

REGIONAL TOURISM COOPERATION IN TRIANGLE ZONE OF LIAONING PROVINCE

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ABSTRACT: Strengthening the regional tourism cooperation is the requirement of both tourism development and tourist competition drive. On the one hand, resources, products, market and infrastructure in tourism are characteristics of half-public goods, which are the externalities. On the other hand, tourism competition has evolved from individual scenic spot, or firm competition to regional competition, which also requires urgent regional tourism cooperation. In recent years, the regional economic cooperation has been becoming popular in the world. The triangle tourism zone of Liaoning Province, constituted by Shenyang, Dalian and Dandong, is the core region of Liaoning tourism system. This regional tourism cooperation has been raised for a long time, but has not made substantial progress as yet. In recent years, the strategic cooperation among them has been becoming urgent, along with the change of tourism competition models, as well as the desire for building a Northeast Asia tourist economy circle. Based on literature, this paper establishes a conceptual frame of regional tourism cooperation and applies it in the analysis of the strategic tourism cooperation of Liaoning Province's golden triangle zone. This paper firstly examines both qualifications and motives concerning with cooperation among the three cities, and believes that the biggest difficulties involve traditional ideas, administrative institutions, communications, economic performances, time constraints, and more overlap among their tourist markets. Then this paper continues to construct a cooperating mechanism, including participant arrangements, construction of operating mechanism and construction of assisting mechanism. At last, this paper proposes approaches to the strategic cooperation such as introducing Xiuyan County, strategic integration and developing differentiated and complemented tourism products.

KEY WORDS: regional tourism; cooperation; triangle tourism zone of Liaoning

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1 INTRODUCTION

Strengthening the regional tourism cooperation is the requirement of both tourism development and tourist competition drive. Resources, products, market and infrastructure in tourism are characteristics of half-public goods, which are the externalities^①. Different scholars attached different importance to the study on the regional tourism cooperation. JAMAL and GETZ (1995) expatiated on the framework of the tourism cooperation, emphasized the tourism planning on the basis of community, and suggested a rule of working out the problems of planning and harmonizing the municipal tourism development. BRAMWELL and SHARMAN (2001) took a systematic look at the regional tourism cooperation and

proposed an academic frame of the decision-making mechanism. ANONSEN (1997) discussed the organization model, the capital operation model and the empirical techniques on the basis of information system. CETINSKI and WEBER (1996) discussed the possibility of establishing a sound cooperation among the multinational tourism markets. ELLIOTT (1997) made an analysis on cooperative management among administrations. Some scholars offered an academic frame of the inter-firm cooperation on the basis of sociology and management science, and proved it by a case study (SELIN and BEASON, 1991). The overseas tourist region's organizational behavior model has been the focus of the study on the regional tourism cooperation (WANG, 2003), which has two specifications: one is the

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① It has been a common belief that the tourism is half-public. Taking the externality of the tourism activities as an example, e.g., the sales promotion of Dalian City can attract the tourists of Guangdong Province, and the sales promotion has externality because Dandong lies in the east of Dalian City, and as to Dandong what should be done is just to attract the tourists from Guangdong to Dalian City, which is much easier to attract the tourists in Guangdong Province, and the cost saved is due to the sales promotion of Dalian.

region and its regional firms organizational structures, as well as coordination among their different branches (SELIN and BEASON, 1991); and the other is the interactive influence between the tourism region and other industries concerned. The study history of the regional tourism cooperation in China can be divided into four phases (XUE, 2003): 1) The origin phase (1980–1984). Some scholars suggested reform of tourism cooperation in the region. 2) The starting phase (1985–1991). At that time, tourism cooperation became popular and a hotspot in China. 3) The developing phase (1992–1998). During the phase, these studies were becoming wider and deeper. 4) The advanced developing phase (1999–). The academic studies prove to be of more value than ever. Many scholars have devoted themselves into this field (HUANG *et al.*, 1999; YIN and WU, 2004). In previous lines, it is indicative that regional tourism cooperation is a multi-lateral, multi-dimension and multi-level matter. Though JAMAL and GETZ(1995) invented the theoretical frame of tourism cooperation, and TAO and DAI (2002) also analyzed the competition and cooperation model of the regional tourism, these studies were lacking of account for some attributes of tourism cooperation and their connections. Herein this paper builds up a rather complete conceptual frame on the basis of the foregoing fruits (Fig. 1). The conceptual frame will be applied to the analysis of the strategic tourism cooperation of Liaoning Province's golden triangle zone.

In recent years, the regional tourism cooperation has been becoming popular in the world. The cooperation has become the most important strategy in China's tourism (HAO *et al.*, 1998; LI and PANG, 2002). All kinds of tourism alliances and tourism circle organizations have emerged. Especially Guangdong Province,

Hong Kong and Macao have achieved tremendous improvements in cooperation, so have the five cities of Nanjing, Wuxi, Suzhou, Shanghai and Hangzhou of East China. In the above context, this paper is intending to develop a golden triangle tourism zone in Liaoning Province, including Shenyang, Dalian and Dandong. It is urgent and significant in integrating tourism resources, markets, products, facilities and tourism information, with each city's advantages to be best used, and thus enhancing the core competence of Liaoning tourism. Moreover this cooperation is the footstone of building Northeast Asia tourist economy circle and realizing the strategically regional cooperation in Northeast Asia. In 2002, Liaoning developed Shenyang–Dalian–Dandong tourist route, but achieved little progress, which requires further study on Shenyang, Dalian and Dandong's regional tourism cooperation.

In the beginning, there are two viewpoints to be pointed out: first, the triangle tourism zone is constituted of Shenyang, Dalian and Dandong, which is different from the traditional definition. One reason for considering these three cities as a triangle is that there has been a good cooperation among those three cities^①, and the other reason is that it is not appropriate yet to include Anshan, Benxi, Yingkou, Fushun, Liaoyang, Tieling, etc. The second viewpoint is that the cooperation among Shenyang, Dalian and Dandong is not tactical but strategic. The cooperation is not expected to be temporary, utilitarian and short-lived, but to be globally opened, and to improve over time so as to take part in the international competition. The goal of the cooperation is to build an efficient market alliance, and to enhance its core competence.

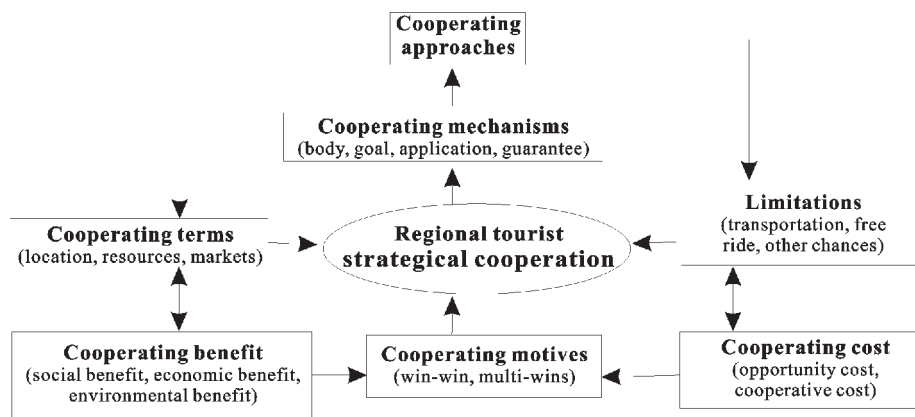


Fig. 1 Conceptual frame of regional tourist cooperation

① The broad definition of the triangle tourism zone includes nine cities of Shenyang, Liaoyang, Anshan, Yingkou, Dalian, Dandong, Benxi, Fushun and Tieling.

2 MOTIVES, REQUIREMENTS AND LIMITATIONS TO COOPERATION

2.1 Motives of Cooperation

If win-win or multi-wins cannot be actualized, then tourism cooperation will eventually disjoint. Therefore to realize Pareto Improvement is essential to regional tourism cooperation, and it is necessary to find Pareto Improvement opportunities in order to establish a long and stable cooperation among Shenyang, Dalian and Dandong as a golden triangle in Liaoning Province. Fig. 2 introduces seven ways to achieve Pareto Improvement.

Firstly, the cooperation constructs intimate connections among these three cities, improves the regional tourism environments, and facilitates tourists' traveling,

so that tourist flows in the three markets are exchangeable and guaranteed, which promotes a sound growth of the regional tourism zone. Secondly, this regional tourism zone helps to integrate tourism resources, to be functionally complementary and to differentiate, so that the tourist experience is enriched and the regional competence is sharpened. For instance, the three specialties of "historic & cultural city", "border tourism town" and "modern seashore city" can be threaded to enrich tourist's experience. Thirdly, Shenyang, Dalian and Dandong have their own tourism attractions, and each has its own market segmentation. These three approaches may bring forth enlargement of tourist flows and increase of tourism revenues, and may eventually contribute to Pareto Improvement.

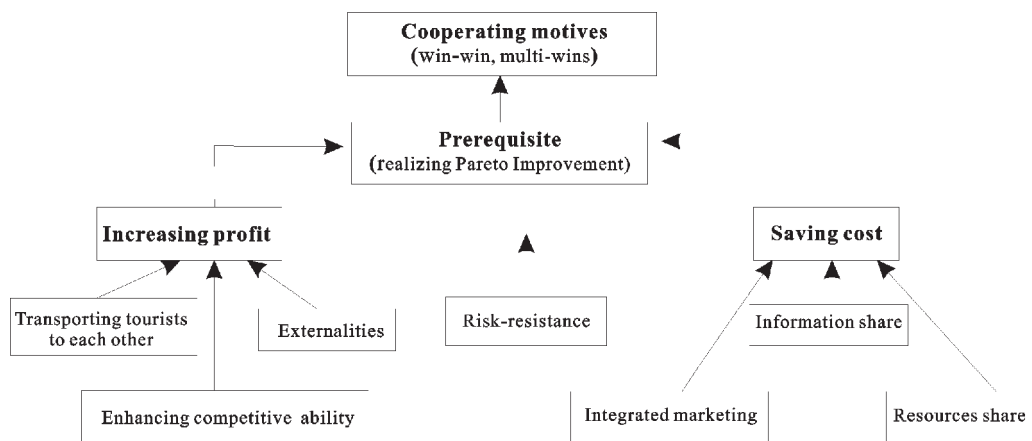


Fig. 2 Approach of realizing Pareto Improvement in regional tourist cooperation

In addition, cooperation can contribute to cost saving. Cooperation enables the three cities to share tourism resources and facilities, to launch integrated development and to actualize scale effect, which combine with to diminish waste and to reduce unit cost. Cooperating marketing is inclined to share the brand, the sales channel and the market, so as to reduce the advertising cost, sales cost and exchanging cost.

Last but not least, the cooperation can strengthen risk-resistance, thus increase tourism revenue and reduce cost to realize Pareto Improvement. This kind of pool operation picks up their own resources advantages into one, which would immensely reinforce their competence and immunity, and that the cooperating strategy is due to information sharing sensitive to changes and

defensive against risks. In addition, some tourism destinations have growth limits simply because of the disadvantage of the resources structures and products. In this case, cooperation would prolong their lives and prosperity.

2.2 Requirements of Cooperation

The lesson is that tourism cooperation is to be obedient to four basic requirements: 1) convenience of access; 2) comparability and complementarity of resources^①; 3) overlapping of tourist markets; 4) equally developed. Of course, these four requirements are not necessary conditions for tourism cooperation. However, the above four requirements will deeply influence the intensiveness and extensiveness of regional tourism cooperation.

① Few scholars notice that "comparability of resources" is one of the requirements of regional tourism cooperation. In my opinion, comparability of resources is not a necessary condition for regional tourism cooperation, but it is a sufficient condition. That means if the tourist resources of two places are comparable, it is necessary for them to cooperate with each other. That is because if the tourist resources of two adjacent places are comparable, they should cooperate with each other to differentiate their positions and development directions in case repeated construction and vicious competition.

With regard to convenience of access, "the golden triangle zone" in Liaoning Province is well prepared for the cooperation. Shenyang, Dalian and Dandong are located in the center, south and southeast of Liaoning respectively(Fig. 3). Except for the road between Zhuanghe and Dandong, others are interlinked by expressway. The driving hours among the golden triangle zone are within four, which tallies with the design of tourist line.



Fig. 3 Spatial relations of triangle tourism zone and Xiuyan County in Liaoning

With regard to resources, Shenyang, Dalian and Dandong are unique and complementary. Shenyang is a historic & cultural city as well as a center city of Northeast China. There are world cultural heritages of "one palace and two mausoleums". Furthermore, it is the economic, cultural, commercial center and traffic hub of Northeast China. As for Dalian, it is a "natural museum of half of the Chinese modern history", as well as a summer resort and modern coastal city. It is renowned for its outstanding image of a modern city, coastal city and shopping resort, with more romance. Dandong is located in the southeast of Liaoning peninsular. As the largest border city in China, "border", "environment" and "folk culture" are its features. Table 1 shows the features of resources of Shenyang, Dalian and Dandong. Obviously, their resources are differentiated and complementary.

Overlapping of tourist markets is another essential to tourism cooperation. If tourist markets do not overlap, it is difficult to find other approaches to attain Pareto Improvement except for the approach of exchanging tourists. There is not a solid foundation for the cooperation, and then the possibility of success is slim. According to the analysis of tourist resources of Shenyang, Dalian and Dandong, and judging from each reputation, these cities' tourist markets are overlapping. For example, for tourists inside Shanhaiguan Pass of China,

Table 1 Characteristics of tourism resources of the triangle tourism zone of Liaoning

Different market	Feature of resources		
	Shenyang	Dalian	Dandong
Overseas market	Cultural and historical city	Business exhibition; half of the Chinese modern history	Man Minority folk culture
Domestic long-haul market (Inside Shanhaiguan Pass)	Important city of Northeast China	Seaside vacation; northern pearl	Border tourism; Man Minority folk culture
Domestic short-haul market (Northeast China)	Cultural city; Business and trade city	Modern metropolis; seaside vacation; shopping	Border tourism; sight-seeing
Provincial market	Center	Summer resort; shopping	Border tourism; ecology; Man Minority folk culture

Shenyang, Dalian and Dandong are must destination. On the other hand, the popularity of the triangle tourism zone in recent years has proved that the three cities' tourist markets have good overlap in common.

The equally developed requirement is an equally important prerequisite to a successful cooperation. The wide developing gap would discourage the developed one to cooperate with the developing one but to convert to another equally developed partner. Although developmental difference exists among Shenyang, Dalian and Dandong, it is not big enough to abandon cooperation (Table2).

The possibility of the cooperation among the golden triangle zone is greatly enhanced by the cooperative benefits and the matured cooperative opportunities. The three cities are administratively managed by Liaoning Province, and three corbellling of its tourism economy. The Liaoning Provincial Government and the Provincial Tourism Bureau are engaged in promoting their strategic cooperation in the purpose of boosting the tourism development of the whole province, and furthermore coordinating their cooperative interest allocation and encouraging their deeper cooperation. Individually, the three cities also express cooperative desires be-

Table 2 Present situation of the tourism of triangle tourism zone of Liaoning

	Liaoning	Shenyang	Dalian	Dandong
Overseas tourists ($\times 10^3$)	10808	2728	5200	866
International tourist income ($\times 10^6$ US\$)	613	143	350	28
Domestic tourists ($\times 10^6$)	80.904	28.180	16.000	5.860
Domestic tourist income ($\times 10^6$ US\$)	6336	2048	1707	458
Tourist gross income ($\times 10^6$ US\$)	6892	2178	2025	484

Source: Liaoning Tourist Bureau, 2005a, 2005b

cause they are highly expected to be a win-win outcome. Especially the tourism has been evolving from individual scenery competition to regional competition, which necessitates their cooperation to strengthen the regional competitive power.

2.3 Limitations to Tourism Cooperation

Meanwhile, there are some limitations to the strategic cooperation among the golden triangle zone of Liaoning Province. Unless these limitations are properly removed can the cooperation be a possible.

The first limitation is the ideological resistance shaped in a long history. Shenyang is the capital of Liaoning Province as well as political, economic and cultural center. While as a vice-provincial city, Dalian is the focus of Northeast China. They play all equal to compete for the leader of Liaoning, thus the ideological resistance outweighs their cooperation, which is enormously detrimental to both the regional tourism cooperation and construction. Secondly, the three cooperators are not proportionally benefited due to their strength differences. Both its popularity and its development, Dandong is left far behind Shenyang and Dalian. Shenyang would be the greatest beneficiary but Dandong would have less impetus to cooperate simply, as a result, it has much less cooperative externalities. On the other hand, there are opportunities for Shenyang and Dalian to cooperate with such cities as Harbin. Although such cooperation does not necessarily conflict with the one of golden triangle, they have overlapped and inter-influenced in a given time. Thirdly, in a marketing view, both Shenyang and Dalian concentrate on the medium- or long-distance domestic market and the international market, but Dandong still has a short-distance market especially the Liaoning market. Undoubtedly, their different marketing targets would give rise to a lack of "common interests" base to cooperate. Finally certainly not the least, Dalian has paid more attention to tourism than Shenyang and Dandong. Despite of the fact that Shenyang and Dandong have attached great importance to tourism as well, their tourism investment and development fail to catch up with Dalian.

3 CONSTRUCTING COOPERATING STRATEGY

The key to the cooperation of golden triangle zone is to construct an efficient and scientific cooperating strategy. It is worthy of being aware of the cooperating strategy for further cooperation. The approaches to construct the strategic cooperation are as follows.

(1) Participant arrangements. Participants and their institutional arrangements are of the first that want to be confirmed, such as the potential participants and qualifications of entry and quit. This paper believes that some organizations are inclined to be introduced other than the three cities.

Firstly, it is necessary to establish a special provincial organization. Since the three cities are administratively identical, the provincial government is expected to play a crucial role in setting up a committee responsible for making the tourism planning and strategy, and preparing for regional tourism cooperations. Meanwhile, it is to be noted that the cooperation conducted by free negotiations among these three cities, with the least compulsive intervention.

Secondly, municipal governments and tourist bureaus are equally important to a successful cooperation, so it is necessary to establish a mediation board for regular meetings to communicate and discuss cooperating issues and find timely solutions. Domestic and overseas practices also exemplify the effectiveness of the Mediation Board. However, municipal mayors and director generals of tourism bureaus are inclusive.

At last, tourist bureaus and firms of these three cities are encouraged to cooperate. Moreover, tourist bureaus serve for resources integration, information sharing, product developing and industry standardization, as well as for tourist firm's cooperation.

(2) Construction of cooperating mechanism. The running mechanism contains principles, rules, procedures and other essentials for regional tourist cooperation, and they are created to realize the set goal of strategic cooperation. Herein it is suggested that the provincial government and the three participants should strive for making a regional strategic tourism planning for the golden

triangle in common. Besides, the three cities are entitled to assist the mediation board to set up detailed cooperation rules.

(3) Construction of assisting mechanism. This cooperation is launched by the provincial and municipal governments, so should they ensure its smooth operation. The first matter is to make a complete, detailed and practical development plan. Second, an equal and effective mediation rule should be set up. Based on provincial government and municipal governments, there should be two sets of mediation mechanisms. Third, a set of feasible regulations should be established on trust.

4 APPROACHES TO STRATEGIC COOPERATION

4.1 Introducing Xiuyan County

Xiuyan County owns rich and special tourist resources, which are benefit complementarity to the golden triangle zone. First, Xiuyan possesses an unique tourism resources—Jade of Xiu. Jade of Xiu is the most promising candidate for Nation's Jade. It has a history of ten thousand years, which is written in many antiques from Neolithic age to the Ming and Qing dynasties. At the same time, jade is the most preferred and cherished collection for Chinese people, and it is deemed a combination of matter, society and spirit that is engraved in the traditional Chinese culture. It is no wonder that tourists' will like Xiuyan. Second, there is excellent hot spring in Xiuyan. Third, Xiuyan has the unique folk culture of Man Minority, charming environment and beautiful rural scenery. These unique tourist resources are rather differentiated from Shenyang, Dalian and Dandong. As for the convenience of access, Xiuyan is well located in the center of golden triangle zone (Fig. 3). Once the expressway from Xiuyan to the roads of Shenyang–Dandong, Shenyang–Dalian and Dandong–Dalian are completed, the drive hours from Xiuyan to the three cities will be within two. From this point of view, the introduction of Xiuyan into golden triangle zone can not only enrich tourist experience of folk culture of Man Minority, country life and jade culture, but also provide tourists with the enjoyment of hot spring and jade shopping. Thus the sightseeing type of tourist product will be converted into multifunctional product of sightseeing, holidaymaking and shopping. And eventually the economic benefits of tourism in Liaoning will increase.

4.2 Strategic Integration

4.2.1 Tourist image integration

It is generally believed that image of a tourist destination

is quite crucial. As for a new tourist destination, the creation of a unique image is a sustainable matter. Tourism cooperation in the golden triangle zone requires a uniform image. Currently this cooperation might as well borrow the image of Liaoning—Mysterious and colorful Liaoning—as its slogan. In the long run, the golden triangle zone may make further research on its geography, culture, tourist resources and regional advantages, and create a more appropriate and vivid image. Moreover, image integration does not refuse personalized images. Each city is at free to sing its own song, certainly with no violation of the overall promotion.

4.2.2 Resources and products integration

First, tourism resources integration is helpful to develop more special tourist products' combination, and it is beneficial to each participant. The problem is that the present tourist line is not entirely exhibition of the three cities' resources. During the process of resources integration, resources and products should be divided to different markets. For example, Dandong's landscape is not the targeted alternative for tourists from South China.

4.2.3 Marketing integration

First, regionalism must be abandoned in sharing resources and information and sustaining a uniform marketing image. Second, promotion of participants cannot violate the marketing integration. Third, a perfect regional tourism-marketing network should be established in purpose of sharing products and tourists' information and enlarging market shares. Fourth, it is vital to develop a marketing integration that demands their independent and combined efforts.

4.3 Differentiated and Complemented Tourist Products

The regional strategic planning demonstrates the overall features of the golden triangle zone and each city's advantages. Complementarities of tourist resources lends itself to product differentiation of the three cities to their greatest potential, which adds advantages to the overall regional tourism and sharpens their competitive edge.

Each city has its own market segment to exhibit its own uniqueness. Shenyang concentrates on history and culture, especially the culture of the Qing Dynasty. In addition, Shenyang is currently well known for its dance, opera, acrobatics and so on. These tourist products should be included in this tourist line. Dalian engages in "sea" and prepares vacationers for seaside and self-help experiences. Accordingly, Dalian is planned to provide seaside space and facilities for leisure and amusement, coastal summer resort, coastal sports area, fishing area, seaside experiential culture area to enrich the seaside

tourism. Moreover, Dalian can do a lot on its romance. Dalian has six romantic objectives about "Romantic Sea", and many other romantic stories of Dalian should be narrated to tourists. At last, a genuine museum of modern history may be built on the basis of the modern history and relics of Lushun. Dandong should devote itself to the Yalu River and its folk custom that outstand in the golden triangle zone of Liaoning Province.

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