

## **EXPLORING INTERRELATIONSHIP BETWEEN CVB AND ITS STAKEHOLDERS WITH CVB PERFORMANCE FROM THE PERSPECTIVE OF STAKEHOLDERS**

### **ABSTRACT**

This study examines interrelationship between CVB and its stakeholders by identifying the respective relationships between relationship constructs (information asymmetry, goal conflict, and interdependence) and collaborative relationship. Also, this study develops CVB performance measurements using the Balance Scorecard (BSC) and identifies the underlying dimensions of the measurements. The findings show that information asymmetry between CVBs and stakeholders does not necessarily influence stakeholders' perceptions of CVBs' performance via collaborative relationship. Meanwhile, goal conflict and interdependence are found to affect collaborative relationship which, in turn, impacts CVB performance. Implications are discussed.

**KEYWORDS:** CVB performance; goal conflict; information asymmetry; interdependence; MICE; stakeholders

### ***INTRODUCTION***

Since the establishment of the first CVB in Detroit in 1895, CVBs have been charged with various tasks in regard to visitors at a destination (Getz, Anderson, & Sheehan, 1998). The rapid growth of the MICE industry is driving the greater recognition of the importance of CVBs (Fenich, 1992). Together with CVB's stakeholders (e.g., hotels, convention centers, restaurants, travel agencies, etc.), CVBs provide a variety of services, such as promoting attendance, providing housing assistance, furnishing on-site registration, and offering information for MICE customers (Clark, Evans, & Knutson, 1997). Simultaneously, CVBs have the responsibility of attracting

leisure visitors to their destinations. To this end, CVBs carry out the promotion of a destination, coordinate different stakeholders in the sector, support visitors through visitor services, engage in policy-making, seek to improve a destination's image to increase the economic value of a local economy, participate in community management, and work to enhance the well-being of local residents (Gretzel, Yuan, & Fesenmaier, 2000; Morrison *et al.*, 1997; Pike, 2004; Wang, 2008). Consequently, it has been widely recognized that CVBs contribute significantly to a destination's competitiveness and bring to the destination higher profits in increasingly competitive environments. In parallel with growing competition with destinations, research interest in the role of CVBs has risen among scholars as well as practitioners. The extant literature on CVBs largely covers the CVB's strategic role (Gretzel *et al.*, 2000; Masberg, 2000; Presenza, Sheehan, & Ritchie, 2005; Wang, 2008), branding (Blain, Levy, & Ritchie, 2005), Internet marketing (Ha & Love, 2005; Wang & Fesenmaier, 2006; Yuan, Gretzel, Fesenmaier, 2006), and service quality (Weber & Roehl, 2001) as a marketing organization in the destination.

To further develop the CVB literature by addressing the unexplored aspect, the present study explores interrelationship between CVB and its stakeholders and develops CVB performance measurements on the following grounds. The prior literature (e.g., Mackellar, 2006; Scott, Cooper, & Baggio, 2008; Sheehan & Ritchie, 2005; Timur & Getz, 2008) shows that CVB operates with integrated markets that consist of a number of MICE industry-related stakeholders, such as facilities, accommodations, transportation, travel agencies, restaurants, and attractions. These related stakeholders pool their resources and share experiences to develop products and services which they could not offer alone (Maurer, 2009). Therefore, the interrelationship between CVB and its stakeholders has been considered a factor critical to stakeholder performance (Dredge, 2006; Gulati & Sytch, 2007; Paulraj, Lado, & Chen, 2008). Despite the widely recognized

significance of the interrelationship between CVBs and stakeholders in a destination, little research (e.g., Beldona, Morrison, & Anderson, 2003; Sheehan, Ritchie, & Hudson, 2007; Wang, 2008) addresses the relationship between CVBs and stakeholders in the destination. Additionally, there has been surprisingly little reflection on the stakeholders' perception of the interrelationship with CVBs, whereas there is the growing literature on how to manage stakeholders (e.g., Beldona et al., 2003; Sheehan & Ritchie, 2005). The role of CVBs in collaborating with stakeholders is becoming more important to integrating all resources needed for destination competitiveness (Wang, 2007). Given that stakeholders significantly affect an organization's strategy and marketing performance (Murphy et al., 2005), the stakeholders' perspectives serve as an important basis for analyzing CVBs' competitiveness (Collier, 2008). By understanding how the stakeholder perceives a CVB, CVB can develop and provide better strategies to improve the relationship with stakeholders, leading to successful destination marketing. Therefore, exploring stakeholders' perceptions of CVBs-stakeholders interrelationships in this study would be helpful to the decision-makers of CVBs in enhancing their destination competitiveness.

Furthermore, given the intensely competitive environment in the MICE industry, the efficient outcomes of CVB or destination marketing organization (DMO) is considered critical (Bornhorst, Ritchie & Sheehan, 2010; Presenza *et al.*, 2005). Nonetheless, little research explores CVB performance from the perspectives of stakeholders. Given that well-established performance measurements guide organizations to improve their performance (Wang, 2002), valid measurements of CVB performance that are based on the views of stakeholders are critical to destination marketing. Besides, the previous research on CVB performance suggests that financial indicators alone have limitations in reflecting CVB performance because the financial measures cannot capture the non-financial aspects of destination marketing activities (Sheehan & Ritchie,

2005). Additionally, CVB is a non-profit organizations and offers intangible service, thus it is inherently difficult to accurately measure CVB output (Sheehan & Ritchie, 1997). The performance measurement has become an increasingly important issue in diverse disciplines for an organization's success (Brewer & Selden, 2000; Clark, 1999). Building on the perspectives of stakeholders, this study aims to develop CVB performance measurements that mirror the financial, non-financial, and non-profit aspects of CVB performance.

To address the aforementioned research gap, based on stakeholder theory (ST) and agency theory (AT), the first objective of this study is to examine interrelationship between CVB and its stakeholders by identifying the respective relationships between relationship constructs (information asymmetry, goal conflict, and interdependence) and collaborative relationship described in the proposed conceptual model (Figure 1). Additionally, this study is to develop CVB performance measurements using the Balance Scorecard (BSC) and identify the underlying dimensions of the measurements. This leads to understanding how CVB performance is affected by CVB-its stakeholder interrelationship. Finally, theoretical and practical implications are discussed.

*Insert Figure 1 about Here*

## **LITERATURE REVIEW**

### ***A Conceptual Framework***

Stakeholder-agency theory underlies a current conceptual framework in this study. Stemming from strategic management study (Payne, Ballantyne, & Christopher, 2005), stakeholder theory (ST) is used to analyze the management of organizations. ST focuses on identifying who is a stakeholder and how firms coordinate and manage the interests of stakeholders (Donaldson & Preston, 1995; Mitchell, Agle, & Wood, 1997). This leads to a diversified

application of stakeholder identification in different research projects. Freeman (1984, p. 46) defines “a stakeholder [as] any group or individual who can affect or is affected by the achievement of an organization’s objectives.” This definition is adopted by Starik (1994) suggesting that stakeholders are a group that “might be influenced by an organization’s activities, or are potential influencers” (p.56). According to ST, stakeholders should have the opportunity to gain the same understanding of each issue and that their various opinions should be taken equally into account in the planning process. Jamal and Getz (1995) explain that stakeholders are interdependent and that multiple stakeholders can be managed properly in a local domain through collaborative planning and development. The stakeholder approach is generally considered critical to sustainable tourism in that local stakeholders’ perceptions and understanding are fundamental to sustainable tourism (Hardy & Beeton, 2001).

Originating from an economic concept, agency theory (AT) is rooted in the principal-agent relationship (Ross, 1973); shareholders (principal) hire an agent (manager) to carry out business or make decisions on their behalf. An agency relationship is conceptualized as “one in which one or more persons [the principal(s)] engages another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent” (Hill & Jones, 1992, p. 132). In this relationship, the principal, who disposes of the resources, entrusts the agent with a task. The benefit of the principal is therefore affected by the actions of the agent (Arrow, 1985; Jensen & Meckling, 1976). Principal-agent relationship is staged to diminish the transaction costs and establish the constructive relationship (Aulakh & Gencturk, 2000; Eisenhardt, 1989; Tate, Ellram, Bals, Hartmann, & Valk, 2009). The agent is hired to serve efficiently as a utility maximizer (Olson, 2000) and a delegation to solve the problems, improve the quality of tasks, and clarify responsibility for decisions (Braun & Guston, 2003; Kassim & Menon, 2003).

Stakeholder-agency theory lends theoretical support to the proposed conceptual model of the present study on the following grounds. This study delves into interrelationship between CVB and its stakeholders. A destination is complex networks that include different actors and different companies ranging from planners to those organizations who produce goods and services for MICE business, such as accommodation, transportation, food and beverage, tour operations, travel agencies, commercial attractions and merchandizing of souvenirs (Haugland, Gronseth, & Aarstad, 2011). CVB works together with relevant entities in a destination. Sheehan and Ritchie (2005) define the entities as stakeholders that affect or are affected by the outcome of destination management activities performed by CVB (Figure 2). Consistent with ST, this study identifies the stakeholders of Korean CVBs to explore their perceptions of CVBs.

The relationship between CVBs and its stakeholders in a destination is considered critical to destination's marketing performance (Scott, Cooper, & Baggio, 2008). Although the stakeholders that constitute a destination operate independently, they all play some part in the overall mechanism, interacting with a CVB to develop the destination (Wang, 2008). Sheehan et al. (2007) research interconnectedness between CVB and its stakeholders for collaborative destination marketing. As described in Figure 3, the role of CVB is to coordinate destination marketing with local tourism suppliers, including public or private companies affiliated with CVB within a destination (Alford, 1998). Within this relationship, CVBs are required to act as a coordinator and moderator (Buhalis & Cooper, 1998). In other words, they are the "official representatives of their communities" (Beldona *et al.*, 2003, p. 42) and carry out a variety of jobs, including decision making, facilitating, and organizing. They also provide many diversified strategies to encourage the development of a destination's competitiveness (Bramwell & Rawding, 1994) and address stakeholder's concerns. According to AT, this interrelationship between CVBs

and their destination stakeholders is viewed as principal-agent relationship (Gartrell, 1994).

***Insert Figure 2 & 3 about Here***

The literature of AT not only discusses contract framework but also offers different possible configurations of principal-agent relationships to reflect a variety of general relationships (Braun & Guston, 2003); agents may be authorized by their principals without contract. Principal-agent relationship explains stakeholder-CVB relationship, wherein a CVB (agent) is implicitly delegated by its stakeholders (principal) within the destination (Kassim & Menon, 2003). In the capacity of a destination marketing organization, CVB serves as a destination marketer and promoter (Fesenmaier, Pena, & O'Leary, 1992), destination developer (Gartrell, 1992), representative of the constituents/stakeholders (Ford & Peeper, 2007), facilitator of tourism projects (Gartrell, 1992), economic driver (Morrison et al., 1997), and planner or manager (Getz et al., 1998), eventually benefiting its stakeholders (Bramwell & Rawding, 1994). The success of destination marketing brings benefits to stakeholders of a destination (Batchelor, 1999) while CVB acts as an agent to maintain the collaborative relationship with its stakeholders for destination marketing (Wang, 2008).

Stakeholder-agency theory suggests that the collaborative relationship between CVBs and stakeholders is affected by three relational factors: information asymmetry, goal conflict, and interdependence. AT contends that principal-agent relationship is sensitive to information asymmetry that occurs when an agent has an informational advantage over the principal (Dahlstrom & Ingram, 2003). The principal may not be fully aware of what the agent is doing on the principal's behalf because the agent handles much more information than the principal thinks. When stakeholders do not know exactly what CVBs do for them, information asymmetry between principal and agent creates uncertainty over the mutual relationship (Dahlstrom & Ingram, 2003).

Thus, the transparency of information sharing is instrumental in facilitating the collaborative relationship between CVBs and stakeholders (Beldona *et al.*, 2003; Fesenmaier *et al.*, 1992). Furthermore, the AT literature implies that the behavior of agent is guided by self-interest (Fesenmaier, Pena, & O'Leary, 1992). This phenomenon is observed in the relationship between a CVB and the stakeholders. CVBs are mainly concerned over the development and competitiveness of a destination (Wang & Xiang, 2007), whereas stakeholders (companies or relating organizations) pursue their own objectives or interests (Beldona *et al.*, 2003). Therefore, Goal conflict naturally follows different interest between CVBs and stakeholders (Buhalis, 2000; Jamal & Stronza, 2009). Additionally, interdependence is one of key factors used to explain an inter-organizational relationship from the perspective of ST (Heide & Miner, 1992; Oliver, 1990). In promoting and marketing their destinations, CVBs rely on the resources of their stakeholders while the stakeholders benefit from the destination promotion of CVBs. Such interdependence is found critical to the promotion and development of a destination (Buhalis, 2000). The aforementioned three relational factors are therefore presumed to significantly affect CVB-stakeholders collaborative relationship, consequently bringing an impact to CVB performance. This study explores the effects of information asymmetry, goal conflict, and interdependence on CVB-stakeholder collaborative relationship that predicts CVB performance.

### ***The Effect of Information Asymmetry on CVB-Stakeholder Collaborative Relationship***

Information asymmetry is defined as a principal's inability to observe the decision of an agent (Levinthal, 1988), thus generating uncertainty (Premkumar, 2000). Fair information exchange among stakeholders is key to an enduring relationship (Beldona *et al.*, 2003). By contrast, information asymmetry causes uncertainty, inefficiency, and opportunistic behavior (Singh & Sirdeshmukh, 2000). Traditionally, CVB serves as a convener or a facilitator in a destination to



collect, analyze, and share information and data with local business entities (Ha and Love, 2005), which is conducive to the collaborative relationship between CVB and stakeholders in a destination (Ford & Peeper, 2007). Beldona *et al.* (2003, p. 46) examine the relationship between a CVB and hotels and point out the importance of information exchange between them, stating that information is seen as “product-related information, such as demand data and market-level customer feedback,” that CVB should share with all partners in a destination. Information asymmetry between CVB and hotels negatively affects their cooperative relationship and leads to inefficient business performance.

D’Angella and Go (2009) argue that the performance of a DMO (CVB) and stakeholders is deeply related to the proper sharing of resources and knowledge, reflecting that fair information sharing is prerequisite for satisfactory performance (Medina-Munoz & Garcia-Falcon, 2000). As such, CVB builds up a collaborative relationship with stakeholders in a way that share necessary resources with them (Timur & Getz, 2008). Hence, information asymmetry acts as a barrier to the collaborative relationship between a CVB and stakeholders, consequently aggravating a destination’s performance. Therefore, this study postulates the hypothesis as below:

*H1: The information asymmetry negatively affects CVB-stakeholder collaborative relationship.*

### ***The Effect of Goal Conflict on CVB-Stakeholder Collaborative Relationship***

Goal conflict occurs when one party’s action affects the other party’s activity and faces the dilemma of whether to implement their own goal or other party’s goal for opportunistic behavior (Das & Teng, 2000). Stakeholders tend to prioritize their self-interests over others’ interests. The interrelationships of stakeholders reflect power imbalances and uncertainty that result from divergent interests and problems of resources sharing (Jamal & Getz, 1995). ST suggests that the

essential concept of stakeholder management is the awareness of the existence of multiple stakeholders and various stakeholder interests (Cludts, 2000). Potential conflict arises from the divergent stakeholders' interests (Frooman, 1999). Stakeholders in a destination have various and multifaceted characteristics with different interests and objectives. For example, CVB sustains a relationship with tourism firms through membership in the United States, wherein the hotel industry financially supports a CVB by a room tax. Hotels therefore intend to have more access to resources and benefits from CVB, whereas CVB aims to reconcile different interests of all members/stakeholders by fairly sharing resources with them (Beldona *et al*, 2003). Goal incongruence between CVBs and stakeholders is commonly investigated because of their different goals and objectives (Fesenmaier, Pena, & O'Leary, 1992). Selin and Beason (1991) argue that different goals initiated by contrary interests result in the conflict relationship between CVBs and stakeholders. Goal conflict exists in the interrelationships between CVB and stakeholders in a destination (Levinthal, 1988), thereby deteriorating the collaborative relationship between CVBs and stakeholders (Gretzel *et al.*, 2006). Agency-stakeholder theory contends that the effective coordination of the different interests enables a principal (i.e., CVB) to share goals with stakeholders and bring about goal alignment to ensure collaborative relationship (Wondolleck & Ryan, 1999). When CVB and stakeholders fail to address their disparate goals and interest, the collaborative relationship would not be feasible. Hence, this study posits the hypothesis as follows:

*H 2: The goal conflict negatively affects CVB-stakeholder collaborative relationship.*

### ***The Effect of Interdependence on CVB-Stakeholder Collaborative Relationship***

Interdependence exists among organizations that are dependent on one another (Ritter & Gemunden, 2003). Many inter-organizational studies focus on the interdependence of a dyadic

relationship (Heide & Miner, 1992). Interdependence is defined as a party's need to sustain a relationship with the other party to attain its goals (Kumar, Scheer, & Steenkamp, 1995). Pfeffer and Salancik (2003, p. 40) note that interdependence "exists whenever one actor does not entirely control all of the conditions necessary for the achievement of an action or for obtaining the outcome desired from the action." In other words, dependence asymmetry occurs when a more powerful firm or a less interdependent firm affects interrelationships (Kumar et al., 1995). The party on interdependence asymmetry tends to control the partner's behavior (Lawler & Bacharach, 1987). Such control that reflects power imbalances within organizations (Gulati & Sytch, 2007) raises the partner's opportunism and impedes the formation of a collaborative relationship between them (Ganesan, 1994; Provan & Skinner, 1989). Therefore, the level of interdependence directly influences a collaborative relationship (Izquierdo & Cillan, 2004).

Such interdependence is also observed in a destination context and considered a significant factor to the relationships within the constituents of a destination, in particular, between CVBs and stakeholders (Buhalis, 2000). A destination is a network formed through the participation of many stakeholders, and destination marketing takes place through such a network based on "different norms and values" of multiple stakeholders (Grangsjö, 2003, p. 445). Different players interact with each other and share norms and values with members of a network. A successful relationship in a destination is closely linked with the level of the partners' dependence upon one another (Medina-Munoz & Garcia-Falcon, 2000). High interdependence leads interested parties to collaborate with each other (Gray & Wood, 1991; Lusch & Brown, 1996), and such cooperation is central to successful destination marketing. To build up collaborative relationship for destination marketing, stakeholders and CVBs should trust and rely on each other by sharing different norms and values symmetrically. That is, the interdependence between CVBs and stakeholders is an

essential prerequisite for the collaborative relationship between the two parties and the quality of the destination marketing (i.e., CVB performance). Given that interdependence between CVBs and stakeholders determines a collaborative relationship (Wang, 2008), the following hypothesis is presented.

*H 3: The interdependence positively affects CVB-stakeholder collaborative relationship.*

### ***The Effect of CVB-Stakeholder Collaborative Relationship on CVB Performance***

According to Spekman (1988, p. 77), collaboration is “the process by which partners adopt a high level of purposeful cooperation to maintain a trading relationship over time.” Given the relationships between organizations in the tourism industry are viewed as critical to the organizations’ competitiveness, collaborative relationship is always a significant issue in the tourism industry. With collaboration with different actors in a destination, organizations can secure greater benefits than those working alone (Saxena, 2005). Although collaborative relationship has long been a crucial factor for successful inter-organizational relationships, it is not easy to achieve cooperation of multiple players and accomplish common objectives (Park, 1996). Palmer and Bejou (1995) list a number of problems arising from the failure of collaborating with stakeholders, such as the inefficiency of promotion and marketing planning process. Many researchers thus emphasize pooling resources, coordinating efforts, developing strategy, and managing costs effectively by a means of cooperation in a destination for destination competitiveness (Buhalis & Cooper, 1998; Prideaux & Cooper, 2002).

In tourism, collaborative relationship includes equity sharing, participation in decision-making process, willingness to share activities, resources and goals, and trust with different firms or organizations (d’Angella & Go, 2009). In particular, cooperation between CVB and

stakeholders is considered the most significant relationship contributing to the achievement of destination objectives/benefits (Blumberg, 2005; Saxena, 2005; Wang, 2008; Wang & Xiang, 2007). The previous studies (Aas, Ladkin, & Fletcher, 2005; Bramwell & Lane, 1999; Bramwell & Sharman, 1999) elaborate the benefits of collaboration as follows: (1) collaboration enables cost effectiveness by pooling resources; (2) collaboration provides opportunities for participation of all stakeholders in the politically democratic policy-making process; and (3) collaboration improves the coordination of policies and actions to increase the impact of tourism.

To enhance destination competitiveness, CVBs heavily depend on their stakeholders' resources and assets by establishing joint marketing with the stakeholders (Sheehan et al., 2007). Collaborative destination marketing requires "joint promotion campaigns, participation in co-operative programs and advertising, and information and market intelligence sharing" (Wang, 2008, p.191). The enduring collaborative relationship between CVB and stakeholders makes it possible to share the costs, pool and spread risk, and access complementary resources (Kumar & Dissel, 1996), thereby leading to long-term relationships with organizations (Soosay, Hyland, & Ferrer, 2008) and achieving competitive advantage (Gray, 2004). Consequently, collaborative relationship becomes the major source of competitive advantage for CVBs and thus boosts their performance in a destination (Buhalis & Cooper, 1998; d'Angella & Go, 2009). Therefore, CVB-stakeholder collaborative relationship is a precondition necessary to enhance CVB performance for destination competitiveness. The following hypothesis is thus posited.

*H 4: The CVB-stakeholder collaborative relationship positively affects CVB performance.*

#### ***CVB Performance Measurement: Balanced Scorecard (BSC) Approach***

CVBs carry out various marketing activities to generate business for their constituencies and

destination. Nonetheless, there is not a reliable appraisal tool to measure CVBs' performance yet (Sheehn & Ritchie, 2005; Pike & Page, 2014). Bornhorst, Ritchie, and Sheehan (2010) emphasize "the need for the DMO to show direct results from its activities" (p. 586). In fact, Sheehan and Ritchie (1997) attempt to evaluate the financial performance of CVBs in North America, wherein they build on tax revenues (room/hotel), hotel occupancy, room nights, the number of meetings booked, and economic impact as indicators of financial performance. They argue that measuring its performance with only traditional methods is not appropriate. Pike and Page (2014) also highlight that the DMO performance is difficult to measure. Thus, they suggest incorporating the consideration of non-financial performance, including "quality of service", "education and awareness among the bureau members' community", and "image of the community" (p. 110) as indicators of CVB performance. Besides, CVBs are not-for-profit organizations, suggesting that CVBs' performance should be assessed from the point of view of a non-profit context. The performance measurement of its marketing activities for a non-profit organization can be assessed, based on total effectiveness including both financial and non-financial views (Morgan, Clark, & Gooner, 2002; Mottner & Ford, 2005). Therefore, it appears that a growing attention is paid to performance measurement in the MICE area, including measurement of the performance of the service sector in a destination, integrating financial and non-financial factors, as well as qualitative and quantitative evaluations in the MICE literature (Fitzgerald, Johnston, Brignall, Silvestro, & Voss, 1991).

In this context, Balanced Scorecard (BSC) receives more attention as an application of multi-dimensional measurement that integrates both financial and non-financial measures (Dess & Shaw, 2001; Hemmer, 1996; Ittner, Larcker, & Marshall, 2003). Sainaghi, Phillips, and Corti (2013) highlight that BSC is one of the most popular techniques for measuring the performance for both

practitioners and academics. BSC includes the customer perspective as a method of measuring the progress and the effectiveness of achieving a goal based on the four elements of customer, internal, innovation/learning, and financial perspective of an organization (Kaplan & Norton, 1992, 1996; Phillips & Louvieris, 2005). The BSC approach can provide complex information about the overall business and attempt to limit excessive information provided by traditional metrics (Yeniuyurt, 2003). Additionally, the BSC approach focuses on performance measurement at the strategic and operational levels of an organization that integrates financial and non-financial perspectives.

This BSC is also accepted in the hospitality literature as an integrative performance measurement tool. For example, De Carlo, Cugini, and Zerbini (2008) suggested “a strategy map approach” to evaluate a destination’s performance. The “strategy map approach” is carried out based on the four perspectives: financial, customer, internal process, and learning and growth. Also, Phillips and Louvieris (2005) applied a BSC framework to measure the performance of small and medium-sized enterprises in tourism. In their study, four principles (i.e., financial, customer-related, internal business process, and innovation and learning) are used to measure performance in an integrated manner. Specifically, they adopt profitability and budgetary from the financial perspective and use service quality, customer relationship management, and customer profiling as customer-related measurement. For internal business measures, they include having clear objectives and productivity, tracking objectives, and investing in staff. To measure innovation/learning, they assess measurement variables of staff, cross-sector comparison, and encouraging teamwork. Additionally, Morrison et al. (1999) apply the BSC approach to measure the performance of a destination’s website by dividing the perspectives into the financial, customer, internal business, and innovation/learning to fit the characteristics of a website. This modified BSC is used to measure the performance of a website for convention center and DMO in the previous

studies (Feng, Morrison, & Ismail, 2003; Kim, Morrison, & Mill, 2004; Kim & Njite, 2009). Table 1 shows the summary of performance measurement research adopting BSC in the hospitality industry. Accordingly, this study thus adopts the BSC approach to establish an integrated framework for CVB performance measurement according to the dimensions of customer, finance, internal business, and learning and growing (Figure 4).

*Insert Table 1 about Here*

*Insert Figure 4 about Here*

## **METHODOLOGY**

### ***Measure Development***

The scales were derived from validated instruments in the existing literature. The six items were adapted from the study of Ramaswami, Srinivasan, and Gorton (1997) to assess information asymmetry. The seven items of goal conflict were elicited from the studies of Mahaney and Lederer (2003) and Ruekert and Walker (1987). To capture the consistency of response, goal conflict scales were positively worded and later reversed for data entry into SPSS. The six scales for interdependence were based on the literature of Campion, Medsker, and Higgs (1993) and Medina-Munoz and Garcia-Falcon (2000). Building on the items used by Claro, Claro, and Hagelaar (2006) and Austin (2000), eight items were adopted to measure collaborative relationships. For measuring CVB performance, this study generated 22 items using the four aspects (i.e., customer, internal, learning/growth, and financial perspective) of BSC by Kaplan and Norton (1992). As a result, the total of 49 items was initially adopted from the extant literature.

A two-staged pilot test was conducted to refine and validate the measures. The first step was conducted with the input of several industry experts and academic professionals. They were asked



to review the draft of survey instrument for readability and item clarity and to provide feedback about the clarity of the questions and wording. The concerns and suggestions about wording and clarity were recorded, and necessary changes were subsequently made. The feedback collected from this expert test led to the refinement of the main survey instrument. Consequently, 12 items were eliminated: 1 item from information asymmetry, 3 items from goal conflict, 1 item from interdependence, 1 item from collaborative relationship, and 6 items from CVB performance.

The second pilot-test stage was conducted using the modified survey questions via an expert pilot-test process. The sample for the pilot-test consisted of seventy two industry representatives from the MICE industry in Korea. They were asked to provide the answers via paper-based questionnaires. Based on exploratory factor analysis (EFA) and confirmatory analysis (CFA), the pilot-test checked reliability and validity of scales. According to the 2<sup>nd</sup> pilot-test, CVB performance was found to be operationalized as three dimensions with 16 items: destination operation (8 items), stakeholder interaction (4 items), and financial contribution (4 items). Furthermore, due to the low reliability and factor loading, one item for Interdependence was removed, resulting in 36 measures for main survey.

### ***Data Collection***

The sampling frame was identified from the Korea MICE Bureau, Seoul CVB, Busan CVB, Daegu CVB, Daejeon CVB, Jeju CVB, and Gwangju CVB. Those Bureaus have their MICE stakeholders registered on their websites as members and have categorized them as convention and exhibition facility, accommodation, PCO/PEO (Professional Convention Organizer/Professional Exhibition Organizer), travel agency, transportation, service contractors, restaurants, and retail shops. 2,593 samples were initially identified as stakeholders from CVBs' websites, and their contact information was also retrieved from the websites. Later, eight

companies claimed that they had little relation to CVBs, which reduced the sample size to 2,585. The total samples is comprised of convention center and meeting facility (6.4%), PCO and PEO (22.6%), accommodation (11%), food/beverage (12.9%), transportation (1.5%), travel agency (6.3%), attraction/shopping (8.7%), and other outsourcing company (31%). The survey was sent to those stakeholders via e-mail with an introduction letter indicating the importance of the study. Reminder e-mails were sent again two weeks after the initial distribution and final e-mails were sent four weeks after the initial distribution. Out of the 2,585 questionnaires, 443 data sets were returned, representing a response rate of 17 percent. Then, the initial examination of data screened out 21 responses that were incomplete or duplicate. Finally, a total of 422 useable responses remained for the final data analysis.

Of the 422 respondents that were involved in this research, 56 (13.3 %) had worked in a convention facility, 85 (20.1 %) in accommodation, 189 (44.8 %) for an agency company (PCO, PEO, and travel agency), and 92 (21.8 %) for other MICE business companies, including F&B, service contractor companies, shopping and transportation. Despite significant efforts to increase the response rate among F&B (1.4 %), transportation (1.7 %), and attraction/shopping companies (2.1 %), the number of each of these types of stakeholders was significantly smaller than those in other categories. The respondents were comprised of male (64.5 %) and female (35.5 %), and the 30-39 age range was the largest group (52.6 %), followed by 40-49 years old (23.2 %), 20-29 (17.3 %), and 50-59 (5.7 %). The respondents were also asked how long they had worked in the MICE industry. As shown in Table 4.5, approximately half of the respondents (50.5 %) had more than five years working experience in the MICE business, while 21.1 % of respondents had been working for 1-3 years, and 19.7 % for 3-5 years.

*Insert Table 2 about Here*

## ***RESULTS***

### ***EFA for CVB Performance***

EFA (Table 3) was conducted to check the underlying dimensions of 16 CVB performance measures using principal axis factoring and oblique rotation and found three underlying dimensions for CVB performance. The first dimension, including seven items, was referred to as destination operation with 33.14 % variance explained. Another five items loaded to the second dimension was labeled as stakeholder interaction with 23.44% variance explained. The last dimension named as financial contribution accounted for 20.45% variance explained with 4 items.

***Insert Table 3 about Here***

### ***Goodness-of-Fit, Reliability, Validity, and **Non-Response Bias** of Measurement Model***

CFA (Table 4) was conducted to test the goodness-of-fit for the measurement model. The initial goodness-of-fit showed the marginal fit into the data ( $\chi^2 = 2,369.89$ ,  $df = 573$ , RMSEA=.08, NNFI=.86, CFI=.88). Therefore, a modification index (MI) was examined to detect and correct the problems of specification errors of each construct (Kline, 2010). The results showed that correlated errors were found between per\_2 and per\_13 from CVB performance measures. Therefore, the two items were deleted, after which the goodness-of-fit was improved ( $\chi^2 = 1,930.73$ ,  $df = 507$ , RMSEA=.08, NNFI=.90, CFI=.90).

***Insert Table 4 about Here***

Table 5 shows the Cronbach's alpha used to measure the reliability of each construct. Each construct indicated an acceptable level of reliability given that all of the alpha coefficients

exceeded the cut-off point of 0.7 (Nunnally, 1978). Convergent validity was verified by evidence that total average variance extracted (AVE) exceeded 0.5 (Fornell and Larcker, 1981). The results of confirmatory factor analysis further support the evidence for convergent validity because factor loadings for all indicators in Table 1 were significant at  $p < 0.05$  (Anderson & Gerbing, 1988). Moreover, the AVE for each construct exceeded the squared correlation coefficients for the corresponding inter-constructs, thus supporting discriminant validity (Fornell & Larcker, 1981).

*Insert Table 5 about Here*

To assess non-response bias, the perceptions of early survey participants (the first 10% of the questionnaires received) were compared with those of late respondents (the last 10% of the questionnaires received) to check statistically different mean values for each item on the basis of the completed survey dates (Armstrong & Overton, 1977). The statistical test indicated that all of the items showed a non-significant difference at  $\alpha = .05$  level with the exception of inter\_4, supporting that non-response bias is not an issue in this study.

*Insert Table 6 about Here*

***Hypothesis Testing: Structural Relationships***

Structural equation modeling (SEM) was used to test the hypothesized relationships (see Figure 4). According to the goodness-of-fit indices ( $\chi^2 = 1,828.71$ ,  $df = 514$ , RMSEA=.07, NNFI=.90, CFI=.91), the proposed structural model was found to fit the data. The results showed that H<sub>2</sub>, H<sub>3</sub>, and H<sub>4</sub> were supported, whereas H<sub>1</sub> was unsupported. In other words, information asymmetry ( $\gamma_{11} = 0.04$ ,  $t = 1.20$ ) did not affect collaborative relationship. Goal conflict ( $\gamma_{12} = -0.45$ ,  $t = -7.54$ ) was found to negatively affect collaborative relationship, while interdependence ( $\gamma_{13} = 0.48$ ,  $t = 8.53$ ) enhanced collaborative relationship. In addition, the collaborative relationship

positively contributed to the three dimensions of CVB performance: destination operation ( $\beta_{11} = 0.60, t = 11.94$ ), stakeholder interaction ( $\beta_{21} = 0.68, t = 14.33$ ), and financial contribution ( $\beta_{31} = 0.76, t = 16.33$ ).

*Insert Figure 5 about Here*

### ***Testing for the Indirect Effect of Relational Factors***

The indirect effect was tested to assess how information asymmetry, goal conflict, and interdependence indirectly affect CVB performance via collaborative relationship. Table 7 suggests that goal conflict and interdependence indirectly influence the three dimensions of CVB performance via collaborative relationship with a significant indirect effect (Holland, 1988; Sobel, 1990). However, information asymmetry was not found to indirectly impact CVB performance dimensions due to insignificant relationship between information asymmetry and collaborative relationship. Findings imply that goal conflict and interdependence affected CVB performance through collaborative relationship, whereas information asymmetry did not.

*Insert Table 7 about Here*

## **DISCUSSIONS AND CONCLUSION**

### ***Theoretical Implications***

According to the empirical findings, information asymmetry was not found to influence collaborative relationship, which led to non-significant indirect effects from information asymmetry to CVB performance (destination operation, stakeholder interaction, and financial contribution) via collaborative relationship. This finding implies that MICE stakeholders in Korea do not significantly take into consideration the information asymmetry of CVBs in their

collaborative relationship. Information sharing consequently is not a consideration in maintaining a collaborative relationship. In fact, this result is inconsistent with the findings of most previous research studies (Min et al., 2005). The plausible explanation for this finding is the belief that information asymmetry in Korea is taken for granted. It is usual that CVBs are able to have more access to information in terms of destination marketing as it is a public agency perceived as a “knowledgeable organization about the destination” (Wang, 2008 b, p.200). In contrast, MICE stakeholders that have limited access to the resources tend to rely on other firms with more resources. Nonetheless, stakeholders do not perceive that information asymmetry negatively affects their collaborative relationship with CVBs in that CVBs are in a position to utilize their resources and information in a way that benefits stakeholders as well as a destination. That is, stakeholders firmly believe that CVBs are willing to collaborate with MICE firms and support them regardless of the existence of information asymmetry.

According to the findings, goal conflict and interdependence were found to directly predict collaborative relationship and indirectly affect CVB performance, as indicated by significant indirect effect. MICE stakeholders in a destination generally tend to put greater priority on their own benefits and revenue. Meanwhile, CVBs focus more on the success of a destination through the development of the entire MICE industry. If there is a lack of goal congruence between CVBs and stakeholders, both parties would be less likely to establish an agenda and allocate resources that effectively increase their collaborative relationship. Such conflicting goals allow for self-interested behaviors on the part of both parties (MICE firms and CVBs), and the self-interested behaviors is further triggered when they have ambiguous and unconsolidated objectives (Gomez-Mejia & Wiseman, 2007). CVBs are government agencies to seek public interest. If their goals are viewed as vague and abstract by their stakeholders, goal conflicts between CVBs and stakeholders

are inevitable.

Stakeholder-CVB interdependence was found to enhance collaborative relationship. This makes it clear that MICE firms acknowledge the importance of their reliance on CVBs. CVBs and stakeholders need to depend on each other for their own benefits. CVBs carry out the role of brand builder for the whole destination by utilizing their stakeholders' resources. MICE firms (stakeholders) also rely on the destination marketing of CVBs for their businesses. Although such interdependence is considered critical, stakeholders tend to put their interests before public interests. This phenomenon implies that cooperation and competition exist simultaneously in the interdependence between CVBs and stakeholders (Bengtsson & Kock, 2000). To facilitate collaborative relationship under this circumstance, the current study suggests reliability-based relationship where parties begin to work together and to share a long-term focus on reciprocity as an alternative to a simple collaborative relationship based on necessity (or trust) (Ali, Kurnia, & Johnston, 2007). Within reliability-based relationship, stakeholders are more likely to develop collaborative relationships with CVBs, embracing the belief that the CVBs will act in ways that will advance both parties' aspirations.

To build up interdependence and goal congruence, it is important to note that CVBs need to convince stakeholders to believe that they act fairly in allocating resources and distributing value across all stakeholders. CVBs should state clearly that they exercise control over the issue of justice and fairness. CVBs cannot completely satisfy all of their stakeholders, nor maximize a particular stakeholder's interest. Instead, they should ensure that their decisions involve a balancing act and overall fairness for all stakeholders. In dealing with fairness and justice issues, it is suggested that CVBs establish a clear rule of fairness to be applied in all decision-making processes and in the system of resource distribution across all types of stakeholders in fair. When CVBs treat

stakeholders with respect by listening to their concerns and perspective, the atmosphere of justice and fairness is naturally sensed, consequently facilitating goal congruence and interdependence.

Stakeholders are interested in learning what CVBs have done for them (Gretzel, *et al.*, 2006) and what kinds of supports they can expect from CVBs. This study proposed a valid, comprehensive measure of CVB performance using the BSC. A 16-item pool of CVB performance was initially developed, based on the literature review and reduced to 14 items through the refinement process. EFA identified three underlying dimensions: destination operation, stakeholder interaction, and financial contribution. These three dimensions emerged clearly, confirming the major aspects of CVBs' accountability that a number of studies suggested as primary functions of CVBs.

The destination operation dimension contains seven items associated with CVBs' role in destination operation. These items include assessing whether CVBs conduct research for ongoing developments in a destination (e.g., customers' satisfaction, market growth, and innovative business), analyzing customers' needs/complaints, and developing business. This reflects the reality that stakeholders expect CVBs to be involved actively in the MICE business and to keep track of MICE business trends efficiently as MICE coordinators. The efficient and active destination operation in the MICE business requires engagement in the ongoing development and research, the regular analyzing of the industry and market, and the developing of a comprehensive system for business. Dwyer and Kim (2003) suggest infrastructure as one component of destination operations that may include not only general infrastructure (facilities or environments) but also institutions that monitor and analyze the industry. That is, environmental scanning in the MICE market is instrumental in destination operation to improve destination competitiveness.

Stakeholder interaction is the dimension relating to CVB management perspectives,



involving four items to assess whether CVBs put their efforts into building up a system that facilitates interaction with MICE firms. The system reflects the CVB role of economic driver, destination marketer, destination planner, destination representative, and industry coordinator (Ford & Peeper, 2009). The dimension of “financial contribution” assesses whether CVBs contribute to generating revenue and profitability for stakeholders in a given period. According to the mean value of the three performance dimensions, the perception of CVB financial contribution (3.53) is lower than destination operation (4.13) and stakeholder interaction (4.08). This finding is understandable in the context of Korea. Korean CVBs are government units, primarily managing administrative functions, such as policy and the formulation of business standards for the MICE industry, MICE business master planning, local MICE business training and education. The majority of these non-marketing-related functions is usually within the scope of Korean CVBs and regarded as being relatively more important indicators of CVB performance than financial aspect.

One of research objectives in this study is to understand how stakeholders’ perceived relationship influences their perception of CVBs’ performance. This study hypothesizes that CVB-stakeholder relationship positively affects the CVB performance through the establishment of collaborative relationship. The result of structural analysis supports that CVB performance is enhanced by a collaborative relationship; the collaborative relationship positively influences all three dimensions of perceived performance (destination operation, stakeholder interaction, and financial contribution). Most notably, the results of structural analysis indicated that stakeholders’ perceptions of collaborative relationship more strongly affect the CVB financial contribution. This result coincides with those of previous management research, arguing that establishing collaborative relationships with other organizations for a firm’s competitiveness may ultimately have a positive effect on the financial performance (Corsten & Felde, 2005). Interestingly, the

empirical evidence shows that, although stakeholders perceive destination operation as a more appropriate dimension than financial contribution to assess the CVB performance, they perceive that collaborative relationship has a stronger effect on the financial contribution by CVB. This implicitly suggests that even if stakeholders do not very much acknowledge financial contribution of Korean CVBs, they believe that well-staged collaborative relationship with CBVs eventually generates their financial gains. In other words, the cohesive work between CVBs and stakeholders leads to destination competitiveness and attractiveness, which naturally brings about financial improvement to stakeholders.

### ***Managerial Implications***

Establishing a collaborative relationship is demanding, but it is worthwhile to develop and sustain the collaborative relationship in the MICE industry. The findings of this study concern the value of sustaining goal congruence and interdependence for the collaborative relationship. The following suggestions are presented to develop the collaborative relationship between CVBs and stakeholders.

First, CVBs should clearly position their roles and functions. In Korea, domestic destination marketing is also initiated and conducted by the Korea Tourism Organization (NTO) and municipality governments. The destination marketing of CVBs is thus overlapped with that of other government bodies, adding difficulty to the precise positioning of CVBs' roles and functions. Stakeholders in Korea are confused about what CVBs are founded for and what activities they are conducting in reality. Therefore, CVBs should clearly define their positioning by showing how CVBs are different from other organizations offering similar services in terms of functions and roles. To reinforce the perceptions of CVBs' roles and functions, CVBs are advised to issue to stakeholders regular periodicals and newsletters (including E-News Letter). The newsletters

deliver recent updates on CVB activities, future plans, and events, therefore raising the awareness of CVBs' roles and duties.

Second, it is important to reinforce the network between CVBs and stakeholders. In the field of tourism, the strategic importance of constructing an alliance or a network is already recognized as essential to tourism marketing (Presenza & Cipollina, 2010). In Korea, formerly known as the "Korea Convention Council", Korea MICE Alliance conducts various activities to initiate organic collaboration between MICE-related entities and the industry. The Korea MICE Alliance can allow CVBs to establish its regional convention network with the stakeholders concerned. The activities expected from this alliance include the joint campaign and management of the industry, joint advertisement and promotions, joint marketing strategic development, and a dispute settlement system by addressing conflicts among stakeholders. With the solid alliance, CVBs and stakeholders can understand and participate in each other's marketing orientations and goals, thereby solidifying their cooperative relationship. For example, Philadelphia Convention & Visitors Bureau coined the catchphrase, "here for the making" in 2012, wherein stakeholders participated in the joint operation of the campaign. All the stakeholders shared the expenses for advertisement cost, which made it possible to establish Philadelphia brand image (MICE insight, 2014).

Third, once the network is established between CVBs and stakeholders, an attention should be paid to maintaining the network professionally. In this respect, the importance of communication between the stakeholders and CVBs cannot be overemphasized (Bregoli, 2012). CVBs can implement communication activities to understand the various goals and interests of stakeholders that should be cohesively integrated into CVB destination marketing plan so much so that the collaborative relationship is ensured. To this end, an annual meeting of stakeholders

and CVBs expedite communication and collaborative relationship. For example, the Central Florida Partnership (CFP) regularly organizes an event called “One Orlando Leadership Summit” (Convene, 2014). The Summit includes a networking session for CVBs and local stakeholders to strengthen their communication and collaborative relationship. Also, an opportunity to meet with stakeholders in a more relaxed, informal setting (e.g., a dinner reception or luncheon) is instrumental in maintaining communication and partnership.

Consequently, it is necessary to establish a common community, in which CVBs provide general information on the industry and exchange and share ideas and feedback with stakeholders. Also, CVBs conduct surveys to accurately measure the expectation, needs, and satisfaction of stakeholders on a continuous basis. The results of the survey are incorporated into a database in creating strategies to support stakeholders, consequently promoting goal congruence and interdependence between CVBs and stakeholders. In maintaining a long-lasting community with stakeholders, CVBs should establish a long-term common vision shared with stakeholders and set out the detailed standards and policies to promote a common vision while sustaining fairness in every decision-making process with respect to collaboration with stakeholders.

As the MICE industry has become an important growth sector with significant economic impacts over the past few years, MICE research has been actively conducted to examine factors for the development of the MICE industry. To explore the unexamined aspect of MICE research, this study develops reliable and valid scales for CVB performance with the integration of financial and non-financial perspectives using BSC. In addition, this study seeks to enrich the understanding of interrelationship between CVB and its stakeholders in association with CVB performance. This study finds that information asymmetry between CVBs and stakeholders does not necessarily influence stakeholders’ perceptions of CVBs’ performance via collaborative relationship.

Meanwhile, goal conflict and interdependence are found to affect collaborative relationship which, in turn, impacts CVB performance. In conclusion, this study offers extended insights into how CVB-stakeholder interrelationship is developed and maintained and how CVB performance is viewed from stakeholder perspective. These findings are expected to provide a basis for subsequent research to address the issues between CVB and stakeholders.

### ***Limitations and Suggestion for Future Research***

Despite the careful design of this study, this study has limitations. One of the limitations is the generalizability of the results. This study is carried out in Korea in which the interrelationship between CVBs and stakeholders is different from a membership system. Therefore, the findings may not be generalizable to other types of CVBs around the world. A second limitation is related to the application of stakeholder and agency theory. In applying these two theories, this study only focuses on the relationship between CVBs and stakeholders without considering a stakeholder-stakeholder dyad. Mackerllar (2006) suggests that cooperative relationship within MICE suppliers is an important component for destination competitiveness. Therefore, future research is suggested to explore interrelationship between stakeholders in understanding CVB-stakeholder relational issues.

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Figure 1. The Conceptual Model

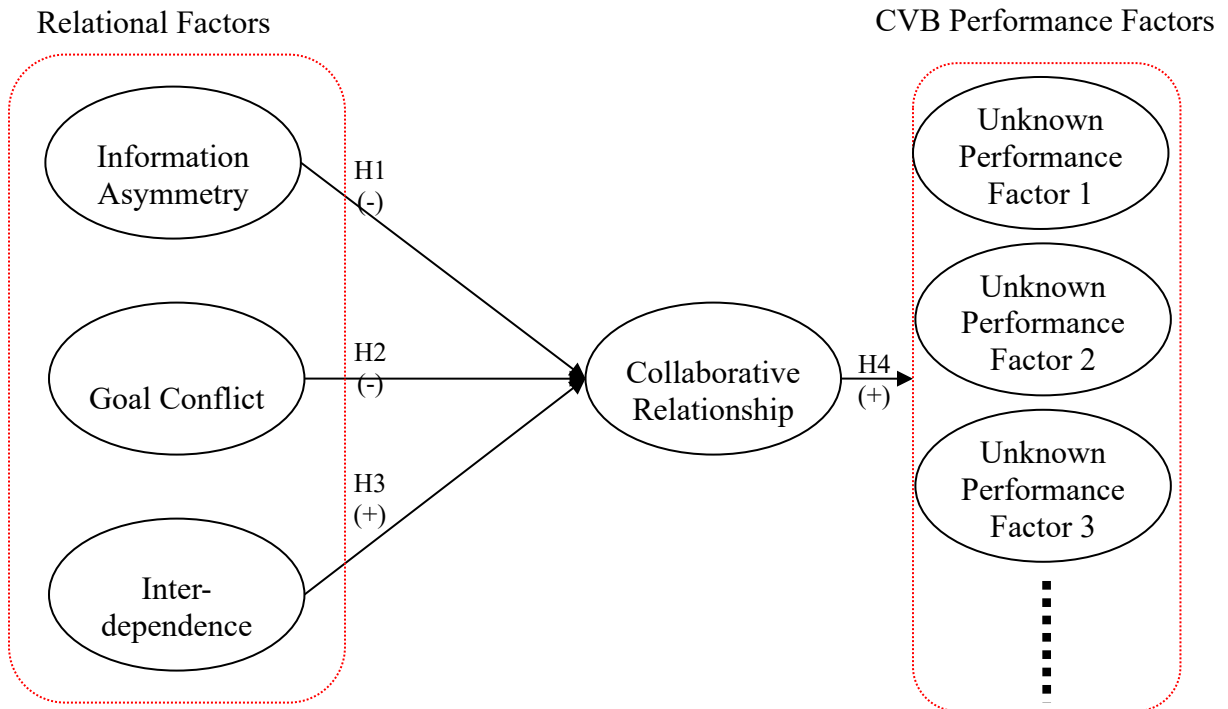
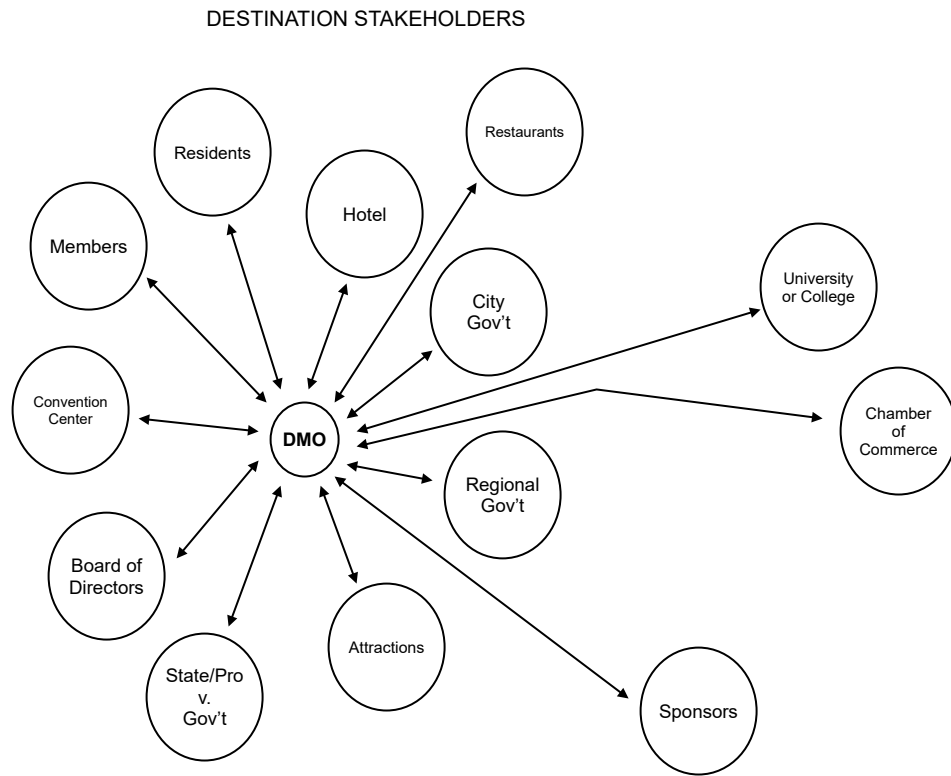
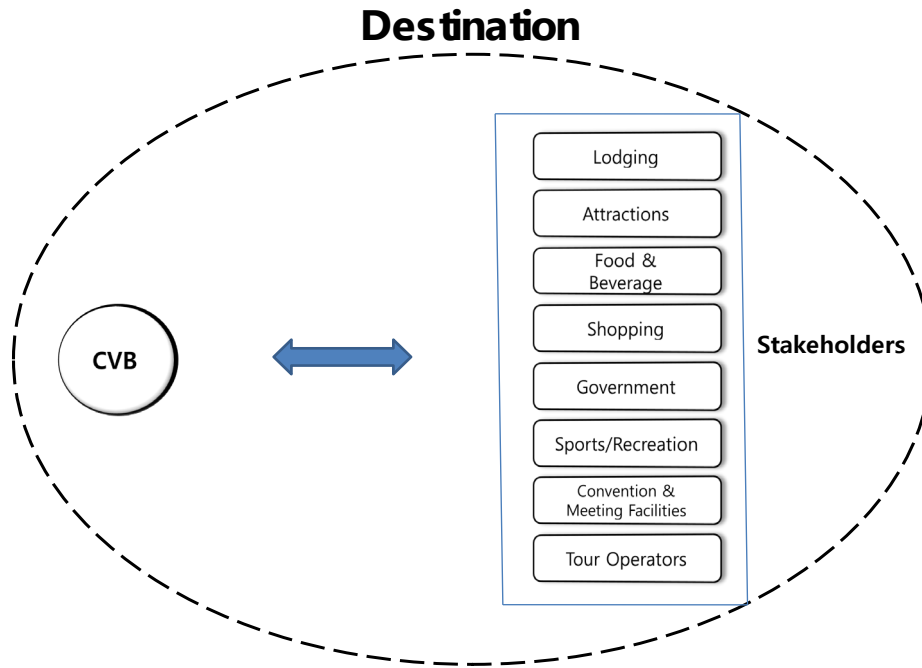


Figure 2. CVBs' Stakeholders



Source: Sheehan & Ritchie (2005, p.728)

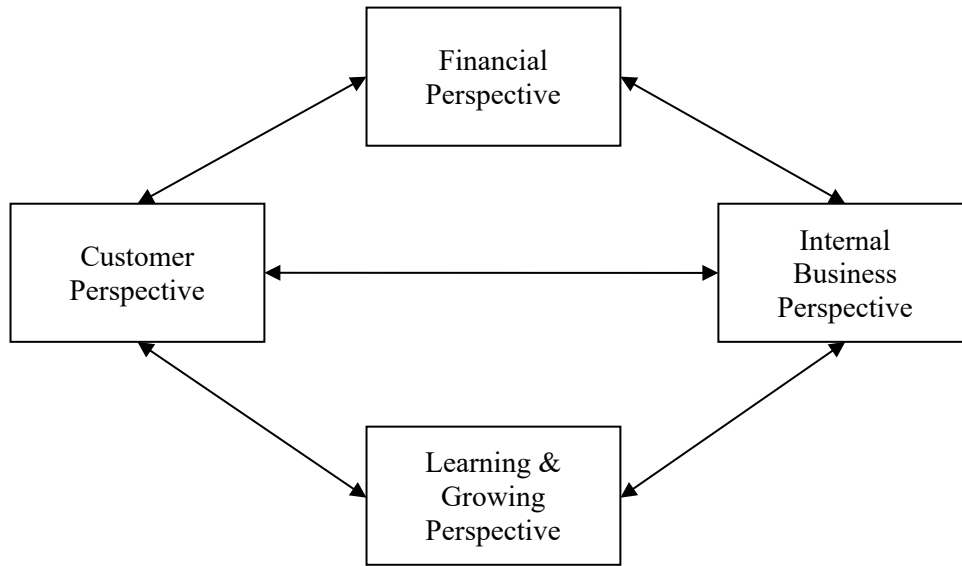
Figure 3. The Interconnectedness between CVB and Its Stakeholders



Source: Recomposed based on Beldona *et al.* (2003).

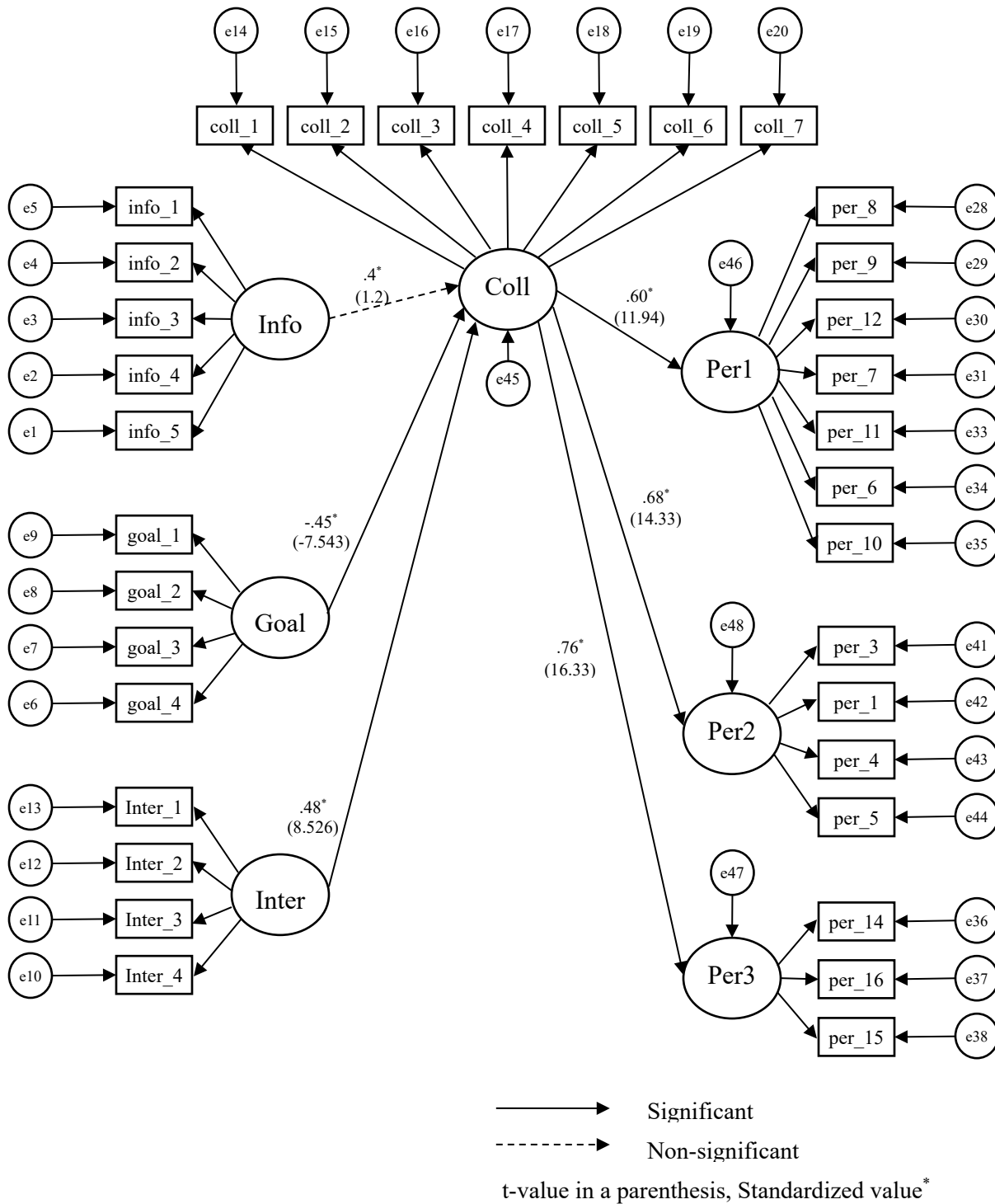


Figure 4. Balanced Scorecard



Source: Adapted from Kaplan & Norton (1996, p. 54).

Figure 5. Structural Model Testing



Note: Info (Information Asymmetry), Goal (Goal Conflict), Inter (Interdependence), Coll (Collaborative Relationship), Per 1(Destination Operation), Per2 (Stakeholder Interaction), Per3 (Financial Contribution)

All are significant at  $p < .000$

TABLE 1. Performance Measurement Studies Using BSC in the Hospitality Literature

Author(s)	Topic
Chen, Hsu, & Tzeng (2011)	A new model development using a balanced scorecard for hotel
De Carlo <i>et al.</i> (2008)	Supply networks of tourism destination
Kim, Morrison, & Mills (2004)	Web site of 10 major convention centers in USA
Kim & Njite (2009)	Web site of Convention Center
McPhail, Herigton, & Guilding (2008)	Performance measurement from the perspective of “learning and growth” of BSC
Phillips (2007)	The role of a BSC for strategic management
Phillips & Louvieris (2005)	Small and medium-sized enterprises in tourism, hospitality, and leisure industry

TABLE 2. Demographic Profile of Sample in the Main Survey

		Frequency (N = 422)	Valid Percent (%)
Gender	Male	272	64.5 %
	Female	150	35.5 %
Age	21-30	73	17.3 %
	31-40	223	52.8 %
	41-50	98	23.2 %
	51-60	24	5.7 %
	Over 60	4	1.0 %
Company	Convention center	40	9.5 %
	Meeting facility	16	3.8 %
	Accommodation	85	20.1 %
	PCO	95	22.5 %
	PEO	52	12.3 %
	F&B	6	1.4 %
	Outsourcing company	62	14.7 %
	Attracting/shopping	9	2.1 %
	Travel agency	42	10 %
	Transportation	7	1.7 %
Others	8	1.9 %	
Years in the MICE business	Under 1 year	36	8.5 %
	1-3 years	89	21.1 %
	3-5 years	83	19.7 %
	5-10 years	126	29.9 %
	Over 10 years	88	20.9 %
% of MICE in the company business	~10 %	147	34.8 %
	11-30 %	93	22 %
	31-50%	64	15.2 %
	51-70%	38	9.0 %
	71-90%	32	7.6 %
	Over 91%	48	11.4 %

TABLE 3. EFA for CVB Performance Measures

Factors	Factor Loadings	Eigenvalue	Variance explained (%)
<b>Per1: Destination Operation</b>		5.303	33.144
per_9	.815		
per_8	.783		
per_12	.774		
per_11	.764		
per_7	.753		
per_10	.731		
per_6	.674		
<b>Per2: Stakeholder Interaction</b>		3.750	23.437
per_3	.800		
per_1	.763		
per_2	.744		
per_4	.702		
Per_5	.656		
<b>Per3: Financial Contribution</b>		3.272	20.452
per_14	.872		
per_16	.829		
per_15	.777		
per_13	.627		
Total variance explained			77.033

TABLE 4. CFA for Measurement Model

Factors		Factor Loading	t-value
<b>Information Asymmetry</b>			
info_1	The CVB has more resources in terms of marketing to the MICE customer than my company.	.853	21.18
info_2	The CVB has developed a better working knowledge (experience/skill) of marketing for the MICE business than my company.	.907	23.29
Info_3	The CVB specifies the most important elements to monitor the MICE business than my company.	.911	23.48
Info_4	The CVB identifies the MICE customer needs in terms of marketing than my company.	.893	22.75
Info_5	The CVB access better marketing resources in terms of the MICE business than my company.	.816	
<b>Goal Conflict</b>			
Goal_1	Your company has specific, clear marketing goals that correspond to those of the CVB.	.550	12.25
Goal_2	If the CVB has more than one goal to accomplish, your company knows which are the most important.	.658	15.62
Goal_3	The CVB clearly explains to your company what its marketing goals are.	.895	26.19
Goal_4	The CVB is supportive with respect to encouraging your company to reach your marketing goals.	.901	
<b>Interdependence</b>			
Inter_1	Your company cannot reach the marketing goal without support from the CVB.	.718	16.01
Inter_2	The CVB cannot reach its marketing goal without support from your company.	.729	16.3
Inter_3	Your company depends on the CVB for marketing tasks needed to achieve your marketing goal.	.853	20.08
Inter_4	The CVB depends on your company for marketing tasks needed to achieve its marketing goal.	.824	
<b>Collaborative Relationship</b>			
Coll_1	Your company shares its long-term marketing plans with the CVB.	.859	
Coll_2	When your company sets its marketing mission, your company considers the CVB's mission as being important.	.833	22.31
Coll_3	The CVB's marketing resources are helpful to your company.	.781	20.03
Coll_4	Your company conducts marketing activities together with the CVB in various ways.	.893	25.44
Coll_5	Your company has regular meetings with the CVB for marketing activities.	.856	23.47

Coll_6	Your company and the CVB work together on problems that arise in the course of MICE industry customers.	.875	24.46
Coll_7	Your company and the CVB are committed to improvements that may benefit marketing as a whole.	.775	19.75
<b>Destination Operation</b>			
per_8	The CVB analyzes its customers' (visitors/attendees) degrees of satisfaction.	.841	
per_9	The CVB regularly measures and reports on MICE market growth.	.859	23.6
per_12	The CVB has ongoing research to develop new and innovative MICE business.	.843	22.79
per_7	The CVB regularly measures its customers' (visitors/attendees) degrees of satisfaction.	.858	23.58
per_11	The CVB reflects on its customer complaints.	.855	23.41
per_6	The CVB is engaged in the ongoing development of the MICE business.	.840	22.67
per_10	The CVB successfully generates a positive reputation.	.863	23.84
<b>Stakeholder Interaction</b>			
per_3	The CVB has an effective system to get information about local MICE industry related companies.	.866	
per_1	The CVB builds the community actively with industry companies.	.852	23.8
per_4	The CVB has a comprehensive system to manage local MICE industry related companies.	.860	24.28
per_5	The CVB successfully develops business in terms of the MICE industry.	.884	25.67
<b>Financial Contribution</b>			
per_14	The ratio of your company's overall business generated through the CVB during the past year was high.	.896	
per_16	The CVB efficiently contributed to the profitability of your company during the past year.	.927	27.49
per_15	During the past year, the CVB efficiently contributed to the revenues of the destination in terms of the MICE business.	.746	18.98

Note: All factor loadings are significant at  $p < .000$

TABLE 5. Correlations (Squared Correlation), Reliability, AVE, and Mean

	Info	Goal	Inter	Coll	Per1	Per2	Per3
Info	1						
Goal	-.427(.18)	1					
Inter	.169(.03)	-.608(.37)	1				
Coll	.279(.08)	-.701(.49)	.729(.53)	1			
Per1	.529(.28)	-.546(.30)	.397(.16)	.558(.31)	1		
Per2	.490(.24)	-.620(.38)	.463(.21)	.668(.45)	.785(.62)	1	
Per3	.315(.10)	-.558(.31)	.553(.31)	.664(.44)	.648(.42)	.625(.39)	1
Reliability	.94	.85	.86	.94	.95	.91	.89
AVE	.76	.58	.61	.70	.71	.67	.69
Mean	4.40	4.16	3.26	3.54	4.13	4.08	3.53
Std.Dev	1.26	1.2	1.21	1.33	1.05	1.13	1.17

Info (Information Asymmetry), Goal (Goal Conflict), Inter (Interdependence), Coll (Collaborative Relationship), Per1 (Destination Operation), Per2 (Stakeholder Interaction), Per3 (Financial Contribution)  
 All are significant at the .01 level



TABLE 6. The Testing of Non-Response Bias

Factors	Mean (The first 10% of the questionnaire)	Mean (The last 10% of the questionnaire)	F-ratio	Sig.
<b>Information Asymmetry</b>				
info_1	4.71	4.24	.90	.76
info_2	4.52	4.29	.87	.35
Info_3	4.40	4.14	2.44	1.22
Info_4	4.21	3.95	1.28	.26
Info_5	4.45	4.26	2.73	.10
<b>Goal Conflict</b>				
Goal_1	3.71	3.88	.10	.74
Goal_2	4.02	3.79	.05	.81
Goal_3	4.10	4.29	.19	.66
Goal_4	4.43	4.29	.00	.97
<b>Interdependence</b>				
Inter_1	3.05	3.24	1.05	.30
Inter_2	3.33	3.26	1.35	.24
Inter_3	3.21	3.33	2.73	.10
Inter_4	3.21	3.17	5.37	.02
<b>Collaborative Relationship</b>				
Coll_1	3.31	3.64	.29	.58
Coll_2	3.67	3.79	.67	.41
Coll_3	4.14	4.17	.26	.60
Coll_4	3.79	3.95	.31	.57
Coll_5	3.29	3.86	2.93	.90
Coll_6	3.24	3.64	2.44	.12
Coll_7	3.98	3.98	3.36	.07

<b>Destination Operation</b>				
per_8	4.38	3.81	.43	.51
per_9	4.33	3.95	.03	.85
per_12	4.52	4.38	.62	.43
per_7	4.29	3.74	1.84	.17
per_11	4.29	3.93	.56	.45
per_6	4.57	4.38	.00	.97
per_10	4.64	4.26	.01	.91
<b>Stakeholder Interaction</b>				
per_3	4.24	4.00	2.43	.12
per_1	4.33	4.14	.18	.66
per_4	4.14	4.00	.49	.48
per_5	4.21	4.21	.57	.45
<b>Financial Contribution</b>				
per_14	3.12	3.64	1.67	.19
per_16	3.17	3.38	3.71	.06
per_15	3.74	3.86	2.90	.09

TABLE 7. The Testing of Indirect Effect

Indirect relationship	$\beta_{IE}$	t- value
Information Asymmetry → Destination Operation	.025	1.19
Information Asymmetry → Stakeholder interaction	.028	1.20
Information Asymmetry → Financial contribution	.031	1.20
Goal Conflict → Destination Operation	-.268	6.38*
Goal Conflict → Stakeholder interaction	-.301	6.67*
Goal Conflict → Financial contribution	-.336	6.85*
Interdependence → Destination Operation	.288	6.94*
Interdependence → Stakeholder interaction	.324	7.33*
Interdependence → Financial contribution	.362	7.56*

\* $P < .05$