

# Marketing Innovations for Sustainable Destinations

---

## 23 The Power of Loose Ties – Networking for Market Diversification in Remote Australia

Doris Schmallegger, James Cook University

### Contents

|              |    |
|--------------|----|
| Introduction | 2  |
| Methodology  | 5  |
| Results      | 7  |
| Conclusions  | 16 |
| References   | 18 |

 Published by Goodfellow Publishers Limited, Woodeaton, Oxford, OX3 9TJ  
<http://www.goodfellowpublishers.com>

Copyright © Alan Fyall, Metin Kozak, Luisa Andreu, Juergen Gnoth and Sonja Sibila  
Lebe 2009

All rights reserved by Goodfellow Publishers Limited. The text of this publication, or any part thereof, may not be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, storage in an information retrieval system, or otherwise, without prior permission of the publisher.



Design and setting by P.K. McBride

# 23 The Power of Loose Ties – Networking for Market Diversification in Remote Australia

Doris Schmallegger, James Cook University

## Introduction

Tourism in remote Outback areas of Australia has become increasingly homogenous in terms of products and markets over the last decade and is currently suffering substantial declines in visitor numbers (Carson and Taylor, 2009). As a result, calls have been mounting for more innovative approaches to market diversification and product development in remote Australia. Much of the literature on innovation suggests that one of the most effective ways to create innovations is by operating as a ‘system of innovation’ in which individual businesses, public organisations and institutions interact and influence each other (Carlsson and Stankiewicz, 1991; Edquist, 1997; Iammarino, 2005). Having strong institutional arrangements that encourage strong networks and clusters is a key factor in the development of regional systems of innovation (Doloreux and Parto, 2005; Storper, 1995). Remote regions appear to be fundamentally constrained in the pursuit of networks and clusters by a lack of critical mass, the geographic dispersal and isolation of firms, and limited resources and preparedness to engage in networks and collaboration (Doloreux and Dionne, 2008; Virkkala, 2006).

How remote areas can still succeed in the marketplace, despite their structural weaknesses, remains a big question. This research investigates whether more flexible approaches to networking and clustering can provide a way for remote regions to overcome their weaknesses. The chapter looks at the case of the Flinders Ranges, a remote tourism destination in South Australia. It examines the strategies that the region has used to diversify its tourism market and analyses the different forms of networks and collaboration that have evolved around these initiatives. The chapter discusses the potential value of ‘institutional thinness’ and argues that a lack of strong ties in networks and clusters can have advantages for remote regions. Having only thin ties and flexible relationships with other players in the system can encourage multiple initiatives with different network constellations that can lead to market diversification. Limited support for all-of-destination networks can, in turn, increase commitment to individual projects as operators can choose where to participate and do not feel constrained to contribute to non-priority projects.

**Chapter extract**

**To buy the full file, and for copyright  
information, click here**

[http://www.goodfellowpublishers.com/academic-publishing.php?promoCode=&partnerID=&content=story&st](http://www.goodfellowpublishers.com/academic-publishing.php?promoCode=&partnerID=&content=story&storyID=224)

[oryID=224](http://www.goodfellowpublishers.com/academic-publishing.php?promoCode=&partnerID=&content=story&storyID=224)



All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recorded or otherwise, without the written permission of Goodfellow Publishers Ltd

All requests should be sent in the first instance to

[rights@goodfellowpublishers.com](mailto:rights@goodfellowpublishers.com)

[www.goodfellowpublishers.com](http://www.goodfellowpublishers.com)