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Neglected stakeholder groups: a case study of Recreational Vehicle Users in Tasmania

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Abstract
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Keywords
tasmania, users, vehicle, recreational, stakeholder, study, neglected, case, groups

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Neglected Stakeholder Groups:

A Case Study of Recreational Vehicle Users in Tasmania

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ABSTRACT:

Traditional stakeholder mapping tools have concentrated on the identification of issues such as power, urgency and predictability of stakeholder groups. Yet they do not sufficiently address the ability of neglected stakeholder groups to communicate, gain and use their power when issues affecting them arise, suggesting that traditional approaches have to be updated to accommodate suddenly emerging stakeholder groups. This paper uses the case study of Recreational Vehicle Users in Tasmania, Australia, to explore the issue. In doing so it illustrates the risks of ignoring these groups, particularly when developing public policy. The paper proposes a more iterative and consultative approach to stakeholder mapping which seeks to strike a balance between normative and classical approaches.

Keywords: stakeholder theory and analysis; sustainability; community partnership; managing for the common good

BACKGROUND

Stakeholders are defined as “any group or individual who can affect or is affected by the achievement of an organisation’s objectives” (Freeman, 1984, p. 46). Identifying and involving stakeholders in management decisions is widely advocated within the management and tourism literature (Cheng, Hu, Fox & Zhang, 2012; Hardy & Beeton, 2001; Jamal & Getz, 1999; Sautter & Leisen, 1999; Yuksel et al., 1999). Recent stakeholder analysis models have been developed which prompt decision makers to consider the level of power and interest of stakeholders groups in relation to particular issues (Freeman, Rusconi, Signori, & Strudler, 2012). Collectively these stakeholder models work well when applied to existing and well-established stakeholder groups but fail to recognize that neglected stakeholder groups can suddenly emerge as powerful players. This paper addresses ‘neglected’ groups, whose existence has not been identified by decision makers or whose characteristics have not yet been ascertained. In doing so, the paper explores the limitations of traditional stakeholder analysis approaches.
Stakeholder Theory

It has been argued that stakeholder concerns, goals and values must be included in strategic planning and are integral to managing destinations in a successful manner (Bornhorst, Ritchie & Sheehn, 2010; Robson & Robson, 1996). In a tourism context, this includes stakeholders such as tourists, residents, business owners and government officials (Goeldner & Ritchie, 2002; Hardy & Beeton, 2001). Both Byrd (2007b) and Hardy and Beeton (2001) have argued that stakeholder involvement must begin with recognition of stakeholders and allowance for them to make informed and conscious decisions about the development of tourism at a specific destination. In practice, applying Stakeholder Theory to the tourism industry does not conform to the theory particularly well. Byrd and Gutske (2007, p. 177) argue that tourism planners often make subjective judgements about “who and what groups are included to represent stakeholders”. Byrd (2007b) argues that two areas of thinking have emerged. The first approach has synergies with the normative moral approach developed by Donaldson and Preston (1995). The notion is that consideration should be given to all tourism stakeholder groups without one being assigned priority over the other. The second approach has synergies with the classical idea of stakeholder management, whereby a central agency considers the interests of stakeholders and develops policy based upon those stakeholder groups who possess power. One of the risks of estimating power is that it may change over time and/or be underestimated, particularly if stakeholder groups are ‘under-researched’ or have only recently emerged. Markwick (2000) argued that stakeholder mapping provides a useful tool in managing risk. His model mapped the level of interest of each stakeholder group and also their ability or power to exert their influence. It also recognised key players and argued that they should be considered during the formulation and evaluation of proposals. Markwick (2000), Newcombe (2003) and Wickham and Wong (2009) have developed models dealing with this, which can be used to plot stakeholders’ power and their predictability of power; these models are designed to help managers assess which stakeholder groups could cause problems. The issue however, is that it assumes one can gain all information about a stakeholder group in terms of their power and predictability. Moreover, it does not account for ‘neglected stakeholder’ groups whose members (and power bases) are assumed too disparate to be influential. The models are inherently static, failing to acknowledge that stakeholder groups can
suddenly become influential. Situations such as these may include the attainment of power by a stakeholder group after the process of stakeholder mapping has been completed, or when emerging stakeholder groups are underestimated, or even not assessed for both their power and predictability.

As is the case within the broader stakeholder literature, two differing approaches now exist within the tourism stakeholder literature. Most common is the normative approach to stakeholder management. This approach aligns itself with the notion of collaborative decision making and has synergies with the notion of sustainable tourism (Hardy & Beeton, 2001). It implies that all stakeholder groups should be given priority without one being given preference over the others (Hardy & Beeton, 2001; Sautter & Liesen, 1999; Yuksel et. al., 1999). Consequently, a crucial first step is to identify all stakeholder groups, from which assessments can be undertaken to determine their levels of power, influence and interest, as well as relationships with other stakeholders. It has been argued that it is only through the application of this approach that sustainable planning and management may be achieved within the tourism industry (Hardy & Beeton, 2001). Conversely, the classical view, whereby power is considered and certain stakeholder groups may be favoured over others, represents the practical reality of the application of stakeholder management in tourism. It risks overlooking/underestimating neglected stakeholder groups and in doing so, may compromise the achievement of sustainable tourism outcomes. Once judgements are made regarding the various legitimate stakeholder groups that require interaction and response, existing approaches to stakeholder management are then limited in their ability to respond to emergent stakeholder groups.

This paper explores these limitations of traditional stakeholder analysis approaches using the case of free camping policy in Tasmania, Australia, where neglected and geographically disparate stakeholder groups were not involved in decision making. The destination was forced to respond to a rapid rise in opposition by a segment of tourists: Recreational Vehicle users. This segment of tourists has often been cited as under researched and ignored as a legitimate target segment (Counts & Counts, 2004: Hardy & Gretzel, 2011). The case illustrates how a neglected stakeholder group can rapidly consolidate their collective power and legitimacy and create urgency. It therefore highlights the need for stakeholder analysis to anticipate the sudden emergence of previously neglected and disparate stakeholder groups.
Understanding the Recreational Vehicle User

Travel in a Recreational Vehicle (RV) is a “form of tourism where travellers take a camper trailer, van conversion, fifth wheel, slide-on camper, caravan or motor home on holiday with them, and use the vehicle as their primary form of accommodation” (Hardy & Gretzel, 2011, p.194). The recreational vehicle sector has been reported as growing rapidly (Counts & Counts, 2004; Onyx & Leonard, 2005; Tourism Australia 2012). The increase in RVers has a variety of consequences for communities and businesses that have had to accommodate these tourists. The large size of RVs and their internal designs necessitate specific infrastructure - such as information on parking, the creation of large parking bays and campsites which have easy access and minimise the need for turning or reversing. Many vehicles are equipped with bathroom, kitchen and electrical appliances and campsites now cater to these needs providing electrical hook ups, Wi-Fi access or grey and black water sewage facilities. However, mid-sized to large RVs are also capable of staying at ‘dry sites’ which have no facilities at all because they contain grey and black water storage and are equipped with battery storage, solar panels or diesel generators.

The ability of RVs to stay at ‘dry sites’ means that the practice of free/low-cost camping is now widespread throughout Australia with countless websites, discussion boards, blogs and books having been created that are dedicated to this activity (Counts & Counts, 2004; Hardy, Hanson & Gretzel, 2012). For councils affected by this phenomenon, a management dilemma exists. ‘Free camping’ sites attract RVers to areas that they would not otherwise stay within the region. However, the practice not only affects campground owners (who lose business), but also local councils (who are increasingly involved in the provision and/or management of free or minimal cost campsites). It has also created clear divisions in communities affected by RVing and as such, is an area of research that speaks strongly of the relevance of stakeholder research (Prideaux & Carson, 2003). The RVing market in Australia has been described in recent research in terms of its social behaviour and use of Web 2.0 technology, concluding that social interaction and the use of technology form a highly significant part of the RV experience (Hardy and Gretzel, 2011; Hardy, Hanson and Gretzel, 2012). RVers are therefore very likely to quickly share information and organize.
METHOD

Our research design was opportunistic, in that we observed an issue arising through the local media in Tasmania. In terms of data collection, we gathered information from multiple sources including in-depth interviews and news media articles (including ‘letters to the editor’). We also collected primary interview data the summer of 2011-2012, including 51 in-depth interviews of RVers staying in free and low cost campsites in Tasmania. Of the 51 RVers interviewed, 21 were staying in a low cost local council managed area, adjacent to a sports playing field. The remainder were staying in National Park managed sites. One of these sites, Mayfields, was completely free of charge (six RVers) and the other was the well-known Freycinet National Park (19 RVers). Our in-depth interviewee selection was purposive, and ceased when saturation occurred. Each of the primary interview transcripts and secondary data sources were subject to content analysis that followed the five-stage protocol forwarded by Finn, White and Walton (2000). The interview transcripts and secondary data were analysed using NVIVO.

RESULTS

Tasmania is well known within the RVing community as a destination that provides many free camping options, including sites upon Forestry Tasmania and Hydro Tasmania land and also in Tasmanian State Forests. In recent years, many of the 28 Local Councils throughout Tasmania have responded to lobbying by the RV industry and declared their towns ‘RV Friendly Towns’. This means that they provide sani-dumps, toilets, free or minimal cost camping areas for RVers, often on their recreational sports fields or showgrounds. In addition, RVers in Tasmania may also chose to stay in 107 fee-charging Commercial RV Parks or fee paying sites in Tasmania’s National Parks.

In early 2011, the Tasmanian Economic Regulator investigated four complaints by Commercial RV Park operators about local councils providing free or low-priced overnight RV camping services. The Tasmanian Economic Regulator found the four offending Councils who were providing such services to be in breach of their national competition policy and competitive neutrality obligations. As a result, the Local Government Association of Tasmania, and a number of state government bodies collaborated to develop a Draft Directions Paper titled Review of Council
Recreational Vehicle Overnight Camping Services (Department of Premier and Cabinet, 2012) which addressed the Council’s competitive neutrality obligations. Input into the development of the paper was sought from stakeholders. These were defined as local government, the Caravan Industry Association of Tasmania, the Caravan and Motorhome Club of Australia, and the Tourism Industry Council. The resulting Directions Paper proposed to introduce a ‘cost recovery’ fee structures to council sites throughout the State. Almost immediately, the local newspaper, The Mercury, received letters debating the issue. Many of them argued that the economic contributions which free camping RVers made to the state offset their free camping:

Free camping is essential so that money can be spent in other areas with small towns benefitting…The motor-homers are great givers to charities such as Ronald McDonald House and the Cancer Council. They also support the Fire Service, Ambulance, Lions clubs and schools (The Mercury, Dec 12, 2011).

On the other hand, some RVers supported the proposal:

I pay anything between $30 (inland) and $50 (Coastal) per night and accept that caravan parks must be supported even though I have my own amenities…If one cannot afford a reasonable night’s accommodation rate then perhaps one should not be travelling (The Mercury, Dec 10, 2011).

The proposal for cost recovery was supported by some Caravan Park owners who saw the provision of free camping by councils as being unfair and anti-competitive.

Now we don’t fear competition, but councils are not competing. They are giving away our product for free or near to free. That is predatory pricing (The Mercury, Dec 7, 2011).

Other operators were opponents of the plan:

[They should] ask themselves what’s wrong with their caravan parks, why some don’t want to patronise them and how they can attract customers to their door (The Mercury, Dec 8, 2011).

Residents were also divided, as was the media. Opponents argued:

Give me break! Just because you pay for a ticket on the ferry doesn’t entitle you to a taxpayer funded holiday in the state! You’re being asked to pay for the toilet, water and power facilities that you use. Everyone has to - grey nomad or not! (The Mercury, Dec 8, 2011)
RVer Perceptions

All RVers interviewed were aware of the issue, suggesting widespread diffusion of the anti-cost recovery fee structures information throughout the RV community. The interviews revealed RVers were predominantly what we termed as ‘High Use Campers’ whose preference was for free camping. There was also a small number of ‘Convenience Free Campers’ who we defined as RVers who would free camp, but only if commercial caravan parks places were not available. We also identified a third group, who were termed ‘Career Free Campers’. These RVers only ever free camped and would make every effort to do so. The access issue to Tasmania seemed to exacerbate the desire to free camp for many RVers. In order to travel through Tasmania with a rig, RVers must pay for passage from mainland Australia on a Ferry called the Spirit of Tasmania, the cost of which can be up to $1800. Numerous RVers stated that free camping helped to ‘offset’ these costs: ‘I’d say that 90% of the grey nomads go to the freebies to recoup the money spent getting over here.’

Given the recognition of Tasmania as a free campaign destination, it was understandable that there was a strong reaction from RVers against the proposed fee cost recovery scheme. Unlike The Mercury newspaper that included letters of support for the scheme, the RVers in our interviews were not supportive. They felt a fee cost recovery scheme would have a long term negative impact on the state: ‘There’s a bill being proposed that councils and so on can’t provide free RV accommodation unless they charge a full commercial rate on it - which means that people aren’t going to be coming.’ Some RVers warned of a potential for damage to Tasmania’s reputation and the economic benefits towns reap from the RV industry: If you are an RV friendly town, you tend to support that town. If they don’t support you, you’ll get the minimal of things. You’ll go to the next town and you’ll get your groceries and diesel, because you want to encourage it.

Implications for Stakeholder Analysis

During the course of this issue being played out in the media, it came to our attention that the power, interest and make up of Australian RVers over this issue had been significantly underestimated. Reactions amongst RVers revealed the RV market was heterogeneous and a split existed between those were prepared to stay in Commercial RV parks and those who were strongly opposed to a ban.
The Tasmanian case study illustrated that RVers were considered to be a disparate, powerless, passive and homogeneous group who would react to a ban on free camping by willingly paying the new fees in local councils, or relocating to commercial RV parks. Their immediate response illustrated the rapid consolidation of power by RVers. This power and reaction was completely underestimated by the regulatory authorities, who were forced to respond and back down within days of the release of the Discussion Paper by clarifying that no fees would exceed $10, thus placating the opposition to some degree. Traditional stakeholder management thus clearly failed in this case, suggesting that a more flexible and iterative process is needed.

**DISCUSSION AND CONCLUSION**

This paper set out to illustrate the limitations of existing stakeholder analysis models. In the case of Tasmania, the responses by local government were developed upon the assumption that the neglected RV market (for free camping) were homogeneous and would simply move to commercial RV Parks, or willingly pay if free camping was ceased. However, this research has confirmed that the RV market is in fact, heterogeneous - and that bans of free camping would not automatically encourage RVers to use paid alternatives in townships. Instead, it provoked RVers to protest or even boycott the township in its entirety. This case illustrated the risks inherent in traditional, static stakeholder analysis and the need for an alternative approach; had iterative stakeholder analysis been conducted, the need to include RVers as stakeholders in the process would have been recognised. Moreover, the analysis would have recognised their potential for power via their highly social lifestyle, which is facilitated through word of mouth communication and heavy use of social media, blogging and online forums. The Tasmanian case demonstrated that the Commercial RV Park owners were seen as key players who had to be kept satisfied and that RVers’ power was clearly underestimated.

This case study suggests that stakeholder analysis needs to be an iterative process. A more dynamic model for stakeholder involvement is necessary and must include a pro-active stage where stakeholders’ interest, power and predictability can be assessed, and after the proposal’s release and once the broader community has had time to assess the ideas, a second stage must allow for reactions to unexpected changes, such as the rapid emergence of a previously neglected group which could be
facilitated through the Internet and social media. Strategic communication is now also essential as the release of plans and policies by organisations must consider stakeholders groups’ communication methods, channels and preferences.

This research highlights the potential pitfalls of classical approaches to stakeholder management which engage only powerful or prominent stakeholders. Markwick (2000, p. 521) recognises limitations with his approach, arguing that “difficult situations can arise if their level of interest is underrated and they suddenly reposition.” Indeed, this situation is increasingly likely in the Web 2.0 era, and illustrates a fundamental shift in how power may develop. Thus, the risk for a classical approach is that there will be a limited ability to produce sustainable solutions. In the case of Tasmania, the failure to involve all RVers in the process and an assumption that the emerging RVing market was homogeneous, resulted in the failure of the government’s policy.

On a day to day basis, business and government must make decisions on whom to consult with, given their time and budget constraints. A truly normative approach to stakeholder mapping and analysis is time consuming and potentially cost prohibitive. A new model of stakeholder analysis is needed whereby the normative and the classical views of stakeholder management are merged. In this new form, decisions must be made as to “who is powerful”, as per the Markwick (2000) model, but an additional iterative cycle within the process ensures that if inaccuracies occur at the identification stage or the stakeholder landscape suddenly changes, there is room to react to neglected stakeholder groups, whose potential for power, predictability and/or interest in the issue may have been underestimated. This iterative cycle recognises that change in our society is a constant, and more importantly allows for more sustainable tourism outcomes by explicitly recognising the collective power now available to otherwise disparate stakeholder groups. Without such an approach, accurate and informed and sustainable decision making in tourism remains unlikely.
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