but recognize that this organization performs more than a marketing function and has assumed a leadership role. Attributing a leadership role to WRTMC is inappropriate as leadership entails the provision of a vision, strategic plan, resources and decision-making capability, which are not inherent in WRTMC.

WRTMC provides good leadership and has the ability to work with all involved. It provides synergies and positive influence to a fragmented traditional sector. Audrey [Representative from Private Sector]

WRTMC is a central resource for the tourism sector for all matters. Jane [Representative from Private Sector]

Although WRTMC may be performing more than a marketing mandate, it is constrained for resources and this organization of four cannot be vested with the leadership and provision of ‘vision’ for the Region as articulated by private sector stakeholders. Public opinion suggests that WRTMC has a marketing mandate and is not required to provide ‘the vision’ for the sector.

WRTMC is responsible for marketing the Region and is not required to provide the vision. Duvall [Representative from Public Sector]

Effective tourism development is constrained due to lack of clarity between public and private sectors and fundamentally no progress is possible with lack of leadership. The private sector suggests that it should be the responsibility of the public sector (townships and cities) whilst public sector stakeholders concede that no one is responsible for tourism development and
there is no master plan or strategy and do not accept responsibility for leadership. Stakeholders concur that WRTMC is responsible for marketing nullifying other perspectives that suggest it to provide a leadership role.

No single group is responsible. WRTMC is responsible for marketing the Region and is not required to provide the vision… No one is vested with the responsibility for creating a strategy for tourism development. I am not aware of a master plan for tourism development and nobody has taken the bull by the horns. Duvall [Representative from Public Sector]

WRTMC is a marketing arm and does not have the mandate or resources to be responsible for tourism development. Tourism development at a destination needs to address marketing, visitor services, events, infrastructural services. Meg [Representative from Public Sector]

No one is responsible. In some cases people would say WRTMC. Maurice [Representative from Private Sector]

Some perspectives favor joint responsibilities between the public and private sectors and the province for tourism development leadership. Despite private sector’s criticisms for lack of confidence, trust and capacity in the public sector, they recommend the public sector to provide leadership.

My understanding is that the municipality needs to focus on an economic plan as WRTMC is responsible for marketing… A tourist has no idea of boundaries in the Region and it is incumbent that municipalities bring the attractions to market and have WRTMC promote them. It is integral for cities to bring a cluster of attractions and experiences for WRTMC to promote. Harrison [Representative from Private Sector]

Realistically it should be on the docket of economic development departments of various townships and cities. Maurice [Representative from Private Sector]

[There is] joint responsibility between stakeholders, people who work for them and the Region itself. Julia [Representative from Private Sector]
Stakeholders generally suggest that the leadership role should be with the municipalities. Stakeholders do not question as to why Waterloo Regional Council (composed of a Regional Chair, and eight directly-elected Regional Councilors and the mayors of the seven municipalities) when it announced to place the Region of Waterloo on the map as destination of choice (Strategy 2008)did not provide for leadership or strategy for this fundamental decision.

In a further example of public sector deficiency, the city of Kitchener was criticized for inappropriate decision-making related to revitalizing its down-town. The city granted permission to a private developer to build downtown condominiums on condition that a boutique hotel first meets with construction. Sharing his opinion, Maurice stated:

Anyone building a boutique hotel would probably have to go bankrupt and it would be the second or third buyer who would make money...Sometimes the municipality wants something so bad that they have sold their souls for it. It is comical because considerations were given to building a Westin or a Marriott Courtyard. These hotels are not examples of boutique hotels and illustrate the lack of understanding amongst the decision makers with regard to the accommodation sector. Furthermore, even the hotel names mentioned would charge $200 average daily rate (ADR) and the market locally could not pay for that. High-technology, insurance or other local business companies would not be willing to pay this rate. They would negotiate for a lower rate and this would endanger the hotel’s ability to survive. Maurice [Representative from Private Sector]

Stakeholders estimate that a total of $4 million is being spent by the cities for the tourism sector including promoting special events and they recommend that this amount should be allocated to WRTMC and decision-making authority for tourism development be centralized.

Municipalities fund the cost of WRTMC. Tourism development has an integral labor cost and Museums have cost each municipality $250,000. Duvall [Representative from Public Sector]

Municipality created WRTMC. The city of Kitchener created Center in the Square which is a tourism destination...it provides support for
festivals and events which is a significant component. Kitchener supports Oktoberfest and blues festival. Lots of things happening but so much more that can be happening. Question of how can they support more? They could give the total amount they spend on tourism (hypothetically $4 million) to WRTMC and have this central organization determine tourism development strategy and its funding. Maurice [Representative from Private Sector]

Despite private sector’s recognition that the public sector knowledge and support for the tourism sector is deficient, it recommends that the public sector assume leadership.

4.3.3 Public support for Technology and other Sectors

Waterloo Region is home for more than 500 different technology companies, ranging from wireless to software, web/internet to digital media, bioinformatics and environment, hardware and advanced manufacturing. Canada’s Technology Triangle Inc. (CTT), is a not-for-profit, public-private regional development partnership that markets the competitive advantages of the Waterloo Region (www.techtriangle.com) CTT suggests that it solves innovation challenges by learning how to make the most of government funding opportunities. Stakeholders from the private sector express frustration at the public sector’s support for the technology sector.

Unfortunately, the Waterloo Region is heavily in the shadows of the technology sector. There is a technology company that got funding for $4 million and they are creating eight jobs…my tourism initiative is going to create over 100 jobs and there is absolutely no funding or support for us. Maurice [Representative from Private Sector]

A stakeholder from the public sector emphasized impartiality contending private initiatives need to request support and assistance.

Council does not support any sector… initiative must come from the private sector. Council plays a supporting role once private initiative
requests assistance in establishing strategy. Financial support in general is absent but assistance can be delivered with development charges being reduced. Christine [Representative from Public Sector]

Later in the interview she admitted that there is no impetus to develop tourism and relegated tourism sector to being secondary to other sectors. These comments reveal that the public sector will not provide support for the tourism sector; that other sectors are of greater significance; and her comments reduce the tourism sector to insignificance in the Region.

Impetus to develop tourism is absent. Agriculture, RIM, and financial sector are meeting with more attention than tourism…No discussions to suggest that tourism could be an alternative sector. Christine [Representative from Public Sector]

Stakeholders from the public sector concede that tourism sector is not on the radar screen for municipal support. CAOs emphasize that tourism sector is not their focus and that technology sector merits attention. The message from CAOs is clear and they cannot be accused of sending mixed signals on the insignificance of the tourism sector to the municipalities of the Waterloo Region. In addition, there is no evidence of communication from Regional Council to assert the significance of the tourism sector.

Previous attempts at tourism collaboration failed. Municipalities are stakeholders and they recognize technology triangle so why not for tourism? Clooney [Representative from Public Sector]

Tourism has great potential as it provides for economic development…but tourism is not the primary focus… because the Region is diversified tourism gets lost amidst Universities, RIM and the insurance sectors. Cary [Representative from Public Sector]

There is a need to provide adequate service levels in infrastructure and socio-cultural life to attract residents to work for the businesses we attract to the Region e.g., Technology triangle competes with California in trying to attract companies and employees. Duvall [Representative from Public Sector]
4.3.4 Competition

Stakeholders allege that the Province may not have developed product differentiation amongst its cities, causing competition for the same business between cities in Ontario. In addition, concerns that cities of Kitchener and Waterloo compete against each other for the same slice of the tourism market describes competition that can lead to duplicated effort and to increased costs, which can be detrimental. Although, competition between two or more parties to secure business in an attempt to offer most favorable terms can challenge businesses to improve their product, competition between cities suggests lack of communication and collaboration.

Great potential for tourism but the Region is competitive with other Ontario cities and needs to get practical with market conditions e.g. recognize the potential for same day tourism in the local area. Jane [Representative from Private Sector]

The cost of Kitchener and Waterloo being competitive and known to work against each other as opposed to being a unified front for the Waterloo Region. Jane [Representative from Private Sector]

Whilst stakeholders think it plausible to cope with competitive destinations, they allege that challenges posed by municipality to compete with essential services as unfair. Respondents criticized the public sector for not establishing an eligibility criterion for a request for resources, exacerbating private sector tension for unfair municipal practices.

Significance of tourism is difficult to grasp. It is easy when there is an iconic feature i.e. Niagara Falls… Opportunities are competitive and the challenge is to persuade municipality of the merits and significance of tourism which competes with health care and roads and there is public input that can sway the process especially when they come from other sectors. Maurice [Representative from Private Sector]
Stakeholders from the private sector find the actions of the public sector hard to understand. They argue, that the provincial and municipal governments in establishing and funding RTO4 and WRTMC respectively have admitted the importance of the tourism sector to the local economy. On the other hand, they not only support the technology sector with resources but challenge tourism sector by stating that tourism is not the primary focus and strain it for resources.

Municipalities are stakeholders and they recognize technology triangle so why not for tourism? Clooney [Representative from Public Sector]

We have been led to believe that the support is there. Municipalities recognize the importance of WRTMC role. Maurice [Representative from Private Sector]

Unfortunately, the Waterloo Region is heavily in the shadows of the technology-sector. I will give you a perfect example. There is a technology company that got funding for $4 million and they are creating eight jobs…my tourism initiative is going to create over 100 jobs and there is absolutely no funding or support for us. Maurice (Repeat Quote) [Representative from Private Sector]

“Tourism has great potential as it provides for economic development…but tourism is not the primary focus…. But because the Region is diversified tourism gets lost amidst universities, RIM and the insurance sectors. Cary (Repeat Quote) [Representative from Public Sector]

The researcher observed that other municipal stakeholders professed support for the technology sector and justified their partiality by stating the obvious that technology provides for greater economic development. Interestingly, there is public sector admission that agriculture, technology and financial sectors do meet with more attention than tourism.

Impetus to develop tourism is absent. Agriculture, RIM, and financial sector are meeting with more attention than tourism…No discussions to suggest that tourism could be an alternative sector. Christine [Representative from Public Sector] (Repeat Quote)
While the private sector stakeholders assume risk for the cost of investment and operation for tourism businesses, they question the public sector involvement in providing services that directly and unfairly compete with the private sector.

The city of Kitchener operates golf courses. This is duplication of services and why are tax dollars being spent in this operation? Duvall [Representative from Public Sector]

We sink tens of millions of dollars for an outcome competing for tourism dollars and in some cases we have to compete against other assets that may be provided with public funding (which is a totally different discussion) and would be a great discussion on public funding of things. Maurice [Representative from Private Sector]

Private sector addresses profit and if the project is not profitable then we walk away. Municipal environment does not do that… the funding keeps on and the tap never ends – it is a drain and that’s what causes significant problems. Maurice [Representative from Private Sector]

Stakeholders argue that private investors weigh the economic viability of potential projects and use their resources cautiously versus public sector’s inappropriate spending (with validating examples). They fail to understand municipality’s lack of support for tourism development, which provides jobs, revenues and spin-offs to other businesses.

A decision by the public sector to build a theatre or art facility may be conceptually viable but in implementation this plan fails miserably because it has failed to provide what people want to buy...the municipal sector needs to provide more roads, bike trails as no private sector individual would accept construction of these as a business proposition. Maurice [Representative from Private Sector]

[There is] an example of a bike trail that has not been finished for a distance of less than a mile but remains an unfinished project and presents cost. The thought of building a trail meets with support and bike trails have met with a lot of volunteer support but incomplete projects and failure to tap into other assets and resources to create a viable product is a costly proposition. Trails are not a significant tourism generator. If building bike trails were to meet with an ROI test they would not meet with construction. Maurice [Representative from Private Sector]
The public sector is known to undertake non-economic activities that do not meet benefit/cost analysis. It is obvious that the Region’s choice for financial support to other sectors has presented tension amongst the stakeholders, as not all automatically accept this choice. Tourism development requires collective decision-making and Waterloo Region needs to evaluate its circumstances. The Region needs to determine where resources need to be used as tourism development offers a range of products e.g., sports stadiums, music concerts, museums, art and entertainment facilities.

4.3.5 Lack of Awareness in the Public sector

Generally, the government focus on the supply of the tourism sector has statutory responsibility and political accountability for planning and managing tourism development. The public sector stakeholders in Waterloo Region do not recognize this role but accept responsibility for the provision of key infrastructure services, recreation and culture, environmental services, planning and development in general. This prompts the question as to what should be the role of the public sector: leader, partner, planner, resource provider or a mix of all roles? Uncertainty at the Regional level explains constraints in which representative stakeholders (CAOs) are not mobilized into action to enhance successful tourism development (Kimbu & Ngoasong, 2012).

Stakeholders are concerned at the lack of awareness among CAOs responsible for WRTMC funding. Private stakeholders have expectations from CAOs on WRTMC board to ensure tourism development in the Region. Arguably, expectations do not lead to conflict but it is the failure to meet expectations that can contribute to conflict in cooperation, partnership and joint- initiatives between the sectors. Stakeholder tension between the public and private sector perspectives reveals dependency for tourism development on public funding and cite
dissatisfaction with public sector support for other sectors; lack of support for the tourism sector; and creating unfair competition for the tourism sector. Maurice described the CAOs and public sector personnel, as great individuals, but lacking knowledge and awareness about the tourism sector. This provides for an on-going need to create awareness programs for the public sector.

We are doing it presently through WRTMC, but fighting against the technology sector and economic development sector is a tough bill. Maurice [Representative from Private Sector]

Provide education for tourism awareness through workshops and it provides synergy. Gertrude [Representative from Private Sector]

CAO’s admit that WRTMC brings efficiency to marketing efforts for the Region and recognize that their funding for this organization is cost effective:

Cost of operating WRTMC has been funded from the municipalities and deemed to reduce duplication and increase efficiency. Gwyneth (Repeat Quote) [Representative from Private Sector]

WRTMC has a distinct marketing role and it brings cost effectiveness for the municipalities. It assists the municipalities achieve marketing through synergies and provides great value for municipality contribution. Duvall (Repeat Quote) [Representative from Public Sector]

However, despite the widespread acceptance of WRTMC the public sector support for tourism development in the Region is lacking. Stakeholders link lack of support to lack of understanding for the significance of tourism. The private sector allegation for CAO lack of awareness is just another reason that exacerbates tension among the stakeholders. Some stakeholders assert that CAOs understanding of the tourism sector is weak.

There is lack of research to prepare this Region as a tourism center. Awareness comes with experience and the need to develop tourism essential. People are friendly but need to be proactively educated on the
merits of tourism with plans for tourism development. Javier
[Representative from Private Sector]

There is a need to create awareness among CAOs, who represent the municipality on
WRTMC board. Arguably, their appointment on this board is to enhance public and private
sectors interaction for social cohesion and create a pathway for the municipality to be aware of
tourism development issues and be strategically beneficial to the tourism sector and community.
Municipalities have delivered some advantages but stakeholders from the private sector
repeatedly stress on lack of awareness and knowledge amongst CAOs as one of the causes to
hinder tourism development in the Region.

Municipalities endorse WRTMC by having CAOs on WRTMC board. There is recognition on reduced costs to the municipalities by having efficiency under one umbrella and lack of duplication. A review of
WRTMC performance at the end of 2011 endorsed funding for another 5 years. Gwyneth [Representative from Private Sector]

This research continues to identify other reasons for conflict between the two sectors.

4.3.6 Duplication of Services

Stakeholders suggest that provincial and municipal action have created duplication of services
with negative outcomes. WRTMC was established by municipalities in 2007 with a marketing
mandate and in late 2010 RTO4 with a mandate similar to that of WRTMC was established by
the provincial government. Both organizations are creations of the public sector duplicating
services in the Region. Stakeholders allege that WRTMC impacted a bed and breakfast
association to collapse whilst the Association for Ontario’s finest hotels, inns and spas is
endangered because of RTO4 and WRTMC duplicating services of this association.
30 Bed & Breakfasts had a local association with membership fees of $150 each per annum. This association folded as membership did not realize value for their fees when faced with 50% occupancy and a duplication of fees for service provided by WRTMC. Gertrude [Representative from Private Sector]

There can be a potential cost of duplication of services by WRTMC, RTO4 and other Associations and organizations that offer tourism sector stakeholders same services for a membership fee. WRTMC and RTO4 work closely to avoid duplication but then how about marketing services offered by Bed & Breakfast or association of Ontario’s Finest Hotels, Inns and Spas. Julia [Representative from Private Sector]

4.3.7 Public versus Private Sector

Interviews with stakeholders from the private sector reveal that one of the major constraints to tourism development is financing. Private sector looks to the municipalities for funding tourism initiatives and to support investment opportunities.

There are so many projects in the parking lot or the hamper and if we had the funding we would do it differently and bring the private sector on board. Maurice [Representative from Private Sector]

There is no question for the need of a fundamental change in how the municipal partners view tourism and how they spur tourism. They can be catalysts to drive more from existing operators and bring more investors to the region. Maurice. [Representative from Private Sector]

These opportunities have to be spear-headed and seeded by municipal funding and growth has to come from the private sector… only a handful of significant tourism players in Waterloo Region can take the ball and run. Maurice [Representative from Private Sector]

Data suggest that one of the most critical resources for tourism development in Waterloo Region is financing. Generally, financial capital is in short supply and finding it is difficult (Kastarlak & Barber, 2012). They posit that the market system relies on private initiative and private funds and tourism development projects do not receive special consideration from commercial funding sources. In fact, the provider of capital based on risk can ask for larger
down-payments and stronger guarantees. The municipal sector’s willingness to provide grants, loans or guarantees are not in the scope of this research and provide an opportunity for future research.

4.3.8 Municipal Agenda

Stakeholders from the private sector accuse the Kitchener municipality of undermining the power and influence vested in it. Stakeholders allege that the municipal development efforts have been flawed because of efforts to channel developments to down-town Kitchener with financial rewards to businesses that comply with their requirements.

Waterloo Region has much potential. It needs a conference center that the municipality insists be located in Kitchener downtown as the Municipality has a vested interest in revitalizing its down town. Private initiative has its assessment and down town core does not hold appeal nor make economic sense. Javier [Representative from Private Sector]

Compare this to private sector initiatives in tourism where a 25 lane bowling alley with Boston Pizza creating 100 jobs receives no funding. If Bowling alley had been located in downtown Kitchener then the Municipality would subsidize the project under its land and housing development. Maurice [Representative from Private Sector]

The City of Kitchener on the other hand uses creative ways to raise revenues from private businesses by levying fees for storm management and park dedication. These fees are onerous for a private business and adversely impact its working capital. Observations of deficiencies in development support are evident as the public sector uses its position of power with conflicting objectives. The city’s unfair use of power adversely impacts a beleaguered private sector.

However, there is a feeling that the city is using creative methods to raise funding e.g. they have instituted a new fee called storm management fee that is requesting $40,000 from a tourism enterprise which already has their own system in place. This enterprise has to now battle the city on
wanting to use their system. Maurice [Representative from Private Sector]

To aggravate matters municipal creates added financial challenges with fights on site plans where approval on Park environment requires $400,000…We are creating a park environment and provide our facilities for public use when they want to conduct walks and fund-raising events... Despite this we have to pay $400,000 for park dedication. So as a business we cannot afford that. So we have to spend money to hire consultants to battle the city. Maurice [Representative from Private Sector]

Only one example for unfair use of power has been cited and it would not be reasonable to assume that the City of Kitchener is alone in this practice. However, this example illustrates private sector lack of trust for the public sector.

4.3.9 Conflict between WRTMC and RTO4 Board Members

WRTMC and RTO4 share a common goal for increasing visitors to the Waterloo Region. RTO4 is a provincial initiative with a larger budget and expectations to be eventually self-funded through a Destination Management Fund (DMF) or user fees from the reservations made on the Meridian reservations system. The Director of RTO4 is not from the tourism sector and is distanced in his communication with the membership, these differences prompt underlying tension and conflict.

There are questions to the sustainability of RTO4 and majority of WRTMC stakeholders do not believe it to be sustainable and are resentful of its establishment. Board members from WRTMC recall RTO4 activities to raise finances by levying fees on the struggling accommodation sector, which met with rejection. Majority of stakeholders interviewed are WRTMC board members and they are almost unanimous in their opinions that RTO4 is not sustainable. However, these views do not match opinions expressed by board members from
RTO4, who not only believe this organization to be sustainable but describe strong leadership, which can benefit the tourism sector in the Region.

RTO4 is sustainable as it is a provincial initiative and has financing till 2015. RTO4 has strong leadership which will enable this organization to grow and play an important role in tourism development for the Region... there is a vast opportunity for sponsorships, advertising mediums, bridging the gap for product development to provide meaningful platforms for continued tourism development that bring benefits and success to the Region. RTO4 has been highly strategic and pro-active with its regional approach with deliverables that will prove highly effective e.g. Meridian system could generate on line fees and prove to be a highly lucrative medium. Harrison [Representative for RTO4]

Majority of stakeholders from WRTMC board do not believe RTO4 to be sustainable. Despite, this organization being in its infancy, WRTMC board members are not only critical of RTO4 but also of the province and the leadership for RTO4.

So all this time and effort wasted! RTOs operate with the notion that they shall not be around in 2 years. So let us do what we can. With this mentality you cannot get 110% effort because of short-term thinking that undermines long-term growth strategies. Maurice [Representative for WRTMC]

Present structure and funding model of RTO4 is not sustainable as it can only be financially sustained by the province. Any capricious plans by RTO4 to sustain itself through programs that levy fees on the Waterloo Region membership can only meet with detrimental consequences. Gwyneth [Representative for WRTMC]

The relationship is unbalanced as WRTMC is established with a membership and is sustainable. It now has to liaise with RTO4 that is new, has a larger budget and is not sustainable. Christine [Representative for WRTMC]

RTO4 is a product of provincial initiative. Province is backing away from its plan to create 13 regions and thus the model is not sustainable. RTO4 was allocated a budget by the province but its sustainability is in peril as the province set it a ridiculous boundary and set it to a rocky start. Director of RTO4 is focused on photographic images and has created a booking system that will promote Waterloo Region. Christine [Representative for WRTMC]
Stakeholders describe RTO4 as political, using WRTMC to conduct communications with the tourism sector membership. Respondents believe that RTO4 must actively communicate its initiatives to the stakeholders directly and solicit their support on initiatives. RTO4’s use of WRTMC as a front for communication allows WRTMC to better its communication platform with its membership, who may erroneously believe all initiatives to emanate from WRTMC.

It is evident that RTO4 is not sustainable and too political. Majority of stakeholders do not know RTO4. RTO4 has commenced training on Meridian but all messages have been dispatched by WRTMC. Marguerite [Representative for WRTMC]

RTO4 will not make it! Provincial funding is not sustainable and the model for funding RTO4 is nebulous… I am not impressed by RTO4 approach and focus on reservations and packaging. B & B are not being supported and so we will gladly pull out of a system that is not supportive of us. Although they are not charging for booking fees presently this charge will come. Gertrude [Representative for WRTMC]

Underlying conflict nullifies the advantage of having two organizations respond to the needs of the tourism sector. Stakeholders confront numerous fundamental challenges, which provide constraints and bottlenecks for tourism development in the Region. This chapter has detailed stakeholder perspectives through a changing lens that first considers the role of tourism as an effective vehicle of development. The optimism is based on the potential of the tourism sector and failure to realize the potential brought revelations of limitations and uncertainties. As stakeholders reveal inherent conflict between stakeholders from the public and private sectors and between board members of WRTMC and RTO4 one understands why this sector has met with little to no development.
CHAPTER FIVE: DISCUSSION

5.0 Introduction

The goal of this case study was to understand varied stakeholder perspectives on how tourism development is undertaken in the Waterloo Region. To explore the research goal, Chapter 1 identified the following research objectives:

- To understand stakeholder perspectives on what is the potential of tourism development to Waterloo Region.
- To understand stakeholder perspectives on how tourism development is being undertaken in Waterloo Region since 2007 to the present.
- To understand stakeholder perspectives on the role of WRTMC and the effect of Regional Tourism Organization 4 (RTO4) on WRTMC.

The previous chapter encapsulated stakeholder perspectives on how tourism development is being undertaken and the findings identified the three themes.

- Role of the tourism sector
- Limitations and uncertainty to development
- Conflict between stakeholders

This discussion is an amalgam of objectives and findings on the Region’s commitment to tourism development. The joint-use of two theoretical frameworks not only helped identify stakeholders but helped manage divergent perspectives into three themes from optimism to constraints and uncertainty leading to tension and conflict.
Tourism development in the past five years has been limited and lacks leadership, strategy and impetus. Furthermore, this interdependent and multi-disciplinary sector shows no evidence of inter-disciplinary collaboration with other sectors. Thus, this discussion attempts to understand the roles of the public and private sectors to determine if responsibility and accountability be vested onto any one of these sectors or onto both. Based on examining the private and public sectors, this discussion recommends change in the development paradigm to include the processes of governance and collaboration for effective tourism development. Based on the objectives and findings of this study this discussion understands the roles of WRTMC and RTO4 and the effect of RTO4 on WRTMC.

5.1 Background for Discussion

Waterloo Region provides a conducive and enabling environment for tourism development e.g., world renowned universities, political stability, smart community, natural beauty, cultural richness, vibrant insurance, manufacturing and agriculture sectors. Although, Waterloo Region demonstrates capacity for successful development for universities, technology and insurance, the tourism sector has not merited focus. The previous chapter on stakeholder perspectives suggest that the tourism sector in Waterloo Region has no planning system, structure or policy; no leadership or strategy for development; unequal power relations with the distribution of power weighted towards the municipality; the municipality’s lack of recognition and support for the tourism sector; constraint related to lack of funding; stakeholder conflicts between public and private sectors; limitations and uncertainty on the roles of organizations (WRTMC and RTO4); and inconsistencies between the municipalities to promote tourism. These perspectives provide a basis to understand if the Region is committed to tourism development and to understand if there
is a need for change in how tourism development is being undertaken. There are no signs for a vibrant tourism sector for the next two decades, as development undertaken now will come to fruition decades ahead. The aspiration to make Waterloo Region a destination of choice is only rhetoric.

To date, the literature on the significance of stakeholders (Gunn, 1994; Gursoy et al., 2002); tourism development (Adams, 1992); and its interdisciplinary applications for collective development (Jamrozy & Eulert, 2011); for implementation strategies (Hunter, 1995; McCool et al., 2001; Sharpley & Telfer, 2002); have remained relatively unconnected to the literature on tourism development with its spin-offs for other development (McCool & Moisey, 2008). These independent streams of research framed the earlier literature review (Chapter 2) connecting the concepts of stakeholders, DMO and tourism development in Waterloo Region with separate subsections linking how they could be potentially connected. This discussion chapter integrates these independent streams to reveal insights on the central research question: “How is tourism development undertaken in the Waterloo Region” from the perspectives of its stakeholders.

5.2 Tourism Development

Stakeholders suggest that apart from a few isolated private initiatives for expansion of existent tourism attractions, the Region has not witnessed tourism development in the past five years.

Tourism development needs to draw representation from municipal and provincial governments, business groups, planners and policy makers, special interest community and local resident groups (Jamal & Getz, 1995). Tourism is not simply a promotional activity but part of socio-economic and broader planning development comprising of collective skills, knowledge and expertise from private, public and community interests.
Stakeholders suggest that tourism development is fragmented and disjointed where involved stakeholders have little development relationship with each other. Despite the tourism sector having multiple interfaces with other sectors of the economy the inter-dependency is not apparent. Ritchie & Crouche (2003) posit that tourism does not exist in a vacuum and functions effectively when it shares and collaborates with other sectors as illustrated in Figure 5.

**Figure 6 Multiple interfaces between tourism and other sectors of the economy**

Source: Researcher for this study.

Stakeholders suggest that there is conflict between tourism and other sectors because of lack of awareness for tourism sector and competition for resources. Each of the interfaces poses
a threat or an opportunity and the tourism sector needs to pro-actively create awareness for the value of tourism to the Region or risk an opportunity to collaborate with the other sectors.

5.3 Public-Private Sector Conflict

Although the public sector is not a major player for tourism product ownership in Waterloo Region, it does have a moral obligation to be a role model for the private sector. If it does not, then the public sector will have little moral authority in enforcing formal policies. Stakeholders suggest that there are many obstacles that limit the role of public sector in tourism planning and development, citing little political will and low priority for the tourism sector. Stakeholders state that the public sector lacks expertise and financial resources for tourism planning and development.

The public sector has the attributes of power, legitimacy and resources, which according to Stakeholder theory can champion tourism development to the Region but the public sector demonstrates no commitment or political will for tourism development. The private sector has the legitimacy through their appointment on WRTMC (stakeholder theory), understands the benefits that can be realized (SET) but lack the power and resources for action. It is essential for this discussion to understand the roles of the public and private sectors to establish their capacities and inadequacies for tourism development in the Region.

5.4 Public Sector Role

The public sector has established WRTMC with a marketing mandate and identified CAOs as board members to represent the public sector. This research alleges that CAOs on WRTMC board can be accountable for marketing issues only (WRTMC mandate p. 73). CAOs represent
the public sector and as per their mandate undertake decisions related to tourism marketing and
do not exercise decision-making for tourism development. Who in the Region can be held
accountable for administrative and bureaucratic bottlenecks for lack of strategy and leadership
for the tourism sector? Stakeholders suggest ‘no-one’.

It is ironical that Regional Council aspiration to place the Region as destination of choice
establishes WRTMC (to unify the tourism sector and promote the Region); appoints public
sector representatives (CAOs) for WRTMC board with decision-making capability for tourism
marketing only. Findings suggest that CAOs express uncertainty on issues related to leadership,
strategy and resources for tourism development. Arguably, CAOs are not empowered to be a
partner, planner, or resource provider and are messengers between the Regional Council and the
WRTMC board as they refer the decision for funding WRTMC to Regional Council. It is the
Regional Council that is the source of political power but it has distanced itself from WRTMC.

Hypothetically, let us explore if the public sector can be the central decision-making body
as many functions are already under their control e.g., a potential investor can obtain facts on
public sector plans, services for the Region and have business plans expedited as development
decisions on land use and planning can be undertaken in a central office. Gaps in linking services
can be removed with the public sector control of facilities like transportation and infrastructure.
In addition, private and public tourism developers can plan for better resource utilization and
collaboration.

This research recognizes that tourism development is endemic to each area and may not be
transferred but utilizes lessons from a study conducted in Squamish, British Columbia because of
commonalities i.e., both areas have a vision for tourism development and have public sector
inexperience in tourism. Reed (1997) concludes that power relations are integral to tourism
development and any attempt to balance power differences among stakeholders may be contested. She posits that those who traditionally hold power may resist its redistribution, thereby hindering collaboration and that municipal governments are unlikely to be neutral conveners of power and are more likely to be purposeful, goal-oriented and use power to their own purpose.

This research concedes balance of power as important and granting the public sector control would be tantamount to continued stagnancy for tourism development in the Region. Furthermore, there is no empirical evidence that efficiencies can be attained through centralizing control in the public sector as, the greater the responsibility, the greater a risk for poor judgment especially for a diverse and fragmented tourism sector (Gunn, 1977). Thus, any consideration for the public sector to be granted autonomous control for tourism development in the Region is not the answer. Furthermore, the public sector in Waterloo Region exercises little to no ownership of tourism product and shows no political will for tourism development. In addition, there is growing tension between the public and private sectors with the private stakeholders being critical of public sector unfair practices.

5.5 Financial Stress on Private Sector

Stakeholder theory identifies power as a key attribute in a stakeholder (Freeman, 1994). Bramwell (2007) posits that stakeholders may perceive power to be something that people either have or lack based on resource distribution and posits that power is performed and cannot be ‘possessed’. Stakeholders acknowledge that the public sector has the power and the private sector is constrained for financial resources. Private stakeholders accuse the public sector for directing public capital to some sectors with not enough to others, specifically citing examples
for the technology sector to receive preferential arrangements. Private sector respondents accuse the public sector of creative revenue generation schemes that levy charges for environmental requirements, site plans and services they do not need. Resultantly, consolidated statement of financial activities for the Region for 2010 was examined and special treatment for technology or other sectors was not apparent. However, this research acknowledges that support for other sectors can assume many guises under planning and development and can exist as tax abatements, loan guarantees and provision of research grants.

The private sector stated that the city of Kitchener’s ownership of golf-courses (Doon Valley and Rockway) provides unfair competition due to unlimited public funding for the maintenance of these golf-courses. In addition, they lament that the public sector compels private sector to compete with essential services like health-care and education. Research suggests that the public sector can articulate scarcity as a powerful means to control resource allocation and constitute competition through the manipulation of scarcity for one form of development to mobilizing resources for another (Lummis, 1991). Stakeholders in the tourism sector feel neglected and suggest that the onus should be on the public sector to check its bias.

There is a need for the public sector to accept responsibility for leadership, strategy and policy and for it to be a role model for the Region (UNESCAP, 1999). But the public sector disinterest for tourism development is obvious i.e., tourism being low on priority for development, lack of political will and the sector being constrained for resources. Actions of the private sector are based on SET, which link benefits and costs (Ap, 1992) with the private sector being predictable for being motivated by profit. Private sector stakeholders allege that despite their contribution to the local economy, their tourism initiatives have met with no investment
opportunities or support from the public sector. Arguably, the public sector possesses power but they are not using this power favorably for tourism development.

Researchers challenge the validity of government-centric approach, partly as a result of growing pressure on financial resources (Middleton & Hawkins, 1998; UNESCAP, 1999). Furthermore, private-sector stakeholders question the effectiveness and efficiency of the public sector to policy-making, planning and managing tourism development. Thus, this research explores if the private sector has the capacity for tourism development in the Region.

5.6 Private Sector

A need to build trust and effective communication between the public and private sector in the use of social capital is essential (Burt, 2000). In the Waterloo Region, the private sector stakeholders have legitimacy through their appointment on WRTMC board but lack power and resources, which represent constraints to tourism development (Tosun, 2006). Furthermore, Waterloo Region tourism sector comprises of fragmented and diverse small businesses with a mix of the tourism product requiring many functions in need of interaction (e.g., accommodation, attractions, art galleries and other visitor services). Small businesses are the backbone of the tourism sector adding complexity to interdependence of multiple stakeholders with fragmented control over destination resources (Jamal & Getz, 1995; Kastarlak & Barber, 2012). There is no evidence of effective coordination or strategy and the product they offer is their perception of what the market wants and is willing to pay. The private sector has not yet realized its inherent power based on its ownership of the bulk of tourism products in the Region. Only 1.5% of the tourism sector businesses are large with a capacity for investment and risk.
Culture is important for the Waterloo Region as Oktoberfest attracts over 700,000 visitors and St. Jacobs is the main tourist attraction for the Region. Culture, broadly defined, is a second very powerful dimension of destination attractiveness (Ritchie, 2003). Research suggests that the role of distinct cultures is being incorporated within the development process and that culture and social attractiveness of a region are second only to physiographic attractiveness of a tourism destination (Liu, 2005). In addition to the strong cultural heritage in the area (Mennonite, German, French and Scottish) there is theatre, live entertainment, art galleries and festivals patronized by local residents but also attract visitors.

To achieve tourism development the right mix of public and private sector initiative, is essential to translate policies (economic tools, incentives, regulations, delivery mechanisms, and industry participation) into local action (Bramwell, 2005). He posits that since the 1980s public-private partnerships have gained popularity for tourism planning, destination management and marketing (Bramwell, 2005) but Waterloo Region has emulated these partnerships to a limited extent. A stakeholder indicated attempts at partnership with the Kitchener municipality in building a convention center with no positive outcomes to date.

Stakeholder s’state that the private sector does not have the capacity for leadership as it lacks resources. Tourism development is a major undertaking that cannot be accomplished by any one sector, be it private or public. This research asserts that autonomous control for tourism development by either the private or public sector is not the answer. Table 9 presents a SWOT analysis of the public and private sectors indicating that combined strengths and weaknesses of the two sectors provides a balance and an opportunity to combine the strengths of the sectors for an enabling environment for tourism development. Collaboration synergies from the two sectors
can realize the potential for tourism development and this meets with detailed discussion under collaboration.

### Table 8 Public – Private Sector Comparison for Tourism Development

<table>
<thead>
<tr>
<th></th>
<th>Public Sector</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
<td>Attributes of power, legitimacy and urgency vested in 6 municipal representatives on WRTMC</td>
<td>Legitimacy through appointment on WRTMC board of 8 tourism sector members</td>
</tr>
<tr>
<td></td>
<td>Access to resources</td>
<td>Ownership of SME in tourism sector and remains competitive</td>
</tr>
<tr>
<td></td>
<td>Administrative, policy and planning expertise</td>
<td>Providing awareness to public sector personnel and community on value of tourism sector</td>
</tr>
<tr>
<td></td>
<td>Long-term strategic approach</td>
<td>Short-term tactical approach</td>
</tr>
<tr>
<td></td>
<td>Quality assurance</td>
<td>Sales focus</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer relationship management</td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
<td>Little political will for tourism development</td>
<td>Lack power and influence for tourism development</td>
</tr>
<tr>
<td></td>
<td>No commitment for tourism development</td>
<td>Lack of resources</td>
</tr>
<tr>
<td></td>
<td>Lack expertise and awareness of tourism sector.</td>
<td>Inability to assume risk</td>
</tr>
<tr>
<td></td>
<td>Poor at generating commercial income</td>
<td>98.5% of businesses are SME</td>
</tr>
<tr>
<td></td>
<td>Slow decision-making</td>
<td>Will innovate contingent upon benefit</td>
</tr>
<tr>
<td></td>
<td>Distrust of private sector and profit motive</td>
<td>Lack concern for the wider public good</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Limited interest in planning for the longer term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inadequate resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Frustrated by public sector</td>
</tr>
<tr>
<td>Opportunities</td>
<td>Plan for better resource utilization</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Realize potential for tourism through development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Collaboration with private sector and community</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Integrate tourism development with other sectors</td>
<td></td>
</tr>
<tr>
<td>Threats</td>
<td>Failure to realize the potential of tourism sector to development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hinder power redistribution</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hinder collaboration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hinder integration of tourism sector with other sectors.</td>
<td></td>
</tr>
</tbody>
</table>

| Collaboration with public sector and community |
| Creative search for financial resources |
| Active participation in tourism development strategy |
| Lobby with public sector to integrate tourism development with other sectors for development i.e. socio-culture, environment |
| Continued stagnancy of the tourism sector |
| Continued imbalance of power |
| Tourism sector to remain isolated from other sectors |
| Lack of collaboration |

**Source:** Researcher for this study

Next, this research explores governance involving stakeholders from public and private sectors working in collaboration for tourism development.

### 5.7 Governance

The concept of governance consists of rules for a policy, as well as business strategies by involving all stakeholders. It is defined as the whole system of rights, processes and controls established management of a business entity with the objective of protecting the interest of all stakeholders (Centre of European Policy Studies, 1995). Governance is collective actions of knowledge, thought and application of power, resources, rules, coordination, and cooperation among numerous stakeholders (Bramwell, 2011).

Government cannot provide governance in isolation as it is dependent on its relationship with society seeking to influence its policy (Jessop, 2008). He posits that the term government is
concerned with formal institutions and structures of the state, while the concept of governance is broader and draws attention to how organizations work together. This research suggests that governance system may be the tool by which a destination adapts to change (Bramwell, 2011), and provides a brief outline on governance and its process.

Research guidelines on the role of public sector stakeholders suggest that tourism development involves a framework for well thought out policy strategy towards achieving development objectives (Godfrey & Clarke, 2000; Miller & Twinning-Ward, 2005). There are a number of options for the governance of a destination as same stakeholders may be responsible for formulating and implementing tourism policy (e.g., state-authorized autonomous agencies) while in others, some stakeholders may be responsible for formulating (e.g., state agencies) and others implementing policies (e.g., agencies that provide product development and/or destination marketing) (Kimbu & Ngoasong, 2012; Miller & Twinning –Ward, 2005; Timur & Getz, 2008).

Whatever the context, the process of tourism development consists of identifying stakeholders (Freeman et al., 2010), planning and managing tourism-related activities (Medeiros de Araujo & Bramwell, 1999; Robson & Robson, 1996) and ensuring the effective functioning of the whole tourism sector (Mackellar, 2006).

Case studies reveal various patterns of governance structures depending on varied conditions (Beritelli, Bieger, & Laesser, 2007). This research uses the example of the mountain resort of Whistler, British Columbia to understand evolving governance (Gill & Williams, 2011). Since the mid-1970s, Whistler experienced a shift from an investor-driven pro-growth model, with limited public input into decision-making, to a democratic community-driven governance approach with participation of citizens for decision-making (Gill & Williams, 2011).
Whistler offers insights into rethinking the appropriateness of a development strategy. There is hope for Waterloo Region to rethink on how it can successfully conduct business i.e., who would have the power for decision-making, within what frameworks should decisions be made and to whom should decision-makers be accountable? This research suggests that the Region address innovative governance policies and practices to increase the destination’s competitiveness. “Achieving competitive advantage in times of rapid change requires tourism stakeholders to have a clear understanding of the direction of change and its implications for …destination management” (Dwyer, Edwards, Mistilis, Roman, & Scott, 2009, p. 63).

Waterloo Region needs a shift from the municipalities exerting control but not using its power to the advantage of the tourism sector. Stakeholders’ suggest that the public sector acts unilaterally and favors economic returns to the detriment of environmental and socio-cultural resources, even if the resources are required to sustain future economic returns (e.g., approval of major retail store in the heart of rural St. Jacobs meets with detailed discussion in chapter 5 under tourism and culture). There is tension and conflict between how the government regulates its priorities between tourism and commercial pressure (Bramwell, 2004). The public sector may have used power selectively for economic gain, but there is no evidence for it to have supported the diverse and varied interests in the tourism sector (Bramwell, 2011).

Unfortunately, the Waterloo Region has no strategy for tourism development and the lack of strategy indicates lack of support for tourism development. Stakeholders can have a more direct role in tourism governance and planning processes to determine if tourism is to be a development option (Hall, 2005; Moscardo, 2008b; Reid, 2003; Scheyvens, 2002). There are important power relations around governance, with some groups having more influence than others on government policy-making (Dredge & Jenkins, 2007) and there is a need in the Region
to rethink tourism development strategy. What is needed is a strategy for integrated cooperation and coordination among diverse stakeholders that can provide for balance of power between public authority and private sector stakeholders and can strategize for power to be non-hierarchical (Hall, 2011).

The concept of governance has been described to be significant for tourism development in the foreseeable future (Hall, 2011) and requires further research in the Region. Ruhanen et al., (2010) reviewed 53 published governance studies identified 40 separate dimensions of governance to understand the key elements of governance. The six governance dimensions identified were: accountability, transparency, involvement, structure, effectiveness and power. For effective governance there is a need for all sectors i.e., planning, transport, employment and regional development to be integrated within an overall development framework that promotes cooperation and coordination among diverse stakeholders (Bramwell & Lane, 2000; Hall, 2008).

5.8 Collaboration and Interdependencies

The unequal power relations among the stakeholders, especially with the distribution of power weighted toward the public sector rather than the private sector in Waterloo Region, suggests a need for the public sector to recognize that tourism development requires new mechanisms and processes. Gunn (1998) stated that tourism planning must be integrated with other social and economic development:

The go-it-alone policies of tourism sectors of the past are giving way to stronger cooperation and collaboration…No one business or government establishment can operate in isolation (Gunn, 1988, p. 272)
There are many potential benefits when stakeholders in the Region collaborate to build a consensus about tourism development. Bramwell and Sharman (1999) suggest that collaboration avoids the cost of resolving conflict among stakeholders in the long-term (Healey, 1998); it gives stakeholders greater influence in decision-making (Benveniste, 1989) and it promotes consideration of the economic, environmental, and social impacts of tourism (Lane, 1994).

Thus, this research asserts that the public sector cannot continue to exercise control and needs to collaborate with the private sector for reasons outlined (Bramwell, 1999):

- The private sector has management techniques to remain competitive and innovate.
- Public sector has control over resources, limits to growth and its impact but lacks flexibility for continuous change.
- Research emphasis is on bringing private interests with their knowledge, attitudes, intentions and goals to the policy-making process and making it an interactive system (Gunn, 2004). Bramwell (1999) contends that collaborative approaches between the public/private sectors can encourage private investment, maximize employment, improve labor productivity, and encourage private infrastructure. He posits that there is increasing realization that tourism is an interdependent sector requiring many different organizations and actors to work together in developing ideas about partnerships around tourism development.

Despite the many advantages and reasons for collaboration, stakeholders during their interviews stated that their efforts at partnership with the public sector have met with limited success.
Waterloo Region in establishing a balance of power, influence and authority between public/private sectors can realize benefits from consensus-building from tourism development:

Power governs the interaction of individuals, organizations and agencies influencing, or trying to influence, the formulation of tourism policy and the manner in which it is implemented (Hall, 1994, p. 52)

This research does not purport a right-way but calls for collaborated decisions between the public and private sectors working interdependently (Gunn, 2004). This research recommends that collaboration be jointly negotiated with agreed approaches, goals be mutually defined and techniques to match demand and supply jointly operated with trade-off between sectors being necessary if tourism development is to be achieved (Wall, 1997; Middleton & Hawkins, 1998). The recipe forward is for the public-sector in Waterloo Region to recognize the need for balance of power, collaboration and common cause for collective action to generate benefits. Literature review in chapter two has detailed a process for implementation.

5.9 Role of Tourism Sector

In 2009, Discovering Ontario: A Report on the Future of Tourism prepared by Greg Sorbara is the most comprehensive review of Ontario’s tourism sector. This report recommended the establishment of regional tourism organizations in all parts of province to strengthen the tourism sector which was accomplished in Waterloo Region with the establishment of RTO4 in 2010. This organization has been instrumental for key initiatives (Meridian Reservation system and web-site experiential marketing). Outcome measures for these initiatives will be known by year end 2013. RTO4 has predicted an aggressive goal to increase visitors to the Region by 25 percent over the next three years (by year end 2015), which has been supported by WRTMC.
The provincial forecast reflects a very modest growth in percentage visits to Ontario as opposed to the 25% increase predicted to Waterloo Region by 2015, as illustrated in table 09.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage increase in total visits to Ontario</th>
<th>Percentage increase in total visits to Waterloo Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.4</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>2.6</td>
<td>25</td>
</tr>
<tr>
<td>2015</td>
<td>1.7</td>
<td>25</td>
</tr>
<tr>
<td>2016</td>
<td>1</td>
<td>25</td>
</tr>
</tbody>
</table>

**Source:** Ontario forecast Compiled from Ministry of Tourism Research

Although, the Greater Toronto Area (GTA) and Waterloo Region are in proximity and both tourism areas are in the same province, the difference in tourism development makes the Waterloo Region appear decades behind the GTA. The contrast in tourism development is striking as GTA in 2007 enjoyed visitor spending of almost five billion compared to Waterloo Region’s $350 million.

Stakeholders contend that the tourism sector has great potential but this potential has not been realized due to deficient financial resources to influence change. From a supply perspective, Statistics Canada reports 5,267 establishments with an employment force of 3,200
2009 in the Waterloo Region as illustrated in Table 10. The numbers suggest that establishments and employees are not congruent. Further details in table 11 on the number of establishments in different industries and the size of employment they provide explains the difference. The employment force of 3,200 relates to 16% of establishments in accommodation, transportation, travel service, arts and entertainment.

Table 10 Importance of Tourism to the Economies of Ontario and Waterloo Region

<table>
<thead>
<tr>
<th></th>
<th>ONTARIO</th>
<th>WATERLOO REGION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td>Visitors per year</td>
<td>111 million</td>
<td>4 million</td>
</tr>
<tr>
<td>Tourism Receipts</td>
<td>$ 22.1 Billion</td>
<td>$372 million</td>
</tr>
<tr>
<td>Tourism Businesses</td>
<td>150,000</td>
<td>5,267</td>
</tr>
<tr>
<td>Employs</td>
<td>305,423</td>
<td>3,200</td>
</tr>
<tr>
<td>Season Employment</td>
<td>3,000</td>
<td>n/a</td>
</tr>
<tr>
<td>Provincial Tax Revenues</td>
<td>$2.3 Billion</td>
<td>-</td>
</tr>
<tr>
<td>Municipal Tax Revenues</td>
<td>$ 520 million</td>
<td>$5 million</td>
</tr>
</tbody>
</table>

Source: Statistics Canada-prepared by Ontario Ministry of Tourism and Culture

The supply of tourism establishments in Waterloo Region meet with a detailed outline in table 11. Table 11 is an illustration of 835 tourism-related establishments in accommodation, arts and entertainment, transportation and travel service, representing 16% of the total establishments.
The balance of 4,432 establishments, represent 84% of establishments and are from food and beverage, retail and other services.

Table 11 Tourism-related Establishments in 2009

<table>
<thead>
<tr>
<th></th>
<th>Number of Establishments by Size of Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Accommodation</td>
<td>85</td>
</tr>
<tr>
<td>Arts, Entertainment and Recreation</td>
<td>318</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>991</td>
</tr>
<tr>
<td>Transportation</td>
<td>362</td>
</tr>
<tr>
<td>Travel Services</td>
<td>70</td>
</tr>
<tr>
<td>Retail</td>
<td>2,116</td>
</tr>
<tr>
<td>Other Services</td>
<td>1,325</td>
</tr>
<tr>
<td>Grand Total</td>
<td>5,267</td>
</tr>
</tbody>
</table>

Source: Statistics Canada-prepared by Ontario Ministry of Tourism and Culture

* The establishments in the ‘intermediate’ category include the self-employed, i.e. those who do not maintain an employee payroll, but may have a workforce which consists of contracted workers, family members or business owners. However, the Business Register does not have this information available, and has therefore assigned the establishments to an ‘intermediate’ category. This category also includes employers who did not have employees in the last 12 months.

According to WRTMC, Waterloo Region in 2013 will continue brand marketing to target niche visitors predominantly from GTA, Quebec, and Chicago. These marketing campaigns have been developed by RTO4 with input from WRTMC. Targeted marketing programs have been developed (e.g., ‘Fall in Love with Waterloo Region’; ‘Explore Waterloo Region’ and ‘Honoring yesterday while creating tomorrow’). The ultimate success of each of these marketing programs will be reflected in visitor growth with tracking provided by Meridian system for bookings made through the reservation system. In addition, measures for advertising campaigns in target markets will provide an understanding of the advertising initiative success.
Performance measures for visitor attendances to the Region’s attractions e.g., Chicopee, Bingeman, Oktoberfest, Blues festival, St Jacobs, festivals, arts, sports and cultural events will also be tracked for reservations made through the Meridian system. Bench-mark numbers are currently in place and will help establish incremental visitors. A study of the number of visitors to the Region and visitor spending suggests that the economic activity has been declining in recent years as illustrated in Table 12. WRTMC attributes spending decline to growing day trippers, surge in Canadian dollar and weakening US economy and is optimistic for increased spending in the future through increased overnight stays based on revised marketing strategies.

Table 12 Declining Visitor Spending in Waterloo Region

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person Visits</td>
<td>2,400,000</td>
<td>3,554,000</td>
<td>3,839,000</td>
<td>4,037,000</td>
</tr>
<tr>
<td>Visitor Spending</td>
<td>$390,000,000</td>
<td>$346,558,000</td>
<td>$4,000,000</td>
<td>$371,978,000</td>
</tr>
<tr>
<td>O/N stays</td>
<td>1,199,000</td>
<td>1,323,000</td>
<td>1,361,000</td>
<td></td>
</tr>
<tr>
<td>Same Day Visits</td>
<td>2,355,000</td>
<td>2,516,000</td>
<td>2,676,000</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Statistics Canada-prepared by Ontario Ministry of Tourism and Culture

The accommodation sector has been recording a decline in the hotel occupancy rate, revenue per room and average daily room rates (Table 13). Declining trend has been attributed to slowing US economy and a stronger Canadian dollar and increased activity with day visitors. Despite the drop in visitor spending and the declining hotel occupancy and revenues, stakeholders are optimistic for the Region’s medium and long-term trends based on growth in population in the Region and GTA, youthful demographics, strong technology sector and increased recruitment in educational institutions. Furthermore, stakeholders suggest that potential
visitors are unaware of the many and varied attractions and activities in the Region. They are confident that marketing creativity for greater awareness in the Region and adjacent markets such as the GTA, Quebec and Chicago will provide for increased visitors.

### Table 13 Hotel Occupancy and Revenue per Room

<table>
<thead>
<tr>
<th>Year</th>
<th>Hotel Occupancy Rate</th>
<th>Revenue Per Room ($)</th>
<th>Average Daily Room Rate ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>49.5%</td>
<td>52</td>
<td>105</td>
</tr>
<tr>
<td>2008</td>
<td>56.1%</td>
<td>59</td>
<td>106</td>
</tr>
<tr>
<td>2007</td>
<td>58.4%</td>
<td>58</td>
<td>99</td>
</tr>
<tr>
<td>2006</td>
<td>58.3%</td>
<td>56</td>
<td>95</td>
</tr>
<tr>
<td>2005</td>
<td>59.7%</td>
<td>56</td>
<td>93</td>
</tr>
<tr>
<td>2004</td>
<td>58.2%</td>
<td>53</td>
<td>91</td>
</tr>
<tr>
<td>2003</td>
<td>60.3%</td>
<td>54</td>
<td>90</td>
</tr>
<tr>
<td>2002</td>
<td>63.5%</td>
<td>56</td>
<td>89</td>
</tr>
<tr>
<td>2001</td>
<td>64.1%</td>
<td>59</td>
<td>93</td>
</tr>
</tbody>
</table>

Source: PKF Consulting Inc. www.pkfcanada.com
5.10 Tourism and Culture

Preservation of the Mennonite community and culture is a challenge as a significant portion of agricultural land that Mennonites want is being taken by urban sprawl. Concerns for urban encroachment on lack of agricultural land within the Region is forcing many Mennonites to move north and west to Huron, Grey, and Bruce counties, which have more agricultural resources available (Mage, 1989; Walker, 1995). External investment met with approval by Woolwich Township council in 2000 for a power center retail project anchored by Wal-Mart, on lands adjacent to St. Jacobs Farmers Market.

This large retail development is not compatible with traditional rural image and concerned citizens objected to this approval, only to be overruled by Ontario Municipal Board in 2003, which allowed construction effective 2008. Two years prior to the approval of the power center, Mitchell (1998) had posited the village of St Jacobs as a model of creative destruction, based on the commoditization of rural cultural heritage. There is a contradiction with tourism sector respecting the Mennonite culture and community while municipal and provincial approvals permit urban encroachment. The public sector has demonstrated disregard for concerned citizens and for a community that has lived in the Region since early 1800s. There is obviously an impasse between the public sector and citizens on how committed the Region is to preserving the Mennonite culture and its rural assets.

5.11 Sustainability of the Tourism Sector

Since the widespread adoption of sustainable development more than two decades ago, the academic study of sustainable tourism has reached an impasse (Sharpley, 2010). Despite extensive attention paid to the concept, there is lack of consensus over its definition, theoretical
foundations, practical policies, measures for effective planning, management and implementation (Berno & Bricker, 2001; Sharpley, 2010). Stakeholder comments suggest that tourism for sustainable development is not a pressing issue for consideration, except in some isolated instances, where incremental parking spaces have provided solutions. Arguably, as the concept of tourism for sustainable development is hard to grasp, stakeholders underestimate adverse impacts of over 4 million visitors each year to the Region.

Some stakeholders have linked sustainability of the tourism sector to population growth and increasing recruitment for universities and provided optimistic forecasts while some state that tourism is not sustainable based on the current model. Stakeholders expressed repeated concerns on the sustainability of the two organizations vested with the responsibility for marketing the tourism sector i.e., WRTMC and RTO4.

This research indicates that the Waterloo Region has challenges in coping with tourism development generally and to add sustainable development to existent challenges places an additional burden on an already very complex sector (La Lopa & Day, 2011). Stakeholders contend that Waterloo Region’s tourism sector is diverse, fragmented and privately owned suggesting that sustainable practices would not be viable as stakeholders would not sacrifice their profits. SET suggests that decisions are dependent on cost and benefit analysis (Andereck et al., 2005) with the sector being partial to immediate benefits. Data gathered suggests that the tourism sector is predominantly privately owned and operated and motivated by profit. Thus, if sustainable practices can adversely impact profitability then it is probable that the tourism sector would not implement this initiative.

Tourism sector is dependent on natural assets and culture and this dependency suggests a greater need for sustainable practices (McCool & Moisey, 2008). If the tourism sector is profit
driven, then one can surmise that in the interest of sustained profit, commoditization of culture and environment could be prevalent (Higgins-Desbiolles, 2009). But, in the discussion under culture it was evident that the tourism sector stakeholders hold preservation of culture in higher esteem than developers and public council. In a Region where tourism is predominantly privately owned and operated, an understanding of incentives and barriers that encourage or discourage the adoption of sustainable practices is important as failure can lead to unfavorable long-term impacts. Thus, it is pertinent to understand if sustainability poses limitation to tourism development and how can these limitations be overcome in the Waterloo Region?

A detailed discussion to this answer is beyond the scope of this research and further research is recommended. A brief discussion suggests technology allow owners/managers to use solar power as a means to savings. Generally, the barrier to sustainability is lack of knowledge (Graci, 2000; La Lopa & Day, 2010). This research asserts the need to establish educational programs on advantages of sustainability to encourage sustainable practices. As most tourism businesses are predicated on short-term thinking and profits while sustainable practices require long-term vision (Aronsson, 2000) stakeholders need to be educated on the long-term consequences of their action with an emphasis on economic gains if sustainable innovations are deployed.

This research recommends that municipal incentives be provided to businesses for a switch to sustainable practices. Public sector policies should encourage the tourism sector to develop guidelines and certify companies for following these rules (La Lopa & Day, 2011). From the stakeholders it is evident that government policy is partial to the technology sector and it is recommended that government in conjunction with the technology sector offer subsidies and incentives to tourism companies for the use of appropriate technologies for cost savings. A
partnership between the local government, technology and tourism sectors should develop a strategy to absorb costs for education and certification for sustainability practices. In addition, companies should be encouraged to adopt technologies that save costs on energy, water and waste through preferential financing arrangements (Jarvis, Simcock & Weeden, 2005).

Scholars relate sustainability to a positive image and suggest that marketing is the biggest driving force (Le & Hollenhorst, 2005; Jarvis, Simcock & Weeden, 2010). Stakeholders suggest that marketing tourism services needs to be aggressive with more tourism product to promote the Region but no stakeholders referred to “green label” as essential labeling to convey sustainability to potential visitors. According to Le & Hollenhorst (2005), companies strive to get “green label” because it is linked to creating a good image. However, they assert that sustainable campaigns are used as marketing tools and big companies use sustainability as a key for growth, and use “green-washing” campaigns to grow their businesses. Higgins-Desbiolles (2009) are critical of large travel company claims for responsible travel practices when in reality they are guilty of dishonesty and become an obstacle for honest companies to introduce sustainable practices with success. Hence, it is essential that if stakeholders in the Waterloo Region use “green label” they must ensure that marketing is honest and meets high standards.

5.12 Impacts of Tourism

Tourism development can place stress on natural resources which are scarce or mismanaged with specific reference to water resources, local resources, land degradation, destruction and alteration of ecosystem and degradation of a habitat. Stakeholders did not address impact on natural resources apart from the discussion on culture. Research suggests that tourism competes with other activities for the use of limited resources of land, water, labor and capital (Wall, 1997).
5.13 Role of WRTMC as DMO

According to the definition of a stakeholder in chapter two, the stakeholder has the potential to help or harm the tourism sector in the community in which it operates (Carter et al. 2001). While researchers stress that industry and government must involve stakeholders in tourism development, there is a perception that stakeholder involvement is difficult due to limited time, money and resources (Byrd, 2007; Timur & Getz, 2002). The research focus for this discussion is WRTMC who is a stakeholder and is responsible for diverse and varied composition of other stakeholders (its membership).

WRTMC efforts have been driven to address the many tourism challenges for its establishment and it has performed a role assuming responsibilities beyond the scope of its establishment (Appendix H). From stakeholders it is evident that WRTMC performs a varying role to include: a marketing mandate; product development; advocacy; creates awareness through education; decision making in tourism development; influencing policy, research and agenda; uniting its membership; attracting investors. This organization with a staff of four meets high stakeholder expectations and is vulnerable for funding from its membership of 235 and the municipalities in Waterloo Region.

Although, WRTMC has attempted to strengthen its role in destination marketing there is stakeholder consensus for a need and opportunity to improve the delivery of tourism services, especially with marketing. The travel marketplace is ever evolving and the size of the travel sector continually growing. Stakeholders request empirical information for informed decision-making and suggest that DMO needs to adopt a broader mandate to lead marketing and coordinate destination management within the framework of a coherent strategy. Stakeholders suggest that WRTMC must understand its competitive environment.
Figure 7 Effects on destination competitiveness

**Supplier and Buyer Power**
The influence of major attractions, hotel groups and tour operators – their price, cost structures, quality and diversity

**Threat of Entry**
Intelligence on competitive destinations and their strengths. Explore options for differentiation

**WATERLOO**

**Current Competitors**
Who are they? Their resources, performance, positioning and branding strategies

**WRTMC**
Regional and local joint marketing agreements

Source: Adapted from Woodward (2006) Developing a tourism strategy. Presentation at UNWTO seminar on destination marketing, April 2006, Seychelles

Figure 7 summarizes the need for WRTMC to influence supplier product, quality, and price to ensure competitiveness against competitors and explore options for differentiation as risk management against threat of additional competitors.

WRTMC has collaborated with RTO4 to provide experiential marketing to enable customized choices through the Meridian Reservations system, coupled with targeted website marketing to attract different and varying potential visitors to the Region. WRTMC collaborates with RTO4 for synergistic use of resources, experience, knowledge and skills to develop appropriate marketing campaigns for the Region. WRTMC provide its membership of 235 to strengthen marketing efforts for the Region.
WRTMC deals with two extremes of perspectives with stakeholders describing the product and services offered in the Region as static and contend that a new upgraded product is needed. Stakeholders suggest WRTMC to adopt a broader mandate to lead marketing for improved product, technologies and targeted marketing and to provide empirical information for informed decision-making. Some stakeholders argue that to up-grade product requires financial resources, which they do not have. As previously mentioned the tourism sector is diverse and fragmented and presents challenges for coalition of different interests to work towards a common goal for tourism development in the Region.

Furthermore, WRTMC answers to diverse stakeholder groups with customized communication for each e.g., for the municipality the DMO is a tax generator whilst for industry partners the DMO provides promotion and incremental growth of visitors to the Region. WRTMC has performed a broader function beyond marketing to include leadership, attracting investors, product development and being the voice of the tourism sector and has expanded its role where the ‘M’ in ‘DMO’ stands for ‘management’ (Ritchie, 2003).

This discussion asserts the importance for DMO to examine the total visitor experience from the moment they start to plan a visit to the destination to the completion of their visit. The DMO needs to enhance the quality of the total experience. This supply focused research places emphasis on the DMO to ensure high-quality service from all firms and organizations providing services to the visitor. DMO training and education of service providers and workshops on the design and development of attractions and facilities is important. Currently WRTMC provides 6 work-shops annually due to staff limitations.

The DMO needs to create a critical mass of core attractions and service providers, coordinate them to ensure consistency in the quality of service and product. A well designed,
integrated system enables well-trained front-line staff to deliver personalized service. Managing a destination and its research needs have been outline in Figure 8. Inward flows are those that provide information to the DMO management for it to function competitively while the outward flows pertain to information that should be provided to a broad range of destination stakeholders. As Figure 8 demonstrates, the DMO needs to gather, interpret and implement an effective destination management system (Ritchie & Crouch, 2003).

The monitoring of target markets provides fundamental information for the development of its ‘experiential’ products and for the design and delivery of advertising and promotional programs. WRTMC needs to identify new trends that are likely to create future markets. Another fundamental form of information captures the performance of the destination in meeting its overall performance goals in terms of the number of visitors, visitor spending, marketing agreements, advertising and achieving its overall marketing mandate (Appendix H). A form of inward flowing information requires WRTMC to understand and provide resolution for specific concerns related to drop in visitor spending, for instance.
WRTMC needs to acknowledge and manage outward flows of information to different categories of stakeholders. The most primary responsibility is to disseminate information to WRTMC board members to enable informed decisions. CAOs influence the level of funding for WRTMC and the policy framework within which the Waterloo Region must operate. Since politicians’ views are democratically determined by the population at large, WRTMC’s
awareness programs for community on the value of the tourism sector to the Region need to be intensified. Although, RTO4 has been mandated to manage potential investors, consultants refer investors to WRTMC.

Despite WRTMC attempts to meet a broader role, it is vulnerable to the municipality for its funding, while RTO4 is dependent on the province. Although, both organizations are in their infancy their sustainability is in question due to diminishing resources at the municipal and provincial levels respectively. Stakeholders are concerned over institutional fragility for WRTMC and were focused on the permanency of this umbrella organization for the tourism sector. They contend that this uncertainty does not provide for a healthy work environment for this organization. WRTMC has pro-actively sought to follow a survival guide recommended by researchers. It has observed essential survival strategies for a DMO based on what research contends as essential. For example, Sheehan et al. (2007) recommend four key strategies for DMO survival, which have been deployed by WRTMC in its entirety.

1) WRTMC employs a strategy of collaboration with key stakeholders on its board. In addition it collaborates with RTO4, its membership from the tourism sector.

2) WRTMC collaborates by ensuring that CAOs are on the board of directors representing the municipal government.

3) It ensures regular, frequent, and clear membership communications, workshops in product development, advertising and promotion to increase visitors to the Region.

4) WRTMC receives, interprets, and disseminates market information to its board of directors during the course of eight meetings held each year.
Adhering to a survival guide is no guarantee for WRTMC vulnerability as it depends for its funding on the public sector (eight municipal councils in the Waterloo Region), which is beleaguered by demands on its depleting financial resources. In accordance with the commitment made at its establishment, an evaluation of WRTMC accomplishments would be undertaken every five years. WRTMC met with an evaluation in 2011 with an approval for continued support from the municipalities for a funding of $300,000 through to 2015. WRTMC has made a few applications to the province for grants and has been granted $10,000 to date. It seems that there are more opportunities for grants but WRTMC has time constraints. According to Maurice, the funding provided for the WRTMC from the municipalities barely meets costs of marketing the Region.

Waterloo Region lags behind its neighbors (e.g., Hamilton and London) with municipally-supported tourism DMOs. Arguably, other than establish WRTMC and fund this organization, the Regional Council has done nothing else. WRTMC has been strapped for resources since its establishment. Despite this constraint, its organizational response to meet varied stakeholders expectations has been unwavering. WRTMC has attempted to confront financial limitations by observing a strict budget and using volunteers in the summer to meet growing expectations. Stakeholders contend that an application for more funding for WRTMC is not a solution for this cash strapped organization. They suggest that the public sector stakeholders must first be supportive and create an enabling environment for tourism sector before more funding is considered.

Whilst WRTMC struggles for lacking resources and support, the Ministry of Tourism, Culture and Sport in 2010 established RTO4 comprising of Waterloo Region., Huron, Perth and Wellington counties with an annual funding of $1.265 million. It is not surprising that
stakeholders interviewed are critical of this provincial initiative. One of the research objectives is to understand RTO4 impact on WRTMC.

5.14 RTO4 impact on WRTMC

Stakeholder comments on the role of RTO4 are predominantly negative. Majority of stakeholders indicated that RTO4 has no role and is a creation of poor provincial action. Uncertainty is widespread and they describe RTO4 establishment as ‘political’ or ‘provincial bungling’. In fact, some stakeholders are not aware of the role and responsibilities of this regional organization but question its establishment; criticize this provincial initiative for duplication of services and describe RTO4 as a waste of resources; they question the logic for the boundaries of this organization; its annual funding of $1.265 million; uncertain of its sustainability; and are even more critical of its mode of operation. For example RTO4 has communicated with the tourism sector membership through WRTMC, alienating a membership that had expectations for direct communication. WRTMC unified the tourism sector membership and it is probable that RTO4 is obliged to communicate with the membership through WRTMC. RTO4s communication strategy has alienated the tourism sector membership and placed WRTMC as the favored umbrella organization.

   Based on recommendations from Discovering Ontario (A report on the future of tourism) the Ontario Ministry of Tourism, Culture and Sport split Ontario into 13 tourism regions. Each region was charged with a general mandate to provide regional leadership, coordination and work with industry partners to grow tourism through activities like strategic planning, research, product development, training, attract investment and marketing. Although the mandate provided by the province is general and can lead to duplication of services, WRTMC and RTO4
have collaborated to minimize duplication. Although no specific examples were provided, stakeholder concerns for the duplication of services between WRTMC and RTO4 were prevalent.

RTO4 has proactively set itself long-term initiatives and it has focused on providing a technology distribution system through Meridian Reservation booking system. It has forecasted to increase tourism receipts by twenty five percent and identified the Grand River for recreational opportunities such as biking and fly fishing (Wellington Advertiser, 2012). In fact, RTO4 has put its budget to favorable use in establishing a reservations system to provide customized choice and provide tracking for reservations made through this system. In addition, it confers and collaborates with WRTMC ensuring that the experience of this organization is capitalized. The researcher during the course of the interviews did not identify any conflict in the work undertaken by the two organizations.

There were many instances of close working relationship e.g., Meridian Reservation system will be featured in Waterloo Region website and will be used by both organizations to ensure optimum utilization of the system; both organizations have agreed to WRTMC advertising in markets greater Toronto area (GTA) that are in close proximity while RT04 to reach markets that are further (Quebec). This arrangement from a cost perspective is advantageous for WRTMC. In addition, RTO4 marketing budget is supplementary to WRTMC efforts and brings synergy to the total marketing budget for tourism promotion for the Region.

Although, stakeholder opinion was initially solicited, it is evident that stakeholder perspectives were not entirely respected in setting up the tourism boundary for RTO4. Stakeholders have been critical of the boundaries added as being more of an encumbrance with minimal tourism potential. This may be true but it makes less of a demand on resources
available for marketing. Stakeholders suggested that RTO4 ability to differentiate itself from WRTMC has been based on its budget, which would have been more effective if the funding provided to RTO4 should have been granted to WRTMC. It is of interest to note that stakeholders out of agitation make this suggestion when WRTMC has no claim to provincial funding. This DMO has applied for grants but with limited effort due to time constraints. Difference in resource availability is a sore subject as RTO4 has an annual funding of $1.265 million compared to WRTMC’s annual cumulative funding from membership and municipalities of $600,000.

Stakeholders express institutional fragility for WRTMC and more so for RTO4. There is uncertainty at the roles and financial sustainability of these organizations. Stakeholders on RTO4 board suggest that this organization has provided an automated reservations system; will increase the number of over-night stays; attract visitors from a wider geographical distance than WRTMC; provide a bundling of products for customized visitor choices, utilize experiential marketing techniques and provide tracking for visitors to the Region. Thus, there is validity to stakeholders alleging that RTO4 has a role, one that they have established. Furthermore, RTO4 directors are confident of sustained financing through user fees from reservations made from Meridian Reservation system.

There is a need for a revised and detailed outline of the functions and responsibilities of these organizations. Their functions should be complimentary and bring synergies to the tourism sector in the Region. WRTMC (municipal initiative and DMO) and RTO4 (provincial initiative) need to be empowered as organizations vested with power, legitimacy and resources for the tourism sector in the Region to strengthen and make the sector more efficient and effective.
<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Process</th>
<th>Tourism Sector</th>
<th>Tourism Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint-use of stakeholder theory and SET</td>
<td>Leadership</td>
<td>Ownership</td>
<td>Natural</td>
</tr>
<tr>
<td>Attributes of power, legitimacy, urgency and managing divergent perspectives</td>
<td>Strategy</td>
<td>Control</td>
<td>Environment</td>
</tr>
<tr>
<td>Multi-stakeholder perspectives in one case study area.</td>
<td>Vision</td>
<td>Resources</td>
<td>Culture</td>
</tr>
<tr>
<td>Stakeholder collaboration essential</td>
<td>Collaboration</td>
<td>Support</td>
<td>Attractions</td>
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<td></td>
<td>Interdependent</td>
<td>Planning</td>
<td>Accommodation</td>
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<td></td>
<td>Sustainability</td>
<td>Strategy</td>
<td>Transportation</td>
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<td></td>
<td>Marketing</td>
<td>Number of businesses</td>
<td>Recreational facilities</td>
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<td></td>
<td></td>
<td>Role of tourism</td>
<td>Shopping</td>
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<td>Entertainment</td>
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<td>Restaurants</td>
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<td>Festivals</td>
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<tr>
<td>Stakeholder Profile</td>
<td>Case Study Method</td>
<td>Case Study Context</td>
<td>Case Study Attractions</td>
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<tr>
<td>16 stakeholders identified to represent power, legitimacy, experience and knowledge.</td>
<td>In-depth interviews provided primary data</td>
<td>Waterloo Region</td>
<td>St Jacobs</td>
</tr>
<tr>
<td>6 Public &amp; 10 private. All Directors of WRTMC &amp; RTO4 except one.</td>
<td>Interviews were digitally recorded</td>
<td>4 million visitors</td>
<td>Oktoberfest = 225,000</td>
</tr>
<tr>
<td>6 public Directors with power &amp; legitimacy 10 with legitimacy</td>
<td>Posed and probed eleven research questions</td>
<td>$372 million spending</td>
<td>Blues Festival = 125,000</td>
</tr>
<tr>
<td>9 private Directors driven by SET</td>
<td>Document analysis to support interviews</td>
<td>5,267 tourism businesses in the Region.</td>
<td>Plowing Festival= 100,000</td>
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<td></td>
<td>Participant observation.</td>
<td>Employs 3,200</td>
<td>Farmer’s Market</td>
</tr>
<tr>
<td></td>
<td>Transcribed interviews</td>
<td>Over half are same day visitors followed by VFRs.</td>
<td>Elmira Maple Syrup</td>
</tr>
<tr>
<td></td>
<td>Sorted data for analysis</td>
<td>Culture, Leisure, Meeting Conventions, Events.</td>
<td>*African Lion Safari =500,000 visitors</td>
</tr>
<tr>
<td></td>
<td>Qualitative analysis of data</td>
<td>Ontario largest generator with summer comprising almost a third of the visits</td>
<td>Bingeman =225,000</td>
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<td></td>
<td></td>
<td>Tourism visitor numbers increased while total visitor</td>
<td>*Stratford = 1,000,000</td>
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<td></td>
<td></td>
<td></td>
<td>Centre in the Square</td>
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<td></td>
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<td></td>
<td>Chicopee Ski &amp; Summer Resort</td>
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<td>Canadian Clay and Glass Gallery</td>
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<td>Museums</td>
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<tr>
<td>Findings</td>
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<tr>
<td>Tourism not a priority for public sector</td>
<td>No leadership</td>
<td>Public sector has limited ownership but exerts control of the tourism sector</td>
<td>Tourism development in the past 5 years has been limited to expansion of Regional airport and existent privately owned attractions.</td>
</tr>
<tr>
<td>Private sector recognizes potential for tourism</td>
<td>No strategy</td>
<td>Public sector other than funding WRTMC does not provide any other support for the sector.</td>
<td>Museums, Centre in the Square, creative arts, Blues Festival, Bike Fest event have been added for host community</td>
</tr>
<tr>
<td><strong>WRTMC</strong></td>
<td>Limited collaboration with private sector.</td>
<td>Multi-disciplinary sector operating in isolation</td>
<td>Public sector support for QOL and funding museums and</td>
</tr>
<tr>
<td>Limited resources</td>
<td>Lacking interdependency</td>
<td></td>
<td>Marketing initiatives cited as tourism developments i.e.,</td>
</tr>
<tr>
<td>Funded by public</td>
<td></td>
<td></td>
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<tr>
<td>Sector and 235 members</td>
<td>Sustainability practices absent events is for host community</td>
<td>Establishment of WRTMC and RTO4</td>
<td></td>
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<td>------------------------</td>
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<td></td>
</tr>
<tr>
<td>Marketing mandate</td>
<td>Private sector depends on public sector for leadership and strategy</td>
<td>Public sector focused to attract companies to locate to the Region.</td>
<td>Stakeholders lament at no projects of any significance and reveal limitations, and constraints.</td>
</tr>
<tr>
<td>Voice for tourism sector</td>
<td>WRTMC</td>
<td>Private sector ownership of over 5,267 SME</td>
<td>Lack of tourism development attributed to lack of financial resources, no political will and poor public sector support for tourism development</td>
</tr>
<tr>
<td>Municipal initiative</td>
<td>Marketing mandate</td>
<td>Private sector lacks resources</td>
<td>Stakeholders reveal underlying tension between public and private sectors.</td>
</tr>
<tr>
<td>RTO4</td>
<td>Strategy for tourism marketing in collaboration with RTO4</td>
<td>Tourism sector is fragmented and diverse</td>
<td>Private sector stakeholders criticized the public sector for unfair competition, bias in allocation of resources to other sectors (technology) and deliberately challenging tourism sector businesses with creative fees, the sector can ill-afford.</td>
</tr>
<tr>
<td>Provincial initiative</td>
<td>58% of operating budget is for marketing</td>
<td>Tourism sector undertakes short-term planning because of private sector ownership</td>
<td>Sustainability of WRTMC and RTO4</td>
</tr>
<tr>
<td>Customized choice</td>
<td>WRTMC Role</td>
<td>great concern to stakeholders.</td>
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<tr>
<td>Booking engine</td>
<td>Marketing</td>
<td>Stakeholders are positive on</td>
<td></td>
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<tr>
<td>Experiential marketing</td>
<td>Partnerships</td>
<td>sustainability of the tourism sector as they link it to growing population in the Region, GTA and increasing recruitment of students at the Universities and colleges.</td>
<td></td>
</tr>
<tr>
<td>4 Leisure &amp; 6 Corporate/Trade shows 6 Lunch &amp; Learn workshops Familiarization tours for 70</td>
<td>Product Development</td>
<td>Tourism sector is dependent on natural assets and culture but stakeholders not concerned about sustainability of these assets.</td>
<td></td>
</tr>
<tr>
<td>Collaborates with RTO4</td>
<td>Advocacy</td>
<td>Stakeholders recognize the need for improved marketing for year round visitors and to increase overnight stays in the Region.</td>
<td></td>
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<tr>
<td>Partnership with Canada’s Technology Triangle and Creative Enterprise Enabling Organization, Universities and Conestoga college</td>
<td>Education &amp; training</td>
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<td>Research</td>
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<td></td>
<td>Influencing policy</td>
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<td></td>
<td>Uniting tourism sector membership</td>
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<td></td>
<td>Attracting investors</td>
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</tbody>
</table>

* Not in the Region but stakeholders suggest that visitors combine them with other activities in the Region
CHAPTER SIX: CONCLUSION

This chapter reviews the objectives established in Chapter 1 and examines the extent to which they have been achieved. Whilst theoretical frameworks helped to guide this research, methodology led to the collection of primary data for findings. This chapter provides an overview with focus on contributions, limitations and future research opportunities.

6.1 Review of the Research Goal and Objectives

This research study sought stakeholder perspectives on eleven interview questions and proved instrumental in developing the conceptual model originally created by Sharpley & Telfer (2002, p. 4). The original model has met with changes to reflect an integrated approach to include stakeholders, their relationship with tourism development and outcomes based on initiatives taken. This model helps to bridge the gap between conceptual and practical components of the study.

The Waterloo Regional Council in their Strategy 2008 confirmed tourism as essential to the Region’s cultural and economic fabric; established WRTMC with funding to be renewed every five years and appointed CAOs to represent municipalities on the board of WRTMC. Stakeholders reveal that the public sector stakeholders (CAOs) do not consider the tourism sector to be of focus. This research alleges that CAOs on WRTMC board can be accountable for marketing strategies only (WRTMC mandate p. 73) and CAOs refer to Regional Council for certain marketing decisions (e.g., approval for WRTMC funding). Thus, although CAOs represent the public sector they are not positioned to undertake decisions for tourism.
development. They may have power to influence decisions but this study does not have evidence of this influence.

Who in the Region can be held accountable for administrative and bureaucratic bottlenecks for lack of strategy and leadership? The findings respond to this question by stating that the public sector has the power but no stakeholder group is prepared to question Council. The Regional Council is vested with power and legitimacy but findings suggest that apart from isolated decisions for the tourism sector it is not committed to tourism development. Thus, the public sector despite its extensive power is not using this power favorably for tourism development. Stakeholders are unanimous that tourism development is lacking with no significant developments in the Region in the past 5 years. The public sector’s disinterest and lack of political will, explains lack of leadership, strategy, and policy that have resulted in lack of tourism development in the Region.

The private sector stakeholders have the legitimacy through appointment on WRTMC board but do not have sufficient social capital (power and resources) to effectively participate in leadership, strategy and policy making. This lack of authority and resources represents constraints to tourism development (Tosun, 2006). Furthermore, private sector stakeholders link benefits and costs (Ap, 1992) and are driven by short-term planning and not willing to undertake long-term financial commitments. Although, small businesses are the backbone of the tourism sector, and provide the bulk of tourism products in the Region, they do not realize their inherent power. In fact, they show continued dependence on the public sector for leadership and impetus.

Tourism development is complex and presents a major undertaking that can no longer be accomplished by any one sector, be it private or public (Bramwell, 2005; Sharpley & Telfer 2002). Given the considerable amount of research on governance in public policy, there is a clear
need for the Region to find an appropriate path for introducing and implementing this concept with consistency (Hall, 2011). To achieve tourism development the right mix of public and private sector initiative, coupled with residents is essential to translate policies (economic tools, incentives, regulations, delivery mechanisms, and industry participation) into local action for tourism planning, destination management, marketing (Bramwell, 2005) and development.

The findings suggest that the tourism sector needs cooperation and collaboration between the public and private sectors and that neither of these sectors can operate effectively alone (Gunn, 1988). The unequal power relations with the distribution of power weighted toward the public sector suggests a need for the public sector to recognize that tourism development requires new mechanisms and processes i.e., potential benefits for collaboration and building consensus around tourism development (Bramwell & Sharman, 1999).

This research acknowledges that a call for collaboration adds challenges to an already fragmented tourism sector in Waterloo Region. However, stakeholder perspectives call for revised models to address stakeholders, collaboration between the public and private sectors for revised models to address future progress or face continued stagnation. If Waterloo Region is to be destination of choice, a commitment must be made between all stakeholders (public, private and residents) to establish a tourism sector with leadership, strategy, policy, and an enabling environment for development.

6.2 Contributions

This section summarizes the empirical and conceptual contribution of this thesis.
6.2.1 Empirical Contributions

There is research emphasis on the significance of stakeholder involvement in tourism development (Getz & Timur, 2005; Gunn, 1994; Gursoy et al, 2002; Hall, 2007). Regional council without the involvement of stakeholders, declared its aspiration to make Waterloo Region the destination of choice (Waterloo Strategy, 2008). There has been no previous research on the significance of stakeholder involvement in tourism development and the researcher identified a gap and created an opportunity to understand from stakeholder perspectives how tourism development is being undertaken in Waterloo Region.

The main theoretical contribution of the study results from the joint use of stakeholder theory and SET (Ap, 1992; Byrd, 1997; Freeman, 1984; Gunn, 1994; Gursoy et al., 2002; Yuksel et al., 1999). The joint-use of stakeholder theory and SET helped to place emphasis on the inclusion of stakeholders as essential for tourism development and helped to identify stakeholders and manage their divergent interests (Ap, 1992; Byrd, 1997; Freeman, 1984; Gunn, 1994; Gursoy et al., 2002; Yuksel et al., 1999). The concept of stakeholders has met with limited attention in the context of tourism development (Timur & Getz, 2008) and Bramwell (1999) and Jamal & Getz (1995) recognize the need for collaboration among all stakeholders. Thus, for effective tourism development stakeholder collaboration in a multi-disciplinary environment is essential (Bramwell, 1999; Jamal & Getz, 1995). Academic contribution of this study is to build on the existing body of knowledge as there is limited literature on multi-stakeholder views on development from the supply side of the tourism sector.

A qualitative approach provided flexibility for probing and this study contributes to the limited number of studies conducted with this methodological approach (Hardy, 2005). This approach provides an in-depth understanding of stakeholder attitudes, beliefs, feelings and
perspectives there by contributing to a theoretical understanding of stakeholder perspectives on how tourism development is undertaken at a regional level. The exploratory nature of this study proved compatible for research questions that were posed and probed. Probing responses generated new ideas for development, tested reactions to concepts, and constructed knowledge.

Personal engagement of the researcher enabled direct observation that was focused on the stakeholder in not only what was said, but how it was said. Furthermore, observation of natural attractions, cultural heritage, restaurants, theatres, farmer’s markets, farms and local events helped the researcher better understand stakeholders’ perspectives.

6.2.2 Contribution

There is a need to create an enabling environment through collective action and this research has deemed it essential to develop a conceptual model based on lessons learnt on how tourism development is being undertaken in Waterloo Region. Literature review and stakeholder perspectives identified relevant concepts to integrate tourism development into other development processes as not only essential but vital and served as sources of knowledge to create the conceptual model to bridge the gap between concepts and practice.

Figure 9 summarizes the need for an integrated and holistic approach linking stakeholders to tourism development. To date, the literature on the significance of stakeholders (Gunn, 1994; Gursoy et al., 2002), tourism development (Adams, 1992) and its interdisciplinary applications for collective development (Jamrozy & Eulert, 2011) for implementation strategies (Hunter, 1995; McCool et al., 2001; Sharpley & Telfer, 2002) has remained relatively unconnected to the literature on tourism development with spin-offs for other development (McCool & Moisey, 2008). These independent streams of research framed the earlier literature review (Chapter 2)
connecting the concepts of stakeholders, DMO and tourism development in Waterloo Region with separate sub-sections linking how they could be potentially connected. This conceptual model suggests the need for integrating all the inter-related concepts outlined and is focused on transformation in how tourism development in Waterloo Region can be undertaken. Application for this model suggests collaboration among all stakeholders but especially among the key stakeholders.

The first circle in the conceptual model provides recognition for tourism development to be the work of all community interests and needs to draw representation from public and private sectors, business groups, planners and policy makers, special interest community and resident groups (Jamal & Getz, 1995). They posit that tourism is not simply a promotional activity but part of socio-economic and broader planning development comprising of collective skills, knowledge and expertise. Despite research emphasis on the inclusion of stakeholders as essential to tourism development (Gunn, 1994; Gursoy et al., 2002), Waterloo Region does not recognize the role of stakeholders for tourism development. Waterloo Regions’ fragmented and disjointed tourism sector provides a pitfall where involved stakeholders have little development relationship with each other and the lack of leadership or strategy fails to provide a vision for all stakeholders to collaboratively work in the same direction.

Stakeholder collaboration depends upon leadership, strategy, policy and communication. Waterloo Region needs to ensure that the fundamental requirements of leadership and strategy are in place for the application of this model to be functional. Furthermore, it is essential to involve all stakeholders affected by the development process (Jamal & Getz, 1995).

The second circle represents the development sphere, which includes the tourism sector. Tourism development has been described as dynamic and interdependent on socio-cultural,
economic and community environments within which it operates (Hunter, 1995; McCool et al., 2001; Sharpley & Telfer, 2002). In Waterloo Region the tourism sector does not interact with other sectors and this multi-disciplinary sector needs to interface with other sectors i.e., economy, socio-culture and environment as illustrated in Figure 5.

It is important to take into consideration the relationship between tourism, other activities and processes, and the human and physical environments in which tourism is taking place (Butler, 1993a, p.29).

The third circle is the culmination of how tourism development has been undertaken. Negative and positive outcomes emerge depending on the processes adopted.

In summary, this model provides conceptual coherence in its emphasis for integration based on development themes being interrelated. Research states that these themes have not been explored together previously and there has been little interaction between fields of development and tourism as a development strategy (Hunter, 1995; Pearce, 1989b; Muller, 1995). Tourism development is situation specific and needs to be agreed upon in consultation with key stakeholders (Jamal & Getz, 1995; Inskeep, 1991; Gunn, 1994; Timur & Getz, 2008). Waterloo Region needs to formulate tourism policy to address role of government (active or passive); ownership and control (public or private); the types of tourism; and the scale of tourism development (Jenkins, 1991). In addition, the Region must include residents to participate in planning and operation of the tourism sector (Sharpley & Telfer, 2002).

This conceptual model is based on the need for integrated and holistic interaction between multi-stakeholders and tourism as a multi-disciplinary sector to be considered in combination with socio-economic and environmental sectors. This study suggests that tourism development is
possible and has attempted to link the key determinants in the conceptual model to contribute to advancing knowledge.

6.2.3 Implications

This research is deliberate in not providing recommendations but comments on implications based on use of collective competence and clustering resources or face continued stagnation and uncontrolled tourism development. The Region needs more research to ensure stakeholder inclusion as a precursor to any initiative. The only way forward is an integrated approach for all sectors to work interdependently. This may be a daunting challenge but must be managed.

It can be argued that dependence on the public sector has not been favorable for the tourism sector. Thus, this research attempts to understand the roles of public and private sector to examine if either of the sectors should be vested with responsibility for tourism development. The unequal power relations among stakeholders weighted toward the public sector suggests that no one sector can operate in isolation. Research supports governance to achieve a right mix of public and private initiatives for collective actions of knowledge, thought, power, resources, regulations and policies among numerous stakeholders.

There are many areas that require stakeholder collaboration to provide solutions e.g.:

- Strengthen the tourism sector with leadership, strategy, impetus and resources.
- Collaborate to increase total visits to the Region by 2015 especially with declining visitor spending, hotel occupancy and room revenues.
- Develop a strategy for preservation of the rich cultural heritage in the Region.
• Ensure that the tourism sector adopts practices that provide for sustainability e.g. collaboration between public, private and technology sectors to offer financing arrangements, subsidies and incentives to tourism companies for the use of appropriate technologies for cost savings on energy, water and waste.

• Understand impacts on the tourism sector irrespective of the type of tourism but address measuring the impacts and proactively introduce processes to mitigate negative impacts and understand their implications.

Stakeholders revealed the need to control how Waterloo Region is promoted and the role of WRTMC and the impact of RTO4 on WRTMC. Although, WRTMC has assumed responsibilities beyond the scope of its mandate in performing a varying role stakeholders express a need to strengthen its role in destination marketing and improve the distribution of tourism services. Stakeholders assert for DMO to oversee the total visitor experience to include high-quality service, consistency in quality standards and product, monitor target markets & dissemination of information to board members.

6.3 Conclusion

This study has provided an understanding from stakeholder perspectives on how tourism development is being undertaken in Waterloo Region. The Waterloo Regional Council in their Strategy 2008 confirmed tourism as essential to the Region’s cultural and economic fabric; established WRTMC with funding to be renewed every five years and appointed CAOs as representatives on the board of WRTMC.
Stakeholder perspectives from the private tourism sector, although cognizant of the competitiveness faced from health and other sectors, expressed the need for greater public sector involvement for any significant strides for tourism development. The public sector stakeholders (CAOs) do not consider the tourism sector to be of focus and are accountable for marketing issues only (WRTMC mandate p. 73). Research findings suggest that CAOs have legitimacy based on their appointment to WRTMC board but they are not vested with decision-making power by Regional Council and they are not positioned to undertake decisions for tourism development. They may have powers to influence decisions but this study does not have evidence of this influence.

The achievement of amassing a range of expert perspectives suggests that recognition and action be drawn from the value and diversity of the respondents. Their articulations involve core components of travel, accommodation, services, facilities, attractions, sites, and structures of the destination in addition to environment, social, and political systems suggesting that tourism development is intricately interwoven. As Robinson and Jamal (2009) posit:

“Thus exists a duality between elements that are in themselves distinct entities and yet, at the same time are connected. As more elements are identified then more connections can also be identified… The notion of connection however, points to constraints, relations, and varying degrees of dependence and interdependence, in that knowing of one element provides insight into the workings of others” (p.693)

Who in the Region can be held accountable for administrative and bureaucratic bottlenecks for lack of strategy and leadership? The findings suggest that apart from isolated decisions for the tourism sector there is no commitment to tourism development and no stakeholder group is prepared to question Regional Council. Despite extensive powers vested in the public sector,
this power is not used favorably for tourism development. Private sector stakeholders criticize the public sector for lack of leadership, strategy, policy, disinterest and lack of political will for tourism development.

The private sector stakeholders lack sufficient social capital (legitimate authority and resources) to effectively participate in leadership, strategy and policy making. This lack of legitimate authority and resources represents constraints to tourism development (Tosun, 2006). Furthermore, decision-making of the private sector is predictably based on SET, which links benefit and costs (Ap, 1992) and this sector is not partial to long-term financial commitments. Although, small businesses provide the bulk of tourism products in the Region, they do not realize their inherent power and show continued dependence on the public sector.

Tourism development is complex and presents a major undertaking that can no longer be accomplished by any one sector, be it private or public (Bramwell, 2005; Sharpley & Telfer 2002). Given the considerable amount of research on governance in public policy, there is a need for the Region to find an appropriate path for introducing and implementing this concept with consistency (Hall, 2011). To achieve tourism development the right mix of public and private sector initiative, coupled with community (distinct from public and private sector) is essential for local action for tourism planning, destination management, marketing (Bramwell, 2005) and development.

This study suggests the need for cooperation and collaboration with recognition that no one business or government establishment can operate in isolation (Gunn, 1988). The findings suggest the unequal power relations with the distribution of power weighted toward the public sector requires change for new mechanisms and processes. What’s important is for the board (WRTMC) to close the door on the past and focus on the future with collaboration and
partnership. The probability for favorable outcomes should be a common vision and goal for stakeholders as they continue their work in a multi-disciplinary development environment. As board of directors they have fiduciary and legal obligations to the organizations they represent and it is essential for them to respond in a fair, appropriate, and timely manner on all matters related to the tourism sector.

If the Region is interested in tourism development then a commitment must be made between all stakeholders (public and private) for concerted effort to establish a vibrant tourism sector with leadership, strategy, policy, and an enabling environment for development. A tourism product needs to be created, enhanced and maintained if Waterloo Region is to be destination of choice.
Figure 9 Conceptual Diagram on the Nature of Tourism Development
6.2.4 Future Research

This study was conducted in Waterloo Region and there is a possibility that recommendations for future research may not apply directly to other destinations with different circumstances. For example, the role of the public sector and the collaboration between stakeholders may vary. Table 15 summarizes future research suggestions.

**Table 15 Summary of future research suggestions**

<table>
<thead>
<tr>
<th>Summary of future research suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. This research has been limited to stakeholder perspectives predominantly from board of director membership on WRTMC and RTO4. For an enhanced understanding of this subject it is important to capture varied perspectives from a wider range of stakeholders from the tourism sector and residents in the Region. Future studies could be built upon the issues of stakeholder collaboration for an in-depth understanding on how to better incorporate stakeholders’ expectations into decision-making process.</td>
</tr>
<tr>
<td>2. Problems associated with the approach to tourism development reflect a narrow focus on specific development planning. Furthermore, there has been limited analysis and evaluation of all tourism benefits and costs; a lack of attention to non-economic factors and the need to integrate tourism into other development processes. Future research that integrates tourism development into other development processes is essential.</td>
</tr>
<tr>
<td>3. The public sector is not a major owner of tourism product and yet it exerts</td>
</tr>
</tbody>
</table>
control of the tourism sector in Waterloo Region. How can private sector extricate itself from public sector control and establish governance for a more balanced approach to decision-making for tourism development in the Region. There is a need for in-depth research on the ideals of collaboration and partnership between public and private sectors and how may this process be encouraged.

4. Managing countryside capital assets and rural resources requires future research related to trade-offs between protecting culture and environment to understand benefits and costs and who benefits and pays.

5. Future research into how sustainable is tourism development in Waterloo Region and how may this process be encouraged. It is essential to understand if sustainability poses limitation to tourism development and how these limitations may be overcome.

6. Governance has been described to be significant for tourism development in the foreseeable future and the merit of governance and implementation process requires further research.
Appendix A – Key Terms

Definition of Development

Development means change associated with positive social change, which means moving forward to something that is better than the present (Aronsson, 1994. P.31). Development implies a process that makes an effort to improve the living conditions of people and it means change: changes in behavior, aspirations, and in the way which one understands the world around one. The emphasis of development is to carry future developmental achievements in such a way that future generations are not worse off (Department of Environment, 1989; Peace et al. 1990; WCED, 1987).

Definition of Sustainable

The definition of development distinguishes between growth and development introducing the term sustainable. According to Ritchie & Crouch (2003) the historical roots of sustainability are recent and the concept of sustainability can be interpreted as a philosophy, as a set of principles to guide development, or as a criterion for determining sustainability (Wall, 1997). According to McMinn (1997), sustainability accounts for the long-term effects of tourism, economic, political, social, cultural and ecological phenomena in development. The economy, environment and society are the three pillars of sustainability Parkin, Sommer & Uren (2003).

Definition of Sustainable Development

The most commonly accepted definition comes from the Brundtland Report (World Commission on Environment and Development, 1987) that describes the needs of the present without
compromising the ability of future generations to sustain their own needs. Repetto (1986) elaborates that sustainable development strategy manages all assets, natural resources and human resources, as well as financial and physical assets for increasing long-term wealth and well-being. Thus, sustainable development, as defined by Repetto (1986), is considered a long-term strategy to preserve and conserve the environment, it proposes an inter- and intra-generational level of welfare and applies to all countries irrespective of their level of development. The concept of sustainable development is underpinned by three fundamental principles: holistic, long-term and equitable, which emanate from development and environmental contexts, and can form the basis for TSD (Streeten, 1977; WCED, 1987; IUCN, 1991).

Definition of Stakeholder

Freeman (1984) introduced the concept to strategic management and defined stakeholder in management and organizational context. He states that an organization has relationships with several groups and individuals i.e. employees, customers, suppliers, members of the communities, governments, stating that “A stakeholder is any group or individual who can affect, or is affected by, the achievement of a corporation’s purpose. Stakeholders include employees, customers, suppliers, stockholders, banks, environmentalists, government and other groups who can help or hurt the corporation…… a stakeholder should denote those groups which make a difference in an organization is (by definition) any group or individual who can affect or be affected by the achievement of the organization’s objectives” (p. 46).

Definition of Community

Community is the focal point for the supply of accommodation, catering, information, transport facilities and services. The local natural environment, buildings and institutions, their people,
culture and history form elements of community. Whether as towns, villages or cities, every community has tourism at one level or another, and is affected by the growth and development of the sector. Destination communities are a basic element of tourism development that is an agent of change. Tourism destination development has limits to change which is acceptable to community, and those responsible for tourism development needs to fully appreciate the impacts tourism can have on local quality of life, and its effect on local natural and cultural resources (Godfrey & Clarke, 2000)

**Definition of Tourism Supply**

Key elements of tourism supply in a destination relate to socio-economic structure of the destination, the nature of facilities, environment, ownership and nature of investment. These features are interrelated and establish the overall impact of tourism in a destination. Each destination is different and will respond differently to the development of tourism. The tourism product and the quality of the experience are rated according to characteristics that would interest a tourist. Attractions can be differentiated into three levels of significance: Attractions of local significance, attractions of national significance and attractions of international significance (Godfrey & Clarke, 2000; Kastarlak & Barber, 2012).

**Definition of Mass Tourism**

No definition for mass tourism exists from UNWTO. An attempt to describe it is through examples of destinations such as Mallorca, Cancun and Pattaya, commonly referred to as destinations with massive influx of tourists (Destination World, 2009). Aronsson (2000) posits that the growing demand for leisure activities has led to improvements in infrastructure and
tourism products and led to emergence of mass tourism in the late 1950s. He posits that this form of tourism, which is typified by charter flight, has grown exponentially.
### Appendix B - Stakeholder Profile

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Organization</th>
<th>Male</th>
<th>Female</th>
<th>Duration on board</th>
<th>Occupation</th>
<th>Public</th>
<th>Private</th>
<th>Age</th>
<th>Board Member</th>
<th>Employee</th>
<th># Years Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maurice</td>
<td>WRTMC</td>
<td>M</td>
<td></td>
<td>6</td>
<td>Owner</td>
<td>PR</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
</tr>
<tr>
<td>Clooney</td>
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<td></td>
<td>6</td>
<td>CAO</td>
<td>PL</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
</tr>
<tr>
<td>Emile *</td>
<td>WRTMC/</td>
<td>M</td>
<td></td>
<td>6</td>
<td>Lawyer</td>
<td>PR</td>
<td></td>
<td></td>
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<td></td>
<td>20+</td>
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<tr>
<td></td>
<td>RTO4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jane</td>
<td>WRTMC</td>
<td>F</td>
<td></td>
<td>6</td>
<td>Director of Sales</td>
<td>PR</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
</tr>
<tr>
<td>Duvall</td>
<td>WRTMC</td>
<td>M</td>
<td></td>
<td>6</td>
<td>CAO</td>
<td>PL</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Gwyneth</td>
<td>WRTMC</td>
<td>F</td>
<td></td>
<td>6</td>
<td>Vice President</td>
<td>PR</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
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<tr>
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<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
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<tr>
<td>Stefan</td>
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<td>PL</td>
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<td></td>
<td>20+</td>
</tr>
<tr>
<td>Christine</td>
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<td>Director</td>
<td>PL</td>
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<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
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<tr>
<td>Marguerite</td>
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<td></td>
<td>2</td>
<td>GM</td>
<td>PR</td>
<td></td>
<td></td>
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<tr>
<td>Meeg</td>
<td>WRTMC</td>
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<td></td>
<td>2</td>
<td>GM</td>
<td>PL</td>
<td></td>
<td></td>
<td>No</td>
<td>Yes</td>
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<tr>
<td>Javier</td>
<td>WRTMC</td>
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<td></td>
<td>1</td>
<td>GM</td>
<td>PR</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
</tr>
<tr>
<td>Audrey</td>
<td>RTO4</td>
<td>F</td>
<td></td>
<td>2</td>
<td>Owner</td>
<td>PR</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
</tr>
<tr>
<td>Julia</td>
<td>RTO4</td>
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<td></td>
<td>2</td>
<td>Owner</td>
<td>PR</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
</tr>
<tr>
<td>Harrison</td>
<td>RTO4</td>
<td>M</td>
<td></td>
<td>2</td>
<td>Vice President</td>
<td>PR</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td>20+</td>
</tr>
</tbody>
</table>

| Totals       |              |      |        |                  |                 |        |         |     |              |          |                   |
| WRTMC        | 13*          |      |        |                  |                 |        |         |     |              |          |                   |
| RTO4         | 4*           | 8    | 8      | 4.12             | 6               | 10     | 15      | 1   |              |          | 20 years each  |
|              |              |      |        |                  |                 |        |         |     |              |          | 310 years cumulatively |

(Joint member on WRTMC/RTO4; In the interest of confidentiality, all stakeholder names are pseudonyms)
Appendix C - Sample Telephone Script

May I Please speak to (name of potential participant)?

My name is Naila Abdulla and I am a PhD candidate in the Recreation and Leisure Studies Department at the University of Waterloo. I am currently conducting research under the supervision of Dr. Stephen Smith on Stakeholder Perspectives on Tourism Development in the Waterloo Region. As part of my thesis research, I am conducting interviews with board members from Waterloo Regional Tourism Marketing Council (WRTMC) and Regional Tourism Organization 4 (RTO4) to understand their perspectives on how tourism development has been conducted in the Waterloo Region in past five years.

As a member on the board of WRTMC/RTO4 you have the power and influence for decision making in tourism development in the Waterloo Region. I would like to speak with you about your perspectives on tourism development since the inception of WRTMC and your perspectives on future tourism developments in the Waterloo Region. Is this a convenient time to give you further information about the interviews?

Background Information:

I will be undertaking interviews starting 3rd July, 2012.

The interview will last about one hour, and will be arranged for a time convenient to your schedule
Involvement in this interview is entirely voluntary and there are no known or anticipated risks to participation in this study.

The questions are quite general, for example: What role does WRTMC/RTO4 play in tourism development in Waterloo Region?

You may decline to answer any of the interview questions you do not wish to answer and may terminate the interview at any time.

With your permission, the interview will be tape-recorded to facilitate collection of information and later transcribed for analysis.

All information you provide will be considered confidential, however, please be informed that all board members of WRTMC and some members of RTO4 will be scheduled for an interview and though the interview responses will be entirely confidential each board member may be aware of other board members being interviewed and may be able to identify their specific responses in my final paper. However, should a board member decline to be interviewed this information will be confidential and board members will not be privy as to the list of members that have been interviewed.

The data collected will be kept in a secure location and disposed of in five years.

If you have any questions regarding this study, or would like additional information to assist you in reaching a decision about participation, please feel free to contact Stephen Smith at 519-888-4045 or at slsmith@uwaterloo.ca.

Please be assured that this study has been reviewed and received ethics clearance through the Office of Research Ethics at the University of Waterloo. If you have any comments or concerns resulting from your participation in this study please contact the Director, Dr. Maureen
Nummelin at (519) 888-4567 Ext 36005 or maureen.nummelin@uwaterloo.ca. The final decision about participation is yours.

After data analysis, you will receive an executive summary of the research results.

With your permission, I would like to email/mail/fax you an information letter which has details along with contact names and numbers to help assist you in making a decision about your participation in this study.

Thank you very much for your time. May I call you in 2 or 3 days to ascertain your interest to be interviewed? If you have any questions or concerns, please do not hesitate to contact me at 519-954-9380.
Appendix D- Information Consent Letter for Interview Study

Dear (insert potential participant’s name):

This letter is an invitation to consider participating in a study I am conducting as part of my PhD degree in the Department of Recreation and Leisure at the University of Waterloo under the supervision of Professor Stephen Smith. I would like to provide you with more information about this project and what your involvement would entail if you decide to partake in the interview.

Researchers in favor of tourism development contend that tourism has certain advantages as a pathway to development based on consistently high levels of growth since 1950. They posit that tourism redistributes wealth, utilizes ‘free’ natural resources, existing attractions and infrastructure for low start-up costs. However, it is evident that tourism development can have negative impacts and diversification strategies through tourism development need policies that are responsible. Researchers agree that for tourism development to be successful it must be planned, developed and managed responsibly and stress that the support of stakeholders is essential and without this support, it is impossible to develop tourism in a responsible manner.

I believe that because you are a board member on Waterloo Regional Tourism Marketing Council (WRTMC)/Regional Tourism Organization 4 (RTO4) you are actively involved in issues related to tourism development in the Waterloo Region. You are best suited with power,
influence and knowledge to speak to the various issues related to tourism development in the Waterloo Region; the significant tourism development you have observed over the past five years and what are the perceived benefits and costs of tourism development to the Waterloo Region?

All information you provide will be considered confidential, however, I would like to inform you that all board members of WRTMC and some members of RTO4 are being invited to take part in this study. Although your interview responses will be entirely confidential, each board member may be aware of other board members being interviewed and may be able to identity their specific responses in my final paper. However, should a board member decline to be interviewed then this information will be confidential and board members will not be privy as to the list of members that have been interviewed.

Participation in this study is voluntary. It will involve an interview of approximately one hour in duration to take place in a mutually agreed upon location. You may decline to answer of the interview questions if you so wish. Further, you may decide to withdraw from this study by advising the researcher at any time without any negative consequences. With your permission, the interview will be audio recorded to facilitate collection of information, and later transcribed for analysis. Shortly after the interview has been completed, a copy of the executive summary will be sent to you. All information you provide will be considered completely confidential. Your name will not appear in any thesis or report resulting from this study, however, with your permission anonymous quotations may be used. Data collected during this study will be retained for a period of five years in a locked office available to my supervisor, Dr. Stephen Smith, under whose supervision this study is being conducted. There are no known or anticipated risks to you as a participant in this study.
If you have any questions regarding this study, or would like additional information to assist you in reaching a decision about participation, please contact me at 519-954-9380 or by email at n2abdull@uwaterloo.ca. You can also contact my supervisor, Professor Stephen Smith at 519-888-4045 or email slsmith@uwaterloo.ca.

Please be assured that this study has been reviewed and received ethics clearance through the Office of Research Ethics at the University of Waterloo. However, the final decision about participation is yours. If you have any comments or concerns resulting from your participation in this study please contact the Director Dr. Maureen Nummelin at (519) 888-4567 Ext 36005 or maureen.nummelin@uwaterloo.ca.

I hope that the results of this study respond to an opportunity to bring understanding on how tourism development is being undertaken in the Waterloo Region and benefit both WRTMC and RTO4 in their efforts at tourism development. The qualitative approach adopted for this study will help better understand individual stakeholder experiences and generate new ideas for development, test reactions to concepts and construct knowledge.

I very much look forward to speaking with you and thank you in advance for your assistance.

Yours Sincerely

Naila Abdulla

Department of Recreation & Leisure Studies
CONSENT FORM

By signing this consent form, you are not waiving your legal rights or releasing the investigator or involved institution from their legal and professional responsibilities.

I have read the information presented in the information letter about a study being conducted by Naila Abdulla of the Department of Recreation and Leisure Studies at the University of Waterloo under the supervision of Dr. Stephen Smith. I have had the opportunity to ask any questions related to this study, to receive satisfactory answers to my questions, and any additional details I wanted.

I am aware that I have the option of allowing my interview to be audio recorded to ensure an accurate recording of my responses.

I am also aware that excerpts from the interview may be included in the thesis/ and/or publications to come from this research, with the understanding that the quotations will be anonymous.

I was informed that I may withdraw my consent at any time without penalty by advising the researcher.

The project has been reviewed by, and received ethics clearance through, the Office of Research Ethics at the University of Waterloo. I was informed that if I have any comments or concerns resulting from my participation in this study, I may contact Dr. Maureen Nummelin, the Director, Office of Research Ethics at (519) 888-4567 ext 36005 or maureen.nummelin@uwaterloo.ca.

With full knowledge of all foregoing, I agree, of my own free will, to participate in this study.
O  Yes    O  No

I agree to have my interview audio recorded

O  Yes    O  No

I agree to the use of anonymous quotations in any thesis or publication that comes of this research.

O  Yes    O  No

Participant Name: _____________________________ (Please Print)

Participant Signature: _____________________________

Witness Name: ______________________________________(Please Print)

Witness Signature: _____________________________

Date: ___________________________________________
Appendix E – Appreciation Letter to the Participants

Dear (insert potential participant name):

I would like to thank you for your participation in this study. As a reminder, the purpose of this study is to understand Stakeholder Perspectives for Tourism Development in the Waterloo Region.

The data collected during interviews will contribute to a better understanding of how tourism development has been undertaken in the Waterloo Region since 2007. This qualitative research study contributes to a theoretical understanding of stakeholder attitudes, beliefs, feelings and perspectives on tourism development at a regional level and will help understand individual stakeholder experiences. In addition, the results of this study will respond to an opportunity to benefit both Waterloo Regional Tourism Marketing Council and Regional Tourism Organization 4 for policy and planning purposes.

Please remember that any data pertaining to you as an individual participant will be kept confidential. Once all the data are collected and analyzed for this project, I plan on sharing this information with my Supervisor, Stephen Smith. If you are interested in receiving more information regarding the results of this study, or if you have any questions or concerns, please check my email address listed at the bottom of the page. In addition to being able to contact me,
an alternate contact of my supervisor has been provided in case of questions or concerns. When
the study is completed, I will email you a copy of the executive summary. The study is expected
to be completed by 14th February, 2013.

As with all University of Waterloo projects involving human participants, this project was
reviewed by, and received ethics clearance through, the Office of Research Ethics at the
University of Waterloo. Should you have any comments or concerns resulting from your
participation in this study, please contact Dr. Maureen Nummelin in the Office of Research
Ethics at 519-888-4567, Ext., 36005 or maureen.nummelin@uwaterloo.ca

Thanking you for your support and cooperation

Yours sincerely

Naila Abdulla
Department of Recreation and Leisure Studies
(519) 954-9380
n2abdull@uwaterloo.ca

Dr. Stephen L. J. Smith http://www.ahs.uwaterloo.ca/rec/research/mair.html
Professor
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200 University Avenue West
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Appendix F – Research Objectives, Questions and Data Collection Techniques

<table>
<thead>
<tr>
<th>Research Objectives</th>
<th>Interview Questions</th>
<th>Data Collection Techniques *</th>
<th>To Understand</th>
</tr>
</thead>
<tbody>
<tr>
<td>To understand the significance of tourism development for Waterloo Region.</td>
<td>What is the potential of tourism to Waterloo Region?</td>
<td>Personal Interviews</td>
<td>Understand the significance of tourism to Waterloo Region.</td>
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<tr>
<td></td>
<td>What are the perceived benefits from tourism development for Waterloo Region?</td>
<td>Observe stakeholders</td>
<td>Understand enabling factors for tourism development</td>
</tr>
<tr>
<td></td>
<td>What are the perceived costs of tourism development for Waterloo Region?</td>
<td>Secondary sources</td>
<td>Understand the costs of tourism development to Waterloo Region.</td>
</tr>
<tr>
<td>To understand stakeholder perspectives on how tourism development has been undertaken in Waterloo Region since 2007 to presently.</td>
<td>Who is responsible for tourism development in Waterloo Region?</td>
<td>Personal Interviews</td>
<td>Understand how tourism development has been undertaken in Waterloo Region in the past 5 years.</td>
</tr>
<tr>
<td></td>
<td>What significant tourism developments have you observed over the last five years?</td>
<td>Observe stakeholders</td>
<td>Understand the factors and players responsible for development in the Region.</td>
</tr>
<tr>
<td></td>
<td>What has been the impetus for tourism development?</td>
<td>Secondary sources</td>
<td>Understand the potential implications of tourism development to the Region.</td>
</tr>
<tr>
<td></td>
<td>Do you think tourism development in the Waterloo Region is sustainable?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To understand the roles of WRTMC and Regional Tourism Organization 4 (RTO4).</td>
<td>What role does WRTMC play for tourism development in Waterloo Region?</td>
<td>Personal Interviews</td>
<td>Understand WRTMC and RTO4 roles for tourism development in the Region?</td>
</tr>
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<tr>
<td>Given that WRTMC is primarily a marketing organization, does it have any role in product development?</td>
<td>Observe stakeholders</td>
<td>Secondary sources</td>
<td>Understand relationship between WRTMC and RTO4</td>
</tr>
<tr>
<td>What role does RTO4 play?</td>
<td>What is the relationship between WRTMC and RTO4?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Observing stakeholders and collecting secondary sources of information are supplementary to personal interviews*
Appendix  G – Mennonite Community in Waterloo Region

The early Mennonite pioneers traveled by horse drawn Conestogo wagons from Pennsylvania and settled along the Grand and Conestogo River, named in the early 1800s by George Eby, one of the first Mennonite settlers. They settled on land along the Grand and Conestogo Rivers that cost less than $1 per acre (compared to $100 per acre in Pennsylvania). Gradually, a significant portion of agricultural land that Mennonites want is being taken by urban sprawl. Although this area remains the largest Mennonite settlement, there is an Old Order presence in at least six other parts of Ontario. Thus, Mennonites are looking to purchase farms at other rural Ontario areas for costs that are considerably less than current prices. A few have sold their farms in exchange for purchasing two or three farms in a less expensive area.

All Mennonites group roots go back to Switzerland at the time of Reformation in 1525. They believe in peace and in giving liberally to assist needy people. There is the Old Order (OOM); then there are the Amish having the same beliefs as the OOM and David Martin Mennonites (DMM). All the groups described worship in homes, use horses for farming, have no electricity and have their own school systems. There is a small number of Dutch Mennonites whose beliefs are identical to Swiss but most live in Winnipeg with few having settled in the Kitchener-Waterloo area. Then there are modern Mennonites whose life-style is similar to non-Mennonites that include modern farm machinery, modern appliances, computers, televisions and DVD players. In fact many modern Mennonites have close relatives among the Old Orders.

Hergott Road farming area is where the most conservative Mennonites live. They are known as DMM, they do not have electricity, light is provided by gas lamps for family activities that include reading, household chores, and quiet games. The homes have no drapes but blinds
on windows, all furniture is made from wood and there are scatter mats on wooden floors. Basement shelves have glass jars with canned vegetables, fruit and meat. Wash lines with clothes is a norm as their homes are not equipped with washers and dryers. They do not own bicycles enjoy a ball game with homemade bats without the use of gloves. Singing is part of family enjoyment, with no musical instruments. Daughters who marry have their weddings performed in their homes and brides dress in a plain handmade blue dress. She and her husband are to never separate and large families are encouraged. These groups observe the practice of shunning with an adherence to limited association with their families or church community.

Green roofs on some buildings are often an indication of an OOM. The OOM now allow electricity in buildings. Some have chosen not to have electricity, whilst others have left the community over this disagreement. Most OOM have phones but use their phones wisely.

From their beginnings in Switzerland in 1525, the Mennonite people have loved land and some families have lived on the same farm for generations. They do not use tractors on their farms only horses. Local Mennonite farms are less than two-hundred acres with dairy herds of less than fifty and some raise beef and hogs. Tractors may not have more than 100 horsepower and a windmill is used to pump water from a well.

Work ethic is strong with family, church and community superseding individual interests. At a young age children assist with small chores and by eighth grade, a son will get up at 5.30 a.m. to assist with chores prior to school. A daughter will rise equally early to prepare lunches for children attending school and assist with breakfast and household chores. There is time for play but household chores in the afternoon and early evening assume priority.
The three Bridges School is the only school in the public school system attended by Mennonite children only, representing at least five different groups. For most, formal education will end when they complete grade 8 at Three Bridges. DMM send their children to school but only until the exact day they turn fourteen and never beyond eighth grade. While the language of the community is a German dialect, referred to as Pennsylvania German, at school all lessons are in English. Teachers only have eighth grade education and women who teach must leave as soon as they get married. All children leave at the end of eighth grade and those who wish to pursue further education can usually join a more modern Mennonite group. During winter students and teachers enjoy an outdoor rink for noon-hour skating. The oldest sons attending school and their fathers take turns flooding the rink after school each day. Mennonite children enjoy outdoor activities and are considered among the most physically fit children in Canada. Thus, physical education is not part of their curriculum.

For OOM, community is insurance for health and barns destroyed by fire. Within a few days the organization begins new reconstruction and sometimes barns from distant places, no longer in use, are purchased, dismantled and transported to the new site. At least a hundred men partake in the community project to rebuild a new barn and women are in charge of the food. The farm owner is responsible for twenty percent of the total costs whilst collections are made twice annually for health costs. Every family meets with financial assistance.

In Elmira, the Wallenstein General Store is owned and operated by OOM. The Brubacher’s Harness Shop is a DMM business. Generally, DMM stores use electrical energy to produce metal, wood, pipes, and plastic items and power for equipment and lighting is run by generators in the basement.
Elmira is home to the World’s largest single day Maple Syrup Festival and this part of Ontario is one of Canada’s leading producers of maple syrup. In early spring, maple trees produce a clear liquid known as sap. The sap is collected and boiled in large vats and transformed into sweet maple syrup. It requires forty gallons of sap to produce one gallon of maple syrup. Many Mennonite farmers are involved with maple syrup business. Mennonites are described as creative, with women tending to huge gardens usually placed between the house and roadway. Quilt-making is an expression of creativity and St. Jacobs area hosts first-rate quilt shows each spring. DMM men are known to be astute business men and work with Township to build clusters consisting of farm homes, barns and buildings for small businesses, all located in close proximity to farm-land used for crops. Some general cynicism describes this to represent municipality’s effort to understand a very special people.

Sunday morning is worship service for OOM. There are no stained glass windows, musical instruments or fabrics inside the building. Males sit on the right facing the pulpit, females on the left. Preaching is done in a German dialect called Pennsylvania-German. The bible reading and unison singing are done in regular German. Each service lasts two hours and there is no Sunday school. Modern Mennonite church has professional Ministers with seminary training, there is an organ and piano, but most congregational singing is Capella style in four parts. English is the language of worship and there is Sunday school for children and adults.

Mennonites are faith based communities seeking to serve poor around the world. Their programs attempt to increase personal dignity, create self-sufficiency and sustain poor families without dependence on relief aid. Mennonite Economic Development Associates (MEDA) is an international organization implementing development programs in more than 40 countries to improve the livelihoods of people living in poverty. MEDA is a recognized leader for best
practices in financial services, investment fund and market development for customized responses to the varied pockets of poverty.
Appendix H WRTMC Profile

**Mission Statement**
To increase tourism in the Waterloo Region by focusing resources on promoting the Region’s personality and attributes to high-potential markets.

**Mandate**
The organization focus is marketing tourism in Waterloo Region and encouraging more visitors to the area for longer stays.

**Marketing Focus**
Four marketing priorities:

1. Marketing research to create a marketing plan and an advertising campaign
2. Build awareness at trade and consumer shows
3. Undertake cooperative marketing programs
4. Undertake a branding initiative

**Governance**
The DMO to be a membership-based not-for-profit organization governed by a board of directors from the tourism sector and municipal representatives. The Board of Directors would comprise of eight tourism sector members and six municipal representatives.

**Funding Model**
To be funded through a combination of municipal grants, membership fees from tourism sector businesses and cooperative marketing opportunities. The proposed membership fees ranged from $150 to $750 per year to provide website listing, visitor guide listing and brochure distribution.

**WRTMC Strategic Plan**
WRTMC presented a strategic plan for 2010-2015 which met with Municipal Council approval.

   Its four objectives are:

1) Create a sustainable business model for the corporation
2) Establish WRTMC as the authoritative source in the Region for tourism marketing
3) Focus on enhancing the overall image and awareness of the Region as a visitor and tourism destination
4) Ensure marketing and communications activity highlight key attractions and events.

Key sector targets are in leisure, meetings and conventions, travel trade, media in Ontario, Alberta and Quebec and some United States in conjunction with defined Ontario Tourism target markets.
| **Initiatives and Partnerships** | WRTMC plans to leverage and build partnerships with Canada’s Technology Triangle, Universities and Conestoga College for research and its support for RTO4. Stakeholders are presented with initiatives from WRTMC or RTO4 and this challenges stakeholders to understand the roles, relationships, differences and similarities in the functions of these organizations. |

**Source**: Report CA-11-008, 2011.

WRTMC (DMO) was established in late 2007 to address the many challenges, which have met with an outline above. The municipal administration and the tourism sector in Waterloo Region recognized a need to improve the delivery of tourism services in destination marketing and over a course of 15 months these groups worked to define and develop details of WRTMC.
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