Stakeholder engagement in air route development – The role of leadership and governance

Bojana Spasojević Šijački

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Statement of originality

This work has not previously been submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

(Signed)____________________________________

Bojana Spasojevic Sijacki
Abstract

The air transport and tourism industries have a symbiotic relationship, and their intersection is an important area for academic research. A review of the air transport and tourism literature (Chapter 2) identified that air route/service development (ARD) is an emerging research theme. ARD is a topic of great interest in the aviation and tourism sectors but has received limited attention in both the academic and professional literature. In the context of this thesis, ARD is defined as the process of the engagement activities undertaken by airports and other involved stakeholders leading to the attraction of new routes, retaining existing air services or improving air access and capacity. Encouraging airlines to operate new routes involves a number of business agreements amongst several stakeholders. This research focuses specifically on stakeholder engagement within the ARD process. The tourism literature identifies leadership and governance attributes as key contributors to stakeholder engagement, but so far has focused predominantly on the context of small/medium enterprises (SMEs). This study extends these findings and explores the roles of leadership and governance among large tourism stakeholders, in this context airports, airlines, tourism authorities, consultants and government agencies.

This exploratory study uses a two-phase mixed methods approach. In the first phase (Chapter 5), an online survey instrument was used to collect data from ARD experts from around the world (n=100). This survey identified key leadership and governance attributes associated with successful ARD examples. Analysis of the results distinguished seven attributes (strategic vision, leadership, trust, partnership, effective/constructive communication, information/knowledge sharing and results production), with partnership being the attribute most frequently chosen. The respondents pointed out more than 60 successful examples of ARD worldwide.

Despite the acknowledgement that countries in the Middle East have established successful cases of ARD, it was challenging to secure participation in this research from relevant stakeholders in this part of the world. As a result, secondary data from the AirportIS database was used to study transit passenger traffic and its impact on transit tourism development at the major airport hubs in this region (Chapter 3). In addition, another successful ARD example at a regional airport was explored through the case study of Adelaide Airport (Chapter 4). The summary of this study on the dynamics of
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stakeholder engagement between primary and secondary ARD stakeholders and economic factors leading to successful ARD is included in this thesis.

In the second phase, an in-depth analysis of ARD stakeholder engagement evaluated the key leadership and governance attributes and their roles in Australia. A total of 22 in-depth semi-structured interviews with ARD experts was conducted (Chapter 6). This study aimed to evaluate the importance of leadership and governance in stakeholder engagement explored in the first phase of the thesis. ARD lessons from Australia, including the importance of leadership and governance attributes at each of the four ARD stages, indicated the uniqueness of the ARD process in this country.

The central findings of this research are summarised in five main areas: (1) ARD process (involved and leading stakeholders); (2) key leadership and governance attributes and their role in ARD stakeholder engagement; (3) implementation of the seven key attributes through the four ARD stages; (4) different perceptions of attributes held by various ARD stakeholders; (5) differences in perceptions and ARD strategies within airports of different sizes.

While the majority of the airports and tourism authorities consider the airport to be the leading stakeholder, airlines also identify themselves in this role. Similarly, airports and airlines perceive the role of the top leadership and governance attributes from different perspectives. When it comes to ARD decision-making, all stakeholders agree that airlines make the ultimate decision. All ARD stakeholders also agree about what the attributes’ roles are at some of the stages of ARD. For example, strategic vision must be clearly identified during stage one (development of route objectives), and effective/constructive communication and information/knowledge sharing ensure the success of stage two (market research). At the same time, trust and leadership must be present during all four stages of ARD. In the final stage (route implementation), all stakeholders aim to achieve their results production goals.

This research also brings a novel approach by examining airport size and how it influences ARD processes in Australia. While major city airports could lead the ARD conversation without additional support, regional and emerging airports build their ARD results through close partnerships with tourism authorities and government bodies. Also, smaller airports often lack resources and ARD experience. To overcome these issues, there is a need for individually tailored strategic vision and close partnership with other stakeholders, including consultants.
The results indicate that key leadership and governance attributes, dominant within each of the four ARD stages, are contingent on the type of the stakeholders involved. The outcome of this study benefits industry professionals, particularly airports, airlines and tourism authorities who do not have extensive ARD experience. From an academic perspective, this thesis explores two concepts present in tourism studies, leadership and governance, in the context of ARD. The mixed-method approach offers an in-depth analysis of the ARD process and contributes to previous, mostly quantitative, ARD studies. This thesis provides a significant contribution to academic knowledge as one of a few studies analysing the role of leadership and governance in the context of ARD. From the practical side of implications, the results of this thesis can be used by various ARD stakeholders and tourism/aviation policymakers.
Keywords

Air route development, stakeholder engagement, leadership, governance, tourism destination
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List of published papers included in the thesis

This thesis includes published peer-reviewed papers co-authored with my supervisors as Chapters 2, 3 and 4. My contribution to each co-authored paper is outlined at the front of the relevant chapter. The bibliographic details for these papers follow:


Additional relevant publications

In addition to the papers that form the entire research chapters of this thesis, the following two publications are related to the research topic, but the main results from these papers are presented only as a summary, while the full papers have been added in the Appendix.


In addition to the papers that form the research chapters of this thesis and the two above mentioned publications, other publications were completed during the candidature but do not form part of the thesis itself.

Articles


**Book chapters**


**Book reviews**


Conference papers


Lohmann, G., Spasojevic, B., & Ngo, T. (2018) Female Student Experience in a male-dominated Aviation Program, Presented at the “International Conference on Innovation, Smart Culture and Well-Being” (ICISW), Suan Sunandha Rajabhat University, Thailand, 8th November 2018.


Chapter 1 - Introduction

1.1 Research background

The air transport industry began with the first scheduled passenger airline service between St. Petersburg and Tampa (Florida) in 1914 (Sharp, 2018). Since the Second World War the air transport industry, including airports, has experienced constant growth, despite temporary disruptions from crises and disasters. Examples of such disruptions include 9/11 in the United States (US) in 2001, the outbreak of SARS in 2003, the swine flu in 2009, the volcanic ash cloud in Iceland in 2010 (Graham, 2018), and the current COVID-19 pandemic.

The airline sector underwent a massive transformation with the deregulation of economic regulations. The process of airline deregulation started with the Airline Deregulation Act of 1978 in the US, which removed the strict government control of the airline industry (Morrison & Winston, 2010). This led to a more liberal market, generated a higher number of direct flights and increased productivity (Kim, 2016), initially in the US, and it then spread increasingly worldwide. While the effects of airline deregulation and liberalisation brought financial struggles and bankruptcy to some of the airlines with traditional business models, in general, it had a positive impact on the airline industry and air transport as such.

Airports have also experienced significant changes in terms of their operations (Graham, 2011). Three overarching development processes occurred within the airport sector between the 1970s and the current times: (1) airport commercialisation – the transformation of airports from public to commercial enterprises, even in the cases where government still owns and operate these terminals (e.g., in the United States); (2) airport privatisation – the transfer of airport management to private companies (e.g., in Australia, UK) or non-governmental agencies (e.g., in Canada) and in many cases, the ownership of airports; and (3) airport ownership diversification - the emergence of global airport companies (e.g., AENA, Royal Schipol Group, Fraport AG), which operate airports worldwide (Graham, 2018).
Airports, a key piece of infrastructure of a country’s air transport network, were traditionally considered as public service spaces, and as such the majority of airports around the world were publicly owned. The trend of airline deregulation that began in 1978 in the US, which resulted in liberalized air service regulations, also influenced the commercialisation of airports (Graham, 2018). Commercialisation has been defined as the introduction of commercial objectives to publicly owned enterprises (Humphreys, 1999; Humphreys, Francis & Fry, 2001). The fast-moving development of the air transportation industry has further led to the privatisation of the airports in some parts of the world (the UK, Australia and New Zealand, and some EU countries). A significant increase in the number of private or partially privately owned airports became evident in the 1990s.

Privatisation is the transfer of government owned assets to private investors or private companies (Humphreys et al., 2001). In the airport sector there are a number of privatisation models used. Graham (2018) identified five main models of airport privatisation: (1) share flotation; (2) trade sales; (3) concession (public-private partnership); (4) project finance/build, operate, transfer (BOT); and (5) management contracts. Each of the models provides a different level of government ownership and control, with management contracts being the least radical privatisation option where government retains ownership. A trade sales involves total privatisation, where the airport is sold to a private investor or consortium through public tender (Graham, 2018). Despite the new ownership and governance acquired models, airport commercialisation and privatisation in many cases has resulted in sophisticated financial and marketing arrangements to support the creation of new air services (Oum, Adler, & Yu, 2006).

Airport operators have recently begun to be the lead stakeholder in the air route development (ARD) process, in some cases developing business cases and approaching airlines and other airports to establish new routes (Halpern & Graham, 2015). Even those airports under public ownership are increasingly recognising the potential for ARD.

Air transport deregulation and liberalisation, including the development processes of airports, have had a strong influence on tourism development, particularly with respect to long-haul travel (Button & Taylor, 2000; Dobruszkes & Mondou, 2013). As a result of deregulation and liberalisation, airlines were provided with more freedom to choose where they fly to and from. This process has additionally incentivised airports and tourism stakeholders to remain attractive and retain airlines while helping them to grow passenger and tourist numbers. Tourism development in so-called long-haul destinations and island
countries (i.e., Australia, New Zealand, Japan, the Caribbean region) has been strongly influenced by the growth of air transport and the establishment of new routes, but also for intra-regional and domestic markets (i.e., Europe), especially as a result of low-cost carriers. Even countries that are geographically centrally located (i.e., the Middle East region) have increased the annual number of visitors due to ARD (Spasojevic & Lohmann, 2018). Today, the tourism industry is hardly imaginable without air transport, sophisticated airport infrastructure, efficient and safe airline services and worldwide air transport networks. On the other hand, the high number of international tourists travelling by air represents a vital part of the overall number of air passengers, demonstrating the mutual importance and interdependence of the air transport and the tourism industries. The growing interest in the interface between air transport and tourism is also demonstrated by the number of publications on this topic tripling over the fifteen years from 2000-2014 (Spasojevic, Lohmann & Scott, 2018). The relationship between air transport and tourism can be studied from several aspects. Without undermining the importance of other air transport and tourism links, this thesis (apart from Chapter 2) focuses specifically on ARD and the engagement of various stakeholders within this process.

1.2 The motivation for this research

ARD is a complex process of activities and engagement among air transport and tourism stakeholders, resulting in new flights (or increase in frequency and/or capacity) between airports, which in turn are valuable drivers of the overall local, regional and national tourism economy and destination development. From January 2009 to December 2019, almost 30,000 new air routes were launched worldwide (Anna.Aero, 2019). Global air traffic demand has seen an average annual growth of 6.8% since 2010, and IATA forecasts that the number of air passengers will double by 2036, reaching 7.8 billion passengers (IATA, 2017)\(^1\).

Even though ARD is a well-known concept within the air transport industry, it has received limited attention in both the academic and professional literature (Halpern &

\(^1\) Due to the current COVID-19 global disruption, these predictions require to be revisited.
Graham, 2015). Significantly for this thesis, little research has been undertaken on the roles of stakeholders in the ARD process. Many stakeholders are involved in encouraging airlines to operate new routes from an airport. In their study on airport route development, Halpern and Graham (2015) reported the results from separate studies where national governments, destination management organisations (DMOs), local and city authorities, chambers of commerce and non-government organizations (NGOs) were identified as important stakeholders. A survey conducted by Airport Strategy and Marketing (ASM) identified tourism authorities as the most important partners for route development (Halpern & Graham, 2015), supporting the importance of further examination of air transport and tourism stakeholder engagement due to the lack of research in this area.

Despite the limited ARD literature, there are valuable research resources addressing the air transport and tourism intersection. Existing air transport-tourism literature explores the relationships between destinations, connectivity, and airline business models (Duval, 2013) and emphasises that the strategic development of destinations and clear airline policy are essential for understanding and creating new tourism-airlines business models (Bieger & Wittmer, 2006). Governments, airlines and DMOs need to recognise that the relationship between air transport and tourism is bi-directional, with possible negative and positive outcomes (Bieger & Wittmer, 2006; Duval, 2013). In other words, while a positive outcome could be expected as the result of well-planned and well-organised stakeholder engagement based on mutual benefits, negative outcomes often result from sporadic and government-forced cooperation. Just as a robust, sustainable aviation policy and the intervention of a supportive government are considered to be important factors for successful air transport business models, positive engagement among and between tourism stakeholders can also be considered to be an important factor (Halpern & Graham, 2015).

However, there is general agreement among both academics and industry representatives that government ownership and participation in the regulation of air services can also lead to an inefficient air transport market (Oum, Yan, & Yu, 2008). Research conducted in both the Caribbean and the Middle East shows that government involvement has had a dampening effect on tourism output in the Caribbean, while the reverse effect was found in the case of the Middle East (Warnock-Smith & O’Connell, 2011). On the other hand, analysis of air transport policy liberalisation and its impact on tourist flows in the Asia-Pacific region indicates that Australia and Singapore, as the most
liberalised air transport environments in the world, have shown positive effects of the reduced government involvement (Zhang & Findlay, 2014). Another study on air route suspension points out that stakeholder engagement, cooperation and shared knowledge can avoid air route suspension (Lohmann & Vianna, 2016). These studies indicate that stakeholder engagement is important for various ownership structures and different phases of cooperation.

ARD activities and active stakeholder engagement have supported the success of Singapore and Dubai. In both cases, the geographical location of the hub was an attractive factor for further integration of government, DMOs, airports and airlines who foresaw the benefits of transforming these air transport hubs into world-leading tourism destinations (Lohmann, Albers, Koch & Pavlovich, 2009). These authors identify the hub, the destination, and the gateway function as the leading functions in both Dubai and Singapore destinations. In both, the government has a critical role in leading close stakeholder engagement, involving airlines, the airport, DMO, and other aviation related companies. Through a well-orchestrated approach, these air transport and tourism stakeholder engagement models have contributed to the development of the image of Dubai and Singapore as "must-see" stopover destinations among long-haul travellers from Australasia to Europe and vice versa. Following these successful examples, other countries and regions are exploring the potential benefits of closer integration between air transport and tourism. For example, Taiwan, whose location makes it a desirable potential air hub for East Asia, recognised the opportunity for transformation to a leading tourist transport centre. The results of Taiwan’s experience show that air transport liberalisation, close stakeholder engagement, and organised tourism marketing can together create a tourist transport centre. Chen and Lee (2012) state that for successful transformation from air hub to hub destination to occur, the following key elements must be adopted: improved international airport functions; aviation market liberalisation; improved aviation competitiveness; and effective tourism marketing.

The process of stakeholder engagement fosters the collaboration of large tourism and air transport stakeholders, which results in economic development. In the context of ARD and this thesis, large stakeholders are defined as key parties involved in the process of ARD. Despite the importance of understanding how large stakeholders engage (i.e., DMOs, airports, airlines, hotel associations, etc.), there is a lack of academic research exploring such partnerships. Besides, tourism literature on small and medium-sized
enterprises (SMEs) suggests the significant role of leadership and governance theories in stakeholder engagement (Trudeau Poskas & Messer, 2015; Valente, Dredge & Lohmann, 2015; Pantano, Priporas, Viassone & Migliano 2019). A number of leadership and governance attributes have been discussed and analysed in the context of tourism research and in particular SMEs. This thesis adopts a list of 17 leadership attributes (Winston & Patterson, 2006; Waligo, Clarke & Hawkins, 2014; Valente, Dredge & Lohmann, 2014; Valente et al., 2015) and 19 governance dimensions (Beaumont and Dredge, 2010; Ruhanen, Scott, Ritchie & Tkaczynski, 2010; Valente et al., 2015) which contribute to the successful stakeholder engagement of tourism SMEs. Chapter 5 explores the application of these attributes in the context of ARD (see in particular, Figure 1).

As a mostly exploratory study, this thesis uses both inductive and deductive approaches to examine the process of ARD, stakeholder engagement and the influence of leadership and governance theories on its success. The successful case of stakeholder engagement and ARD in the Middle East is examined through the lens of secondary data. However, the majority of this research focuses on the Australian aviation market, due to its characteristics and unique ecosystem of tourism and air transport. As an island country, Australian’s main mode of overseas travel is air transport. At the same time, due to significant geographical distances between the major Australian cities, air transport also represents the main mode of interstate transport. The tourism industry represents one of the five fastest growing sectors in Australia with approximately 20% contribution to the total country’s GDP (Tourism and Transport Forum, 2018). The specific relationship between the air transport and tourism industries has developed over years due to their high interdependence. Tourism Australia, state tourism authorities, and their engagement with other tourism and air transport stakeholders has been widely recognised by industry experts (Spasojevic, Lohmann & Scott, 2019). Thus, in the final part of this thesis (Chapter 6) an analysis of the Australian aviation market is used to develop lessons about the importance of leadership and governance for ARD stakeholder engagement.

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2 In March 2020 Australian tourism industry has been affected by COVID-19 lockdown and its contribution to GDP in 2020 will be significantly lower.
1.3 Research aim and objectives

This thesis aims to investigate ARD, a process at the intersection of air transport and tourism research. It analyses the influence of ARD on tourism destinations through the lenses of transit tourism destinations and regional airport. Furthermore, it explores the role of leadership and good governance in the successful engagement of large stakeholders (i.e., airports, airlines, DMOs and government authorities) in the ARD process. Four research objectives (RO) are identified which will address these research aims:

RO1 – to examine the process of ARD, its objectives, phases and leading stakeholders;
RO2 – to analyse the influence of ARD on transit tourism destinations and the economic development factors fostering successful examples of ARD;
RO3 – to explore the role and relevance of the attributes of leadership and good governance in successful ARD stakeholder engagement;
RO4 – to evaluate the key leadership and governance attributes and their role in the context of ARD in Australia, where aviation and tourism sectors operate in a commercialised environment.

1.4 Key themes and definitions

This study is framed around key themes of ARD, stakeholder engagement, leadership and governance. While each of these four themes has been elaborated further in the following published thesis chapters, this section defines and summarises each of them.

Air route development (ARD)

**Definition:** In the context of this thesis, ARD is defined as the process of engagement activities undertaken by airports and other involved stakeholders leading to the attraction of new routes, retaining existing air services or improving air access and capacity, with the ultimate goal of developing the economy of a community or region (adapted from Martin (2009) and Thelle, Pedersen & Frederik, (2012)).

Early ARD-related studies (Goodovitch, 1996; Horner, 1991) mostly discussed route development from a geographical perspective as part of the air transport development system. When analysed from a geographic perspective, ARD is considered a main element of an air transport network linking two different points (airports). Furthermore,
ARD, as part of the air transport network, has three major characteristics: cost, service and market share (Goodovitch, 1996). Most recent ARD-related studies analyse the ARD phenomenon from a broader strategic and business development perspective. In their seminal ARD work, Halpern and Graham (2015, 2016) provided insights into ARD objectives, process and importance through four main phases of ARD: (1) development of route objectives, with major differences in attracting new routes operated by regional vs major airlines, serving regional vs major airports; (2) market research, where stakeholder engagement plays an important role, particularly for smaller airports with limited internal resources, and which lack a marketing department; (3) route development activities, such as strategic decisions on targeting particular airlines, communication strategies and advertising (the Routes conferences represent the most significant events for identifying potential ARD partners); and (4) route implementation, which involves many critical decisions, including the nature of financial support or price incentives, marketing support, and joint branding. The proposed objectives and phases of ARD have been used in this study (see Chapter 6).

Stakeholder engagement

**Definition:** In the broader business environment stakeholder engagement has been defined as “practices that the organisation undertakes to involve stakeholders in a positive manner in organisation activities” (Greenwood, 2007, p. 317-318).

Due to the number of stakeholders involved in the process of ARD, an understanding of stakeholder engagement theory and how stakeholders interact with each other is crucial. This section summarises stakeholder engagement theory and its implementation in tourism and air transport. Stakeholder theory suggests that the process of stakeholder engagement represents the development of relationship between businesses, groups or individuals who are affected by business decisions (Parmar, Freeman, Harrison, Wicks, Purnell & De Colle, 2010). In the tourism literature, stakeholder engagement is also known as stakeholder cooperation or collaboration (Sautter & Leisen, 1999; Aas, Ladkin & Fletcher, 2005). According to Iazzi, Pizzi, Iaia and Turco (2020), the process of understanding stakeholder engagement involves: (1) *stakeholder mapping* – identifying and classifying relevant stakeholders; (2) *stakeholder management* – identifying stakeholder expectations; (3) *stakeholder engagement* – providing activities to include
stakeholders in the decision-making process. It is argued that in the tourism industry, anyone impacted by tourism development could be deemed to be a stakeholder (Aas et al., 2005), which makes the coordination between private, public and non-government sectors very challenging (Jamal & Getz, 1995) because of the sheer number of potential stakeholders involved. Although large tourism and air transport stakeholders involved in the process of ARD can be easily identified and thus their relationship studied and analysed, there is a limited number of studies on this topic. Lohmann and Vianna (2016) examined the lack of stakeholder engagement between the major stakeholders in the process of air route suspension, while Halpern and Graham (2015) studied the role of stakeholder engagement in ARD from the perspective of airports.

Leadership

**Definition:** Traditionally, leadership can be defined as “the process of influencing the activities of an organised group in its efforts toward goal setting and goal achievement” (Stogdill, 1974, p. 10).

Stakeholder engagement is a complex process that depends on many variables. It is argued that different governance dimensions and leadership attributes may influence the process of stakeholder engagement (Valente et al., 2014). This section discusses leadership theory, its main characteristic and its application in the context of air transport and tourism. While the SMEs tourism literature has studied the concept of leadership from the traditional perspective of an individual as a leader, Hristov and Zehrer (2015) and Hristov, Scott and Minocha (2018) extended the approach to analysis of the leadership network of a DMO. In this distributed leadership approach, the activities of a large stakeholder (in this case, DMO) do not focus on a few individuals, but rather explore the interactions and interdependence of involved organisations. ARD has also been perceived as a suitable context for studying leadership in stakeholder engagement due to the involvement of large stakeholders (i.e., DMOs, airlines, airports, and governments). The first step in the application of leadership theory in the context of this thesis is the identification of the main leadership attributes that tailor the stakeholder engagement process. Separate studies conducted by Winston and Patterson (2006), Trudeau Poskas and Messer (2015), Waligo et al., (2014), and Valente et al., (2014, 2015) have identified various leadership attributes (see Figure 1) which shape the engagement of stakeholders.
in tourism SMEs. These attributes are explored and analysed in the context of ARD in Chapter 5 and Chapter 6.

**Governance**

**Definition:** The Centre for European Policy Studies (1995, p. 5) defines governance as “the whole system of rights, processes and controls established internally and externally over the management of a business entity with the objective of protecting the interest of all stakeholders”.

The term governance seems to be omnipresent in numerous official economic reports. The pervasive use of this terminology is noticed in diverse academic disciplines such as development studies, economics, geography, political science, public administration, and sociology (Bevir, 2011). Governance theory has been widely applied in tourism studies as a valuable guideline and direction for destination development (Bichler & Lösch, 2019), including collaborative governance processes such as direct dialogues and communication, trust-building, knowledge sharing and leadership. Governance, as a medium-term process of stakeholder engagement (Pechlaner, Kozak & Volgger, 2014), is primarily focused on the characteristics of successful stakeholder engagement and decision-making. Separate studies conducted by Beaumont and Dredge (2010), Graham, Amos and Plumptre (2003), Ruhanen et al., (2010), Valente et al., (2014, 2015) have identified multiple governance dimensions that could be used to assess the success of stakeholder engagement. The list of adopted governance attributes is used to test and analyse governance theory in the context of ARD (see Chapters 3 and 6).

**Conceptual framework**

The conceptual framework of this thesis is summarised in Figure 1. A review of both the academic and the professional literature showed that there is a gap in the knowledge related to the examination of different theories which show either a positive or a negative impact on ARD stakeholder engagement. This thesis aims to reduce this gap, by applying the stakeholder engagement, leadership and governance theories in the context of ARD. Figure 1 provides the conceptual framework which includes the main research themes, the research phases and the research objectives. This research could be split in two parts. Part 1, analyses the broader air transport and tourism literature and process of ARD, while providing answers to RO1 and RO2. Both secondary and primary data have been used to
address RO2, providing insight into ARD’s role in transit tourism and economic development. Due to the limited ARD literature currently available, Part 2 of this research provide further resolution to the RO1. Phase 1 of Part 2 uses the main leadership attributes and good governance dimensions present in tourism SMEs stakeholder engagement literature and investigates the importance of these attributes in ARD. This phase addresses RO3. Finally, Phase 2 of Part 2 addresses RO4 by evaluating the key leadership and governance attributes identified in Phase 1 and their role in Australian ARD.
Figure 1. Conceptual framework

Source: Original from the study
1.5 Research design and methodological framework

As an interdisciplinary field of research and education, tourism has been influenced by and studied from various angles. In his seminal work initially published in 1977, Jafari mapped out the main tourism study areas depending on the other (non-tourism) most influential side of a cross-disciplinary approach (Jafari & Ritchie, 1981). These two authors further define cross-disciplinary studies as those which observe one discipline from the perspective of another. Tourism and transport was one of the 15 areas identified as a cross-disciplinary study and research area. The later developed interdisciplinarity of tourism and air transport research has strongly influenced the research design and research philosophy adopted in this thesis.

The first step in the design of the research method involves the establishment of a research philosophy or paradigm (Teddlie & Tashakkori, 2003), and its implementation within the study (Creswell, 2013; Creswell & Clark, 2007). The philosophical paradigm is crucial in ensuring consistency between the research approach adopted for data collection and the analysis of subsequent findings (Jennings, 2001). A paradigm is often referred to as a theoretical framework which influences the way knowledge is studied and interpreted (Mackenzie & Knipe, 2006). Paradigms can be distinguished based on their answers to three fundamental questions: (1) the ontological question – what is the form and nature of reality and what is there that can be known about it? (2) the epistemological question – what is the nature of the relationship between the research and potential knowledge? and (3) the methodological question – how can the researcher go about finding out whatever is believed and can be known? (Guba & Lincoln, 1994). These authors identified several paradigms: positivism, post-positivism, critical theory and constructivism. Jennings (2001) extended this list to include critical realism, pragmatism, chaos and complexity theory, the feminist perspective, post-modernism and the participatory paradigm. Tribe, Dann and Jamal (2015) argued that the complexity and heterogeneity of tourism-related studies do not require a search for the theoretical approach or for a certain paradigm.

In this study, the interpretivist/constructivist paradigm guides the research method design elaborated in this section. The interpretivist/constructivist paradigm grew out of
the work of German philosophers, Edmund Husserl and Wilhelm Dilthey, who studied the interpretative approach called hermeneutics (Mertens, 1998). An interpretivist/constructivist approach to research intends to understand ‘the world of human experience’, suggesting that ‘reality is socially constructed’ (Mertens, 1998). Constructivist research does not begin with a theory; instead, a theory is developed from patterns and the participants' observations (Mackenzie & Knipe, 2006). Even though constructivist research is more likely to use qualitative data collection methods and analysis, it can be formed as a combination of both qualitative and quantitative methods (Mackenzie & Knipe, 2006). Considering the main research aim and objectives, and the interpretivist/constructivist paradigm proposed, this thesis uses a combination of exploratory, descriptive and explanatory research approaches. Figure 2 summarises the methodological framework of this thesis.

![Methodological framework](Figure 2. Methodological framework)

Source: Original from the study
The purpose of exploratory research is to examine issues or phenomena that are not well theorised, to develop preliminary ideas about them, and to move towards redefining the research questions. This may be contrasted with the purpose of descriptive research which is to ‘paint the picture’ (Neuman, 2014) and present a profile, a typology, or an outline of steps to answer questions such as who, when, where, how and why (Neuman, 2014). In practice, exploratory and descriptive research blurs together, and is usually combined. Phase 1 of this thesis combines the two research approaches through the mixed-methods online questionnaire. More details on Phase 1 data collection can be found in Chapter 5. Since some of the questions related to successful ARD examples could not be answered via primary data collection, this thesis incorporates an additional section based on secondary data, which analyses the influence of ARD on transit tourism and economic development. Finally, the explanatory research approach has been used in Phase 2 of this thesis. In this phase, qualitative primary data (semi-structure interviews) have been used to explain and evaluate the role leadership and governance attributes plays in Australia. The in-depth methods used in Phases 1 and 2 of data collection are presented in Chapters 5 and 6 respectively.

1.6 Thesis structure and compliance

This thesis consists of seven chapters. This Introduction chapter provides the background to the research context and key research themes. It is followed by Chapter 2 where a systematic literature review paper on air transport and tourism is provided, in addition to a summary of a book chapter on a related topic. These two publications comprising Chapter 2 provide insights into the research on the intersection between air transport and tourism and identify common and emerging research themes, including ARD. The following chapters (Chapters 3, 4, 5 and 6) present the results of this thesis and contain published and unpublished papers. In particular, Chapter 3 interrogates the implications of ARD for transit tourism in the Middle East through the use of secondary data. Chapter 4 presents the summary of analysis of stakeholder engagement and ARD in a case study on Adelaide Airport. As the PhD candidate was not the first author of this paper, the full paper is included in the appendix (see, Appendix 3), and only a summary of the results is included in the thesis. Chapter 5 investigates the role of leadership and
governance in ARD and presents the exploratory part of this thesis. Chapter 6 provides the final research findings of the second phase of the research by evaluating the role of key leadership and governance attributes identified in Chapter 5 in the Australian context. Finally, Chapter 7, Discussion and Conclusion, offers a discussion about the theoretical, methodological and practical contributions of this study. In conclusion, the last part of this chapter summarises the research findings, identifies the research limitations and suggests the implications for further research. Figure 3 graphically illustrates the structure of this thesis.

This thesis is structured in compliance with the requirements of Griffith University’s policy relating to the inclusion of published and unpublished papers in a thesis. This policy can be reviewed on the Griffith University website (https://intranet.secure.griffith.edu.au/research/griffith-graduate-research-school/preparing-my-thesis/inclusion-of-papers-within-the-thesis). In particular, three out of seven chapters are presented in the form of unformatted publication manuscripts (Chapters 2, 3 and 5). As a result of this structure, some repetitions can be found within Chapter 5, as well as within this introductory chapter and other published papers, and references included in various chapters.
Figure 3. Structure of the thesis

Source: Original from the study
1.7 References


Chapter 2 – Air transport and tourism – A systematic literature review

2.1 Introduction

Following the thesis structure defined in Chapter 1 (Figure 1), Chapter 2 provides a systematic review of the literature relating to the intersection between air transport and tourism research published between 2000 and 2014. The aim of this chapter is to analyse the growing research intersection by analysing the major research themes, leading researchers, their geographical locations and overall research trends. This systematic literature review has identified gaps in the literature, with ARD being one of the emerging research areas.

Figure 1. Structure of the thesis

Source: Original from the study
This chapter consists of the published version of an academic article co-authored with my two supervisors. In addition, this chapter includes a summary of continuing research on the intersections between air transport and tourism, published as a book chapter and co-authored with my principal supervisor. The full book chapter can be found in the list of Appendices (see Appendix 1). The bibliographic details of the published research article, including all authors are:


My contribution to this paper involved: initial concept, compilation of systematic literature review, research design, preparation of the manuscript, tables, figures and submission to the journal editor.

(Signed) ______________________________________  (Date) _____________

Bojana Spasojevic Sijacki

(Countersigned) __________________________________  (Date) _____________

Gui Lohmann

(Countersigned) __________________________________  (Date) _____________

Noel Scott
2.2 Published article

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3 This is the authors accepted manuscript of an article published as the version of record in Current Issues in Tourism © Taylor & Francis 2018 Informa UK Limited, trading as Taylor & Francis Group, https://doi.org/10.1080/13683500.2017.1334762
Air Transport and Tourism - A Systematic Literature Review (2000-2014)

Bojana Spasojevic, Gui Lohmann, Noel Scott

a Griffith Aviation and Griffith Institute for Tourism, Griffith University, Brisbane 4111 Australia
b Griffith Institute for Tourism, Griffith University, Gold Coast 4222, Australia

ABSTRACT

This paper reviews literature at the intersection between air transport and tourism research. While, air transport and tourism are mutually dependent sectors, there is little research on their interaction. A systematic literature review method was used to select and analyse relevant journal articles published in 54 ABDC (Australian Business Dean Council) A*, A or B ranked journals from 2000-2014. Research themes, leading researchers, their institutions and geographical locations are discussed. An extended framework for classification of the literature is developed through the content and thematic analysis. Among the identified research themes, ‘environment’, ‘passengers’ and ‘airlines’ are found as the most common. The use of a systematic review has identified gaps in the literature and directions for future studies. Some of the identified areas that are showing a growing interest in the interrelationship between aviation and tourism include air route/service development; passenger experiences; LCCs and their impact on tourism; implications of new direct long-haul flights; and carbon offsets.

Keywords: Air transport; Aviation; Tourism; Systematic literature review

Introduction

Air transport, airport infrastructure, efficient and safe airline services and worldwide air transport networks are essential support for tourism (Lohmann & Duval, 2015). In 2014, more than half of all international tourists (54%) travelled by air (UNWTO, 2015). Air transport has a significant influence on a destination’s economy, including the tourism
sector and vice versa (Henderson, 2009; Lian & Denstadli, 2010). Tourism has stimulated development of charter airlines (Bieger & Wittmer, 2006), opened new destinations and tourism markets, and influenced development of destinations specialised as gateways, hubs, or stopovers. (Lohmann & Duval, 2014). There are few air transport literature reviews (Ginieis, Sánchez Rebull, Hernández, & Planas, 2011; Ginieis, Sánchez-Rebull, & Campa-Planas, 2012; Kaps & Philips, 2004) and only one prior review examines tourism and transportation. In the only existing literature review on this topic, Duval (2013, p. 495) identified three themes: “(1) the economic regulation of international commercial air transport; (2) the relationship between destinations, connectivity and airline business models; and (3) the relationship between aviation-related emissions and climate policies”. This systematic literature review (SLR), extends this framework for classification and analysis and identifies areas for future research.

**Background**

Air transport is a primary mode of transport for international leisure travel (UNWTO, 2015), and an important influence on destination development. Air transport and tourism are mutually dependent (Duval, 2013; Forsyth, 2006, 2008), with airlines often involved in the planning and development of tourist destinations, while tourism destinations may invest in local airports or the development of new routes (Lohmann & Vianna, 2016). International airline alliances affect tourist destinations by influencing fares and total travel time, connectivity and cooperative promotion (Morley, 2003a). Low-cost carriers (LCCs) have been found to stimulate demand for destinations in case studies from Korea (Chung & Whang, 2011) and Southern Italy (Donzelli, 2010; Macchiavelli & Vaghi, 2003). Aviation regulatory regimes, aviation liberalisation, air transport policies and “open skies” agreements underpin growth in air travel (Dobruszkes & Mondou, 2013; Zhang & Findlay, 2014), since regulation can influence the range of routes operated by airlines, hence determine competition, and spatial patterns of tourist travel (Forsyth, 2008). Growing tourism demand requires new airport infrastructure (Martin-Cejas, 2010), development of new airport routes (Halpern & Graham, 2015, 2016), and coordination between airline, airport and destination strategies (Lohmann, Albers, Koch, & Pavlovich, 2009).

A variety of different review methods are available to select and analyse a relevant literature, including meta-analysis, narrative review, and SLR (Jesson, Matheson, &
Spasojevic, B. – Stakeholder engagement in air route development – The role of leadership and governance

Lacey, 2011; Timulak, 2009; Tranfield, Denyer, & Smart, 2003). Tourism is a multidisciplinary field of study, leading to literature review papers on topics as diverse as tourism and sport (Weed, 2006; Weed et al., 2014) and Chinese tourism (Keating & Kriz, 2008; Tseng, Wu, Morrison, Zhang, & Chen, 2015; Zhong, Wu, & Morrison, 2015). In addition, a reviewer may apply a range of bibliographic techniques such as co-authorship (Ye, Li, & Law, 2013) and geographic analysis (Shen et al., 2014). This paper provides an SLR on the interrelationship between air transport and tourism using thematic and content analysis methods.

Methodology

Systematic review papers differ from traditional narrative reviews in the way they provide objective, replicable, systematic, and comprehensive coverage of a defined area (Weed, 2006). The SLR requires a meticulous documentation of the procedures used to survey the literature and to select papers (Pickering & Byrne, 2013) such that another researcher can replicate it (Ginieis et al., 2012). The advantage of this type of review is that similar results should be obtained if the procedure is repeated.

In this SLR, relevant journals were chosen from the Australian Business Deans Council Journal Quality List (ABDC), a source commonly used by Australian academics to classify and rank academic publications, particularly in the management fields of study. Journals were selected if they were listed between the years 2000 and 2014 as belonging to the Field of Research (FoR) of tourism (1506) and transport (1507). This choice of two specific FoR is needed to limit the number of journals analysed; otherwise, our approach would not be replicable and objective. The ABDC list comprises only journals published in English and only those classified as A*, A, and B journals (the most influential ones) were chosen. We did not include C-ranked journals, as usually, they are not the preferred choice for publication for management/business academics, albeit we acknowledge that these journals can eventually move into higher categories. It is worth highlighting that the approach proposed here is just one method to select academic publications and that there are other ranking systems apart from the ABDC list.

A two-stage approach for the sampling of “air transport” and “tourism” journal articles was undertaken. In the first step, only papers where a selected number of words, i.e. ‘tourism’, ‘tourist’, ‘airline’, ‘aviation’, ‘air transport’ and ‘air transportation’, existed in the title, abstract or keyword sections were chosen. The purpose was to develop a broadly
understanding on how “air transport” and “tourism” interface has been progressing. In a second stage, only papers where “air transport” and “tourism” related words were located within three words from each other in the text were selected and analysed, as described below.

**Stage 1**

A total of 74 journals from the 2013 ABDC list were identified for FoR 1506 (tourism) and 1507 (transport). Out of these 74 journals, 12 journals were eliminated, as their focus clearly was not directly relevant to the interface between tourism and air transport. These journals examined topics such as ‘accident investigation’, ‘technology’, ‘safety’, ‘infrastructure’, ‘information technology’, ‘automotive technology’, ‘vehicle engineering’ and ‘quality assurance’. Eight other journals not readily available in the university online library catalogue were also excluded. The journals excluded are listed in Note 1 of Figure 2. From the first 74 tourism or transport related ABDC journals, 54 journals were further analysed and papers from the 15-year period 2000-2014 selected using two criteria:

1) For tourism journals, papers were selected with any of the following words, ‘aviation’, ‘airline’, ‘air transport’ or ‘air transportation’, either in the title, abstract or keyword sections;

2) For transport journals, papers whose following words were found in the title, abstract or keyword: ‘tourism’ or ‘tourist’ together with either ‘airline’, ‘aviation’, ‘air transport’ or ‘air transportation’ were chosen.

A total of 329 journal articles were selected from 36 different journals. Hence, 18 of the original 54 journals did not publish any paper as per these criteria, indicating that academics had a very specific target of journals even when deciding where to publish on tourism and transport FoR. These journals are listed in the Note 2 of Figure 2.

**Stage 2**

DEVONThink Pro™ software was used to identify if a relationship existed between the terms “air transport” and “tourism” in the 329 papers identified. DEVONThink Pro is a software for database of selected search terms, organising data, research and gathering ideas into groups. It applies metadata tags to documents, words and phrases and can sort this metadata to create sub-groups. The Boolean ‘NEAR’ function was used to determine
the number of occasions where words related to air transport [‘aviation’, ‘airline’ or ‘air transport’] were within three words of terms related to tourism [‘tourism’ or ‘tourist’ (“touris*”)]. This criterion ensures that only papers with a very strong inter-relationship between tourism and aviation were included. A total of 157 journal articles were identified by following this criterion. Again, by providing an objective set of parameters for the identification of our sample, the method is replicable and consistent with a systematic approach to review the literature.

As a result of Stage 2, 172 articles were excluded (329 minus 157) and not considered for further analysis because the chosen words were not three or fewer words close to each other. Randomly selecting and reading ten out of the 172 papers that were excluded validated this approach as none of the excluded papers matched the interrelated topic of air transport and tourism. As an example, the excluded papers were related to topics such as tourism and hospitality human resources; tourism destination image; trade in airline services; airline market segmentation; environmental reporting in the airline industry; measurement of air traffic volume; destination and market share analysis; airline sales; space tourism; and airline deregulations. Hence, while related to either “air transport” or “tourism”, these papers did not necessarily have a strong link to both “air transport” and “tourism”. Thus, 157 out of the initial 329 articles were in scope for further thematic analysis.

**Data analysis**

The next step was to analyse the relevant data from all the 329 journal articles after inputting into an Excel spreadsheet the following data collected:

- Authors: names of authors were standardised as in some instances the same author had used different names in various papers;
- Affiliation of authors: we standardised all institutions, for example removing “the” in front of the names of some universities. As much as possible, we tried to write the full name of the institution, avoiding acronyms and abbreviations. In some occasions, authors listed their departments, rather than their universities and we made sure that the name of the organisation was used instead. In rare circumstances, we amended the name of the institution where mistakes were found;
- Country of affiliation: in the cases where authors noted multiple affiliations we used the first one provided;
Year of publication;
Title of paper;
Title of journal;
Keywords: all keywords as provided by the authors in the journal articles.

From the spreadsheet, a descriptive analysis of the data was created with the aim to understand how the field has evolved through the years and to identify the principal authors/institutions and journals that publish on the interface between “air transport” and “tourism”.

A thematic analysis was also undertaken. Describing the predominant research themes and topics within the selected articles is an important objective of any literature review paper (Zhong et al., 2015). The second step in the data analysis was to identify the research topics of the selected 157 papers using the text of their abstracts. According to Fereday and Muir-Cochrane (2006), thematic analysis is a search for themes through a process of theme identification by careful reading and re-reading of the data. For the purpose of this study, both inductive and deductive analysis approaches were used.

From a deductive approach, the structure provided by Ginieis et al. (2012) was considered appropriate as it identified main themes in the air transport body of work between 1997 and 2009. These authors identified eleven themes used as an initial deductive analytical framework:

- **airports**: including airport infrastructure, airport taxes and different case studies;
- **alliances**: agreements among various airlines;
- **costs**: air transportation costs;
- **environment**: covering issues such as CO₂ and fuel emissions, sustainable development;
- **finances**: the capital structures of airlines, profitability, productivity and efficiency;
- **management**: air transport management, notably airline crews, industrial policies and flight scheduling;
- **modelling**: referring to models, algorithms and mathematical formulas for calculating different variables related to air transport;
- **networks**: air routes and airspace configuration;
- **passengers**: passenger demand, pricing and ticketing;
● **regulation:** air transport deregulation, privatisations and transport regulatory reforms;

● **safety:** passengers’ health and safety, travel-related diseases and aviation accidents.

An inductive approach was also applied (Goddard & Melville, 2004) using the Leximancer software. Leximancer differs from other content analysis software (e.g. NVivo, ATLAS, CATPAC) as it does not apply word frequency or coding of terms and phrases. Leximancer extracts the central concepts and ideas (Tseng et al., 2015) and uses a quantitative method to conduct qualitative analysis by using different algorithms for four stages of data analysis. Leximancer has been used by psychologists to study human language, in qualitative health research and in undertaking literature reviews (Tseng et al., 2015). Leximancer has also been applied in tourism and hospitality research to identify changing the image of an event in newspaper reports (Scott & Smith, 2005), and to analyse travel blogs as a destination image formation agent (Tseng et al., 2015). The analysis using Leximancer identified two new themes (airlines and tourism destinations) and four themes previously identified by Ginieis et al. (2012), i.e. airports; alliances; management and environment/sustainable development. In total, 13 different themes were then considered in analysing the 157 selected papers.

**Results**

This section is divided into two main parts. The first one provides a descriptive analysis of the 329 journal articles initially identified with tourism and aviation topics. A thematic analysis is then carried out with the 157 selected articles where a stronger link between aviation and tourism was obtained.

**Descriptive analysis**

Figure 1 shows the number of air transport and tourism publications in the period 2000 to 2014. The graph shows a flat trend to 2007 and then, between the years 2008 and 2014, a continuous growth with an increase from 22 journal articles in 2008 to 37 journal articles in 2014. Over the 15-year period, the number of publications per year has more than tripled, from 12, in 2001, to 37, in 2014.
Figure 1: Number of air transport and tourism publications per year (2000-2014) - n=329.

<FIGURE 1 HERE>

The journals that most commonly featured papers in air transport and tourism are shown in Figure 2. Out of a total of 36 journals publishing 329 journal articles, only a quarter was transport-specific journals (n=9), responsible for publishing only 17% (n=56) of the total number of journal articles. Hence, it appears tourism journals are the preferred outcome for publications on air transport and tourism. Tourism Management is the most popular journal with 54 articles, followed by the Journal of Air Transport Management (JATM) with 30 and the Journal of Travel and Tourism Marketing with 27 publications. After the JATM, the second-ranked transport journal is the Journal of Transport Geography, ranked 13th overall, with nine articles in the 15-year period analysed.

Figure 2: Number of published articles in tourism and transport journals (2000-2014) - n=329.

<FIGURE 2 HERE>

Notes:


Some 551 researchers have published in the field of air transport and tourism. The most frequent authors, with eight publications each, are Stefan Gössling and Paul Peeters, followed by Sunghyup Hyun, with six, and Frédéric Dobruszkes, Peter Forsyth, Rob Law,
Davoud Nikbin, Beverly Sparks and Richard Tol, each with five publications. Figure 3 provides the names of researchers who have authored at least three publications.

* Group of authors: Assaf; Baum; Chang; Chen, C.; Chen, M.; Cohen; Dekay; Duval; Fenclova; Hall; Ismail; Lee; Lei; Limpanitgul; Mak; Marimuthu; Raven; Rosselló; So; Toh; Wang; Warnock-Smith; Zhang

Authorship per publication, or the share of authorship, is widely discussed in the literature as a measure of collaboration (Newman, 2001). If two scholars publish a co-authored article, they are “cooperative” as publishing a co-authored paper is a formal manifestation of scientific research cooperation. While joint authorship demonstrates collaboration and is associated with richer and more robust academic contributions, sole authorship is also important. Ye et al. (2013) indicate that authorship groups in the tourism research field are not large. In their study sample (n=4,615 papers), the most significant number of articles was solely authored (40.5%), followed by articles with two authors (37.7%) and three authors (17.19%). Racherla and Hu (2010) found 72% co-authored articles in the sample of 1,181 papers published in top three tourism journals (Annals of Tourism Research, Journal of Travel Research, and Tourism Management). In China, the percentage of tourism papers with a single author has decreased rapidly in the recent decade (Zhang, 2015).

In the present study, 84 journal articles (25.5%) were solely authored, 137 journal articles had two authors (41.6%), 78 journal articles (23.7%) had three authors, and 26 journal articles (7.9%) four authors. These results can suggest that air transport and tourism requires interdisciplinary engagement, fostering teamwork collaborations.

To analyse the contribution of individual authors we allocated the author of a sole authorship paper a weight of 1, two authors (0.5 each), articles with three authors (0.33 each) and so on. All the shares were summed, with Figure 4 presenting researchers with the equivalent of at least two sole papers when accounting share authorship.

* Figure 3: Researchers with at least three publications (2000-2014) - n=551
* Figure 4: The list of authors with the highest share of authorship - n=551
The institutions that make more contributions to air transport and tourism are shown in Figure 5. Hong Kong Polytechnic University is the leading institution with 35 publications, followed by the University of Surrey (UK) and the University of Waterloo (Canada), both ranked second with 13 publications. The only other university with more than ten publications is Griffith University, in Australia, with 12 publications. Other leading universities with ten publications are Bournemouth University (UK), University of New South Wales (Australia), University of Girona (Spain) and NHTV Breda University of Applied Sciences (The Netherlands).

Figure 5: Institutions with at least five air transport and tourism publications (2000-2014)

The geographical distribution of institutions is presented in Figure 6. Not surprisingly, considering we have only selected journal articles published in English, the top three leading countries are English-speaking countries, respectively USA (n=115), UK (n=109) and Australia (n=73). Also, Canada (n=30) and New Zealand (n=26) are on the list of top 10 countries. Non-English-speaking countries in the top 10 include Taiwan, South Korea and Hong Kong with respectively 54, 40 and 37 publications, and Spain (n=50) and The Netherlands (n=17). China only had four publications despite its importance regarding tourism research (Shen et al., 2014).

Figure 6: Countries of institutions whose authors have published on air transport and tourism (2000-2014) - n=239.

Content and thematic analysis

In this section, 157 selected papers, which showed the strong interface between air transport and tourism, were analysed with Leximancer software to identify the main
research themes in the abstract of each paper. A total of seven main themes were identified (Figure 7):

1. **Aviation market**: costs, carriers and charter services, regional routes;
2. **Airports**: capacity, carrier services, network, passengers’ satisfaction;
3. **Sustainable development**: climate changes, emissions, tourism policies, aviation policies;
4. **Airlines**: networks, low-cost services, passengers;
5. **Alliances**: safety regulations, service quality, marketing;
6. **Management**: information models, research, crews;
7. **Tourism destinations**: air transport and tourism case studies.

**Figure 7. Thematic map of air transport and tourism research in period 2000-2014**

Both deductive and inductive approaches were used to identify themes. Even though these approaches used different techniques, some of the identified issues are similar ones, including airports; alliances; management and environment/sustainable development. Also, to new inductive themes emerged; i.e. airlines; tourism destinations. A comparison of both deductive and inductive approaches is presented in Table 1.

**Table 1. Comparison of deductive and inductive approaches identified themes (n=157)**

As per Table 1, the ‘environment’ theme is the most prominent, accounting for just over 23% of the published journal articles. The large number of ‘environment’ publications is attributed to a focus on climate change and sustainable development questions among tourism researchers. ‘Passengers’ is the second most frequent, with 12.1% of overall publications. There was little or no interest in themes such as ‘finances’, ‘models’, ‘costs’ and ‘safety’. This may be compared with the aviation literature review conducted by Ginieis et al. (2012) where ‘management’ was the most frequent theme (29.7%), followed by ‘airports’ (21.6%) and ‘passengers’ (11.9%) while ‘environment’ was less frequently examined (5.4%). The ‘finances’ (3.5%), ‘safety’ (2.6%) and ‘models’ (1.6%) themes were not frequently studied.
From the 13 identified themes in Table 1, five themes were excluded from further analysis since their total number of articles was less than five; finances (n=0), models (n=2), costs (n=2) and safety (n=3). Theme ‘others’ was also excluded, since this topic covered a variety of areas and did not show any thematic consistency. A total of 138 selected papers were analysed by using a standardised framework (aim; methodology and type of research; primary findings and directions for further research).

The environment is the most frequent theme (23.5% of the overall number of identified articles). Not surprisingly the most prominent authors, Gössling and Peeters, had the largest number of publications within this theme (four and eight, respectively). The majority of articles (20 out of 37) within the “environment” theme discuss contributions to greenhouse gas emission and possible solutions and policies for its reduction. Other areas are related to the analysis of airline companies’ environmental reports (Burns & Cowlishaw, 2014; Chan & Mak, 2005; Lynes & Dredge, 2006), analysis of tourist’ behaviour and awareness of climate changes (Becken, 2007; Gössling, 2009; Gössling & Peeters, 2007; Krosen, 2012; Peeters & Schouten, 2006; Peeters, Szimba, & Duijnisveld, 2007). A limited number of articles discuss new forms of tourism, which could reduce long-haul travel, such as “locavism” (bioregional tourism) (Dickinson, Lumsdon, & Robbins, 2010; Hollenhorst, Hauge-Mackenzie, & Ostergren, 2014). Finally, the emerging topic of stakeholder engagement within the process of achieving sustainable tourism development is analysed by Gössling, Hall, Ekström, Engeset, and Aall (2012).

The environment theme papers primarily used a quantitative approach (28 of 37 articles) to analyse and discuss the environment related issues. Secondary data was the primary source of data for 24 out of 37 journal articles. Only a small number of researchers used qualitative approaches such as interviews, observations and focus groups. The findings indicate (a) the importance of better government understanding of air transport and tourism’s contribution to carbon emission and prevention programs; (b) offsetting programs and carbon taxes can increase awareness but might also decrease the number of passengers; (c) long-haul flights are the main source of carbon emissions; (d) tourist awareness about the problem is growing, and Scandinavian countries are considered as the most sensitive markets for sustainable tourism.

Articles in the passengers theme bring together topics related to travellers’ experience and preferences and can be divided into four different subgroups. The largest subgroup
Spasojevic, B. – Stakeholder engagement in air route development – The role of leadership and governance

explores LCC passenger experience and preferences (Ahn & Le, 2011; Casey, 2010; Davison & Ryley, 2010; Han, 2013; Han & Hwang, 2014; Han, Hyun, & Kim, 2014; Martinez-Garcia & Royo-Vela, 2010; Raya-Vilchez & Martinez-Garcia, 2011; Ryan & Birks, 2005). Even though the number of low-cost airlines increased in last decade, LCC passenger research is still an emerging topic. Papers compare full-service airline and LCC passengers characteristics (Ahn & Le, 2011), or the in-flight preferences and characteristics of LCC passengers (Casey, 2010; Han, 2013; Han & Hwang, 2014; Han et al., 2014; Martinez-Garcia & Royo-Vela, 2010). Surveys are the method for data collection used in all nine articles, although mixed method (survey and interview) was used in one article (Casey, 2010).

The second subgroup of articles studied physically challenged travellers, obese passengers and those travelling with babies (Chang & Chen, 2012; Small & Harris, 2012, 2014). These papers suggest the tourism and airline industries are facing growing ethical. Within this subgroup, secondary data such as online news and airline websites (Small & Harris, 2012, 2014) and in-depth interview with staff members were applied (Chang & Chen, 2012).

A third noticed subgroup focused on frequent flyers programs and the creation of passenger loyalty schemes (Hwang & Hyun, 2014; Llach, Marimon, Alonso-Almeida, & Bernardo, 2013; Long, Clark, Schiffman, & McMellon, 2003). All articles used the survey method for data collection, and their findings provided evidence of the importance of frequent flyers programs for business passengers and loyalty programs for passengers’ retention. A fourth subgroup addressed issues such as service failure and its effects on stability and controllability (Nikbin, Marimuthu, Hyun, & Ismail, 2014), quality relationship management and its importance for airline managers (Cheng, Chen, & Chang, 2008). Both survey and in-depth interview were used as data collection methods.

Research on airlines can be divided into four subgroups. The most extensive subgroup tackled emerging topics of air traffic analysis (Graham, 2006; Koo, Tan, & Duval, 2013) and airlines efficiency and productivity (Assaf, 2009; Assaf & Josiassen, 2012; Gil-Moltó & Piga, 2008). The research has examined airline business from the entry and exit of airline into markets (Gil-Moltó & Piga, 2008), analysis of technical efficiency, productivity (Assaf, 2009; Assaf & Josiassen, 2012) and airline routes (Koo et al., 2013), and airline scenario planning (Heicks, 2010). Within this subgroup, the majority of
authors used secondary data (n=4) while interviews were used as a method only in one article (Heicks, 2010).

The primary focus of the second subgroup of articles is the analysis of operations and implications of LCCs (Kua & Baum, 2004; Papatheodorou & Arvanitis, 2009; Pender & Baum, 2000), with a focus on LCCs in the Chinese market (Zhang & Lu, 2013). The importance of the LCC phenomenon and advantages of its business model is discussed in regard to long-haul routes (Francis, Dennis, Ison, & Humphreys, 2007) and regional airports (Papatheodorou & Lei, 2006). Most are discussion papers with a limited analysis making use of secondary data.

The third subgroup of articles stresses the importance of airline strategies and its implementation on economic crisis (Sadi & Henderson, 2000), the direct impact on the tourism industry (O’Connell & Warnock-Smith, 2012) and ways to reduce risk for airlines (Minato & Morimoto, 2011). Secondary data obtained from airlines and the government were widely used within this subgroup.

The topic of FFP and loyalty identified in the ‘passengers’ theme, is also addressed from the perspective of the airlines; for example, China Airlines (Liu, Wall, & Westlake, 2000; Yang & Liu, 2003). FFPs are identified as significant and effective marketing techniques with positive effects on both airline companies and their partners (Liu et al., 2000). Mixed method of qualitative and quantitative research is a characteristic of this subgroup.

Tourism destinations is a central topic in air transport-related research with a focus on issues facing international commercial air transport and their implications for global tourist flows (Duval, 2013). Within this theme, the majority of articles examine the airline industry’s impact on tourism destination development (Duval & Schiff, 2011; Graham & Dennis, 2010; Hazledine & Collins, 2011; Koo et al., 2013; Koo, Wu, & Dwyer, 2010; Liasidou, 2012; Macchiavelli & Vaghi, 2003; Papatheodorou, 2002; Rey, Myro, & Galera, 2011; Smith, 2009). Topics addressed include airline transport impacts on the decision-making process for tourism destinations, its role in tourism promotion, and effects on new tourism product creation. Of particular interest within this theme is LCCs’ positive impact on tourism destinations (Graham & Dennis, 2010; Lian & Denstadli, 2010; Rey et al., 2011; Smith, 2009; Whyte & Prideaux, 2008). In numerous case studies from countries like Norway, Australia, New Zealand, and China, researchers have
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verified LCCs’ positive influence and noted implications for the tourism industry. Besides LCCs, some authors (Duval & Schiff, 2011; Hazledine & Collins, 2011) focus their research on the value and effects of direct, non-stop flights as a factor in tourism development and economic growth. The impacts of airline strategies and stakeholders’ engagement are prominent topics with implications for destinations (Wachsman, 2006; Liasidou, 2012). Airline liberalisation has led to new strategic partnerships between airline companies and DMOs, as well as other tourism stakeholders (e.g. hotels, rent-a-car companies, travel agencies). Research methods used in this theme vary from analysis of secondary data such as flight timetables and DMO’s reports to qualitative in-depth interviews and quantitative surveys.

Management as a topic is related to articles from other themes. Two main subgroups are identified within this theme with analysis of human resources and employee effectiveness a large part of the first subgroup. Researchers have studied the effectiveness of cabin crew and the influence of their behaviour on airline service quality (Chen & Chen, 2014; Kang, Jeon, Lee, & Lee, 2005; Limpanitgul, Robson, Gould-Williams, & Lertthaitrakul, 2013), as well as gender representation in the airline industry (Baum, 2012). Another sub-theme is the examination of the quality and structure of cabin crew training (Kim & Park, 2013; Rhoden, Ralston, & Ineson, 2008) and of ground service performances and issues (Lin, Wong, & Ho, 2013; Wattanacharoensil & Yoopetch, 2012), usually based on quantitative research. A second subgroup of articles explores the relationship among various air transport partners (Riege, Perry, & Go, 2002), as well as the implementation of CSR in transport and tourism, especially LCCs (Coles, Fenclova, & Dinan, 2011; Fenclova & Coles, 2011), with qualitative research methods (interviews) mostly used.

The regulation topic can be analysed into three subgroups: the first comprises of research conducted by Peter Forsyth and co-authors. In separate studies, Forsyth discusses various topics related to aviation policy and trade in air services (Forsyth, 2001), changes in aviation policy and tourism benefits (Forsyth, 2006), development of framework for evaluation liberalization proposal (Forsyth, 2014), and effects of Australia’s Passenger Movement Charge on tourism industry (Forsyth, Dwyer, Spurr, & Pham, 2014). The second subgroup is led by the work of David Warnock-Smith and his co-authors. The main aims of this research group are to analyse the relationship between
air traffic growth and air policy reforms (Warnock-Smith & Morrell, 2008), as well to explain the results of government ownership and airline service results in different regions (Warnock-Smith & O’Connell, 2011). Research on governments, airlines and DMOs cooperation conducted by Bieger and Wittmer (2006) is identified as part of this subgroup. The third subgroup is related to the analysis of airline deregulation and its impact on air transport and tourism market. The leading group of authors within this theme (Wu & Hayashi, 2013, 2014) have provided a detailed analysis of deregulation’s impact on airline networks and tourism market in Japan. Case studies by Dobruszkés and Mondou (2013) also examined the liberalisation impact of airline market between EU and Morocco and changes in air services and leisure tourism, while Zhang and Findlay (2014) have summarised air transport policy and its impact on passenger traffic and tourist flows in Asia-Pacific. As previously mentioned, this theme is mainly based on secondary data provided by air transport industry, UNWTO, and previous literature. The majority of articles are written in the form of a discussion paper, while some provide research frameworks for future studies.

**Alliances** as a research topic were common in the early 2000s when researchers were examining their importance, performances and effects (Evans, 2001; Morley, 2003a; Wang, Evans, & Turner, 2004; Weber, 2005). The main research findings showed that airline alliances have positive effects on airlines’ performances (Evans, 2001), while passengers found alliances of lesser importance (Weber, 2005). Analysis of airline alliances scenarios was undertaken (Morley, 2003b), while more recent studies investigate corporate social responsibilities (Cowper-Smith & de Grosbois, 2010), network resources and partnership within alliances members (Casanueva, Gallego, Castro, & Sancho, 2014; Casanueva, Gallego, & Sancho, 2013). Most papers use secondary data, and only two papers use qualitative research, in particular, semi-structured interviews with both industry managers and passengers (Morley, 2003b; Weber, 2005).

**Airport** related articles are few in comparison with numbers in other themes. The main aim of this group of papers is to analyse airport business concepts (Jarach, 2001) and to discuss airport pricing policies (Debbage, 2002) and environmental costs (Martin-Cejas, 2010). The importance of LCCs for air transport for airports is an important theme, especially opportunities for airport income growth (Francis, Humphreys & Ison, 2004),
along with issues for airport management to consider when negotiating with LCCs. Measurement of the effects of low-cost carriers (Lei & Papatheodorou, 2010) and case studies from Europe concerning successful LCC – airports cooperation (Bel, 2009) provided the clearest evidence of the importance of commercial and financial policies for airports, airlines and government. Forecasting studies, as an essential aspect of any business, indicate passenger numbers will continue to grow (Tsui, Ozer Balli, Gilbey, & Gow, 2014). The majority of articles in this theme also base their research on secondary data, with only one article using qualitative methods (Bel, 2009).

Network development is crucial for airlines, including the development of hubs and stopover destinations. Within this theme, researchers seek to identify what is the best path for network development (Amoroso, Migliore, Catalano, & Castelluccio, 2012; Chen & Lee, 2012; Ryan, 2001). Singapore and Dubai are two good industry examples of aviation-based to tourism destination transformation (Lohmann et al., 2009) and is a model for further studies. LCCs expansion has led to numerous airline network changes, and new, more flexible forms of mobility, tourism practice and new types of business (Dobruszkes, 2009, 2013). Network analysis and hub identification are usually studied using mathematical models. For example, Costa, Lohmann, and Oliveira (2010) proposed a new mathematical method based on the Herfindahl–Hirschman Index to identify the number of hubs in a given network. Most papers in this theme use secondary data for their analysis, except for one article based on surveys (Costa et al., 2010).

Discussion And Conclusions

This study has provided a literature review of journal articles published between 2000 and 2014 on the interrelated topics of air transport and tourism in the ABDC tourism and transport journals. The growing interest of academics in this topic is demonstrated by the increase in the number of publications (from 12 in 2001 to 37 in 2014). This trend suggests the existence of an emerging interdisciplinary research area at the intersection of air transport and tourism. Interestingly, Jafari and Ritchie (1981) identified transportation as a fundamental part of the tourism industry and tourism research in general, but without any distinguishing air transport. More recently, Duval (2013) has provided evidence of the importance of this interdisciplinary research area. A comparison of these two points of view, separated by 30-year, implies an increase in interdisciplinary research across air transport and tourism and the creation of a niche research field for air
transport/tourism researchers. Evidence for the growing interest in air transport and tourism research is a separate “Aviation and tourism” session at the Air Transport Research Society (ATRS) held in July 2015 in Singapore (ATRS World Conference, 2015). Book publishers such as Routledge and SAGE are also publishing on this topic.

Tourism Management (54 articles) is the most frequent publication journal indicating that a majority of researchers in this area are affiliated with tourism. The analysis of authors’ affiliations showed that a majority of the 551 identified authors have positions either in tourism or business departments. The Journal of Air Transport Management is the second ranked with 30 publications over a 15-year period. The small number of publications in transport journals (only 17% of overall number) suggests limited interest for this topic among transportation journals publishers. Tourism as an interdisciplinary field of study is highly oriented to transport, while transport researchers are more focused on other research areas, such as management, regulation, etc. (Ginieis et al., 2012). Also, as airlines and airports transition to a deregulated environment where more commercial and privatised market-lead approaches are the norm, it is expected that studies will have more emphasis on acquiring knowledge about passengers and their preferences. Such interdisciplinary research is increasingly relevant for the industry (Rafols, Leydesdorff, O’Hare, Nightingale, & Stirling, 2012) in order to address current issues (Lowe and Phillipson, 2006) and successful problem-solving (Page, 2008). However, such interdisciplinary research is often seen as a disadvantage during the academic reviewing process (Rafols et al., 2012) and various qualitative studies have shown that peer review tends to be biased against interdisciplinary research (Laudel and Origgi, 2006).

The growing number of interdisciplinary research papers area pose the question for publishers – is it a time for establishing a new journal of air transport and tourism? Air transport and tourism research themes are growing in response to industry issues. Research topics have changed through the years in a manner that seems to track developing topics in air transport/tourism. For example, after 2001 terrorism and airline safety were popular topics (Boger, Varghese, & Rittapirom, 2005; Kester, 2003; Kim & Gu, 2004), while passenger related studies are popular after 2010. Since the broad body of air transport/tourism research has practical implications, the scope of a potential journal should cover the interests of both academic and industry experts.
Two researchers, Stefan Gössling and Paul Peeters have published the largest number of articles and these articles examining ‘environment’ issues. Global climate change emerged as a topic of air transport and tourism research at the beginning of the 2000s. The number of sustainability-related publications suggests that looking at the air transport from the tourism perspective raises new research questions. The majority of researchers publishing in this area are mainly tourism researchers interested in topics like greenhouse gas emission, carbon offsets, and reduction of the environmental footprint of air transport and tourism.

This article has identified a thematic typology of prominent research topics and suggests possible gaps in air transport and tourism studies. Topics such as passenger experiences, airport management and airline networks overlap in tourism and air transport research. However, this is a difference in emphasis with tourism researchers examining environmental issues, and the impact of aviation on tourism destinations. In turn, research on the air transport industry examines management issues, networks, new route development, and passenger experiences. Areas that are showing a growing interest in the interrelationship between aviation and tourism include air route/service development; passenger experiences; LCCs and their impact on tourism; implications of new direct long-haul flights; and carbon offsets and new generation aircraft.

Like other studies, this research has limitations that must be recognised; firstly, relevant academic journals outside the ABDC list were not taken into consideration. The 2013 ABDC list included 39 A*, A, and B ranked tourism journals, and 35 transport related journals (ABDC Journal Quality List, 2013). To address this issue, a check was conducted using Google Scholar and Thomson Reuters Social Science Citation Index which did not lead to any other journal being identified. A second limitation is that only journals published in English were examined. In future, research reviews should include journals published in languages other than English, opening new collaboration opportunities for joint research with, for example, Chinese, Russian, Brazilian or Indian academics. Future researchers may also wish to review themes by describing in more detail the methodology, and types of data collected. An analysis of topics across the years may show the research trends and identify developing areas. Finally, analysis of the co-authorship networks and citation counts may also be useful for justification of air transport and tourism research area and its academic relevance.
List Of References


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2.3 Aviation and Tourism – Summary of Book Chapter

This section summarises the book chapter titled “Aviation and Tourism” which was published in the SAGE Handbook of Tourism Management in 2018. The full text of this publication is available as Appendix 1.

The “Aviation and Tourism” book chapter is a continuation of the systematic literature review presented in the previous section. While the systematic literature review paper analyses the main themes and authors in the air transport and tourism intersection, this book chapter provides additional in-depth analysis of a 15-year period from 2000 to 2014. The deductive thematic analysis of 157 papers published in the air transport and tourism intersections identified eleven different themes. In addition, inductive Leximancer thematic analysis identified seven relevant themes. Despite the use of inductive and deductive approaches using different techniques, some of the identified themes showed many similarities. In total there are twelve different themes associated with air transport and tourism research. This book chapter provides a summary of all themes and a list of relevant authors.

By using the same database and research approach as the previously presented systematic literature review paper, this book chapter adopted an epistemological approach to analysis of how knowledge about air transport and tourism has evolved through the years. Between 2000 and 2014, the number of publications increased seven times, from three publications in 2001 to 21 in 2014. Despite this being a relatively short period for such a significant change in one field of research, the thematic analysis suggested that there were important changes in topics researched. The 15-year period has been divided into three sub-periods. Each of the three periods has been given a title that represents the major characteristic of knowledge evolution in this period: (1) “Not quite my tempo” (2000-2004); (2) “The dragging period” (2005-2009); (3) “Rushing times” (2010-2014).

In the first sub-period (2000 to 2004) out of 26 publications, the most represented themes related to the airlines (23.1%), followed by alliances (15.4%) and airports (11.5%). While airlines and airports related topics remained present in the two next sub-periods, their representativeness decreased. One of the rationales for this decrease is the evolution of more specific themes, such as passengers and environment that still deal with
airports and airlines but have more specific focus. One of the topics which is represented more in this period is safety, due to major aviation events such as the 9/11 terrorist attack in the United States. In the following sub-periods this topic is present only occasionally, at a significantly decreased rate.

In the second sub-period (2005 to 2009) the number of air transport and tourism publications almost doubled. In a total of 44 publications, the topic of environment (38.6%) was the most represented, followed by airlines (13.6%) and tourism destinations (11.4%). The main characteristic of this period is a decrease in certain themes (i.e., airports, alliances and safety) and an increase in other themes, such as environment.

The third sub-period (2010 to 2014) saw continuous growth in publications, reaching 75 articles. As in the previous period, the topic of environment held a leading position. The highest growth in terms of number of publications can be seen in the topics of passengers, tourism destinations and management.

Further, this book chapter includes a detailed thematic analysis of the six most prominent themes by using the key words listed in each of the published journal articles. The six themes include: regulations, airlines, management, passengers, tourism destinations and environment. The two themes of particular interest for this thesis are regulations and tourism destinations. The topic of regulations primarily addresses aviation policies and their impact on tourism development, as well as airport ownership structures, airport commercialisation and its influence on the relationship with airlines. The topic of tourism destinations represents the central theme in air transport and tourism-related research. While this topic discussed the implications of aviation development on tourism destinations, there were a few other sub-themes (i.e., LCCs and their influence on tourism development, and the relationship between DMOs, airlines, airports and governments). This last topic is elaborated in this thesis in more detail.
Chapter 3 – Air route development and transit tourism in the Middle East

3.1 Introduction

As presented in the methodological framework of this thesis (Chapter 1, Figure 2) Phase 1 of this thesis aimed to identify some successful ARD examples. The responses provided included multiple airports/destinations all over the world, with the Middle East airports (i.e., Dubai, Abu Dhabi) being the highest ranked. Despite the initial plans to collect primary ARD-related data in the Middle East, there was no success due to the limited access to potential research participants and strict confidentiality policies imposed by most of the airlines and airports in this region. This led to a decision to explore the Middle East example through the use of secondary data and select a different destination for the collection of primary data.

Following the structure defined for this thesis (Figure 1), this chapter investigates the influence of ARD development on transit tourism in the Middle East through the use of secondary data on flight numbers gathered from AirportIS for the period between January 2006 and December 2015. The current chapter addresses RO1 and RO2 of this thesis.
This chapter presents the literature review, methods, data collection, data analysis, results and discussion related to RO1 and RO2. This chapter includes the published version of the book chapter co-authored with my principal supervisor. The bibliographic details of the published book chapter, including all authors are:


My contribution to this paper involved: initial concept, compilation of literature review, research design, data collection (extraction of secondary data from AirportIS), data analysis, preparation of the manuscript, tables, figures and submission to the book editor.
3.2. Published book chapter
AIR ROUTE DEVELOPMENT AND TRANSIT TOURISM IN THE MIDDLE EAST

Bojana Spasojevic and Gui Lohmann

Introduction

Air route development is a key industry process and, in many respects, is related to transit tourism. The growing interest in the relationship between air transport and tourism is, in general, also supported in the academic literature where the number of publications on this topic has tripled between 2000–2014 (Spasojevic, Lohmann, & Scott 2018). Air route development involves not only the development and maintenance of routes, but also, on a strategic level, the opportunity to exploit gateway or transit tourism opportunities. Previous studies (Lohmann, Albers, Koch, & Pavlovich 2009; Warnock-Smith & O'Connell 2011; Zhang & Findlay 2014) have identified the Middle East and Southeast Asia as places that have successfully exploited transit air transport tourism opportunities.

Transit air transport tourism development parallels the transformation of airports from transportation hubs to tourist destinations. This transformation has only been possible through well-orchestrated stakeholder engagement exercises. According to Chen and Lee (2012), the successful transformation from an air hub to a tourism destination depends on the following four key elements: improved international airport terminal facilities; aviation market liberalisation; improved aviation competitiveness; and effective tourism marketing. Lohmann et al. (2009) compare two successful examples: Singapore and Dubai. In both cases, the geographical location of the hub was an attractive factor for further integration of government policy, destination marketing organisations (DMOs), airports and airlines, who foresaw the benefits of transforming these air transport hubs into world-leading tourism destinations. In both cases, the close stakeholder collaboration amongst airlines, airport, DMOs, and other aviation-related companies is controlled by government agencies. Led by these successful examples, other countries and regions are exploring the potential benefits of closer collaboration between air transport and tourism to foster transit tourism. For example, Taiwan, whose location makes it a desirable potential air hub for East Asia, has recognised the opportunity for transformation into a leading tourist transport centre.

When examining the growth of passengers transported within and between the continents and regions of the world during the ten-year period from 2006 to 2015 (see Table 22.1), passenger traffic through the Middle East had the highest increase amongst all regions, with an
Air route development and transit tourism

The air transport industry has experienced numerous changes and rapid development since the first scheduled passenger airline service between St. Petersburg and Tampa (Florida) in 1914 (Sharp 2012). Airports, a key element of any air transport network, were traditionally considered public service spaces. However, after the process of airline deregulation in the late 1970s in the US and in the mid-1980s in other countries (Oumn, Adler, & Yu 2006), a number of airports were transformed from public service entities into commercial enterprises (Halpern & Graham 2015). The commercialisation, or privatisation, of airports and airlines led to an increase in cooperation amongst various stakeholders to exploit commercial opportunities within airport spaces. Retail outlets, banks, hotels, rental car companies, insurance companies (Graham 2013) and local government tourism agencies and other tourism organisations were incorporated into airport spaces.

In 2013, the number of air passengers worldwide reached over 3 billion for the first time, with that figure expected to have grown to 3.6 billion in 2016 (IATA 2012, 2013). At the same time, the number of international tourists worldwide grew by 4.4 per cent between 2014 and 2015, reaching a total of 1.184 billion tourists (UNWTO 2016). Furthermore, in 2014, 54 per cent of the total number of international tourists travelled by air (UNWTO 2015). Presented data show that the modern tourism industry is hardly imaginable without air transport, sophisticated airport infrastructure, efficient and safe airline services and worldwide air transport networks. In addition, a high number of international tourists travelling by air represent an important part of the overall number of air passengers, evidencing the co-dependence of the air transport and tourism industries. In many cases, the development of new routes is a result of increased tourism traffic. Between 2005 and 2011, 79 per cent of international air traffic growth was created by new routes, while only 21 per cent occurred from existing routes (Thelle, Pedersen, & Frederik 2012). Air traffic growth influences economic growth, an important element of tourism economic development.

Air route development

As noted earlier, air route development is a well-known industry process that has received little attention in both the academic and professional literature (Halpern & Graham 2015). Persuading airlines to operate new routes between two airports is a complex process, involving a number of key business partners and commercial decisions. In addition to the airlines and airport decision makers, this process might require the engagement of government agencies.
Table 22.1 Percentage of inter- and intra-continental passenger route growth in the period 2006–2015

<table>
<thead>
<tr>
<th>Destination</th>
<th>Origin</th>
<th>Caribbean</th>
<th>South America</th>
<th>Europe</th>
<th>Africa</th>
<th>Middle East</th>
<th>Asia</th>
<th>Australasia</th>
<th>North America</th>
<th>Central America</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caribbean</td>
<td>-19</td>
<td>69</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>247</td>
</tr>
<tr>
<td>South America</td>
<td>64</td>
<td>65</td>
<td>23</td>
<td>45</td>
<td>1,559</td>
<td>-</td>
<td>61</td>
<td>67</td>
<td>184</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>6</td>
<td>19</td>
<td>6</td>
<td>47</td>
<td>122</td>
<td>54</td>
<td>-</td>
<td>14</td>
<td>237</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>-</td>
<td>69</td>
<td>45</td>
<td>163</td>
<td>161</td>
<td>61</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td>-</td>
<td>1,638</td>
<td>122</td>
<td>60</td>
<td>69</td>
<td>166</td>
<td>351</td>
<td>256</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>-</td>
<td>-</td>
<td>53</td>
<td>25</td>
<td>169</td>
<td>96</td>
<td>49</td>
<td>46</td>
<td>-</td>
<td></td>
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<td>Australasia</td>
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<td>North America</td>
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<td>Central America</td>
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<td>Total traffic</td>
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<td>95</td>
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Source: Compiled from data provided by AirportIS (2016).

and other stakeholders either directly or indirectly involved in tourism (e.g. regional development agencies, chambers of commerce, non-government organisations (NGOs), and other business associations). Numerous industry reports aim to explain the complexity of the air route development process. Route development can be defined as the 'marketing activities undertaken by airports with the aim of attracting new routes, for example through participation in route development conferences, offering incentive schemes, meetings with airlines, producing bespoke reports for airlines, etc.' (Thelle et al. 2012: 81). Furthermore, air route development is a relatively new process which started after the airport privatisation process began in the 1980s. It consists not only of persuading airlines to fly from a particular airport, but also to increase the capacity of an existing route by adding flight frequency or using larger aircraft (STRAIR, 2005).

Seminal studies on air route development (e.g. Goodovitch 1996; Swan 2002; Weber & Williams 2001) are mostly concerned with the identification of the air route development process and the factors that are necessary for its success. Even though this part of the literature emphasises deregulation, aircraft manufacturing, economic stability and passengers’ preferences as the key factors for air route development, it fails to provide a clear explanation of the process. A number of questions still need to be addressed by the literature, including: How is this process being established? Who is leading it? Whose partnership is the most important for the route’s success? What is the role of transit tourism in air route development?

Early studies on air route development have identified route development as a significant component in the air transport development process (Goodovitch 1996). The air transport development model (Figure 22.1) was created in 1996 and includes the following six phases: (1) 'scattered airports' where pre-existing service points (airports) are linked with sporadic and disorganised networks; (2) 'penetration routes' which represent the beginning of scheduled services; (3) 'maximum connectivity' where all involved city-pairs are linked; (4) 'fully-connected networks' as a more efficient operating system; (5) a 'hub-and-spoke network' with a central hub which enables rerouting of all flights; and (6) 'dehubbing' as a more efficient network, with feeder routes and stopover flights (Goodovitch 1996). The model shows different characteristics of air service within each of the six phases. Air routes, an operational part of the air service
network, can be modified and improved to follow market demand. Interestingly, this model analyses the development of air service networks purely from the perspective of airlines. According to this model, the main role of the airport is its geographical position, while airlines are responsible for developing air service networks through the six phases described above. This is one of the key differences between the so-called ‘earlier stage’ and ‘recent research’.

Recent studies on this topic (Halpern & Graham 2015, 2016; Lohmann et al. 2009; Lohmann & Vianna 2016) address the role of airports in fostering air route development. In their study, Halpern and Graham (2016) list four stages for the air route development process from the airport perspective:

1. Setting the objectives for route development;
2. Undertaking market research, often in association with potential stakeholders;
3. Conducting strategic marketing activities; and
4. Managing implementation, including resources, procedures and evaluation.

The ASM report (2009, as cited in Halpern & Graham 2016), found that 94 of 100 surveyed airports undertake active marketing campaigns vis-à-vis the airlines, including websites devoted to air route development and attending air route development meetings and conferences as well as tourism-related trade exhibitions to promote their targeted routes. In addition to airports, tourism authorities have also been identified as important partners for route development (87 per cent), followed by local and city authorities (56 per cent), chambers of commerce (50 per cent), regional governmental organisations (47 per cent), and NGOs (22 per cent) (ASM 2009, as cited in Halpern & Graham 2016). Many airports also use other techniques to attract new airlines, including special agreements and incentive schemes. Some of the common incentive schemes include direct payments per flight/passenger (where the airport pays an agreed amount to the carrier for each departing passenger or flight); joint marketing support for airlines (the so-called ‘Co-OP Marketing Funds’, where route development agencies or tourism
boards promote new routes at the same time as promoting the region itself; discounted charges
for landing, parking, security and air bridges; discounted or rent-free offices and parking; and
risk-sharing where the airport guarantees the airline’s occupancy or revenue levels during the
agreed period (STRAIR 2005). An airport competition study (Thelle et al. 2012) identified the
participation at the Annual World Routes conference as the most common air route develop-
ment activity both in Europe and worldwide, followed by meeting airlines in their own offices
and targeting airlines, inviting them to visit the airport.

Even though both air route development studies conducted by Halpern and Graham (2015,
2016) have included only airports, they present some valuable conclusions that can be used to
advance research on this topic. For example, the need to collaborate was identified as one of
the most important development activities, an observation which also supports the findings
from an air routes suspension study (Lohmann and Vianna 2016) where the lack of cooperation
between aviation and non-aviation stakeholders was stated as one of the main reasons for air
route suspension.

Transit air transport and tourism

Any tourist’s travel plan contains at least two geographic places: the tourist’s place of origin and
the tourist destination. The origin, also known as the tourist’s ‘permanent place of residence’ in
Mariot’s (1983) model, is the tourist’s home. Although there are many definitions of tourism,
the tourist generally must travel to and stay ‘in places outside their usual environment for not
more than one consecutive year for leisure, business and other purposes’ (UNWTO 2007). The
number of tourists originating in a given area will in large part depend on the number of people
living in that certain area, but other factors can also influence a region’s status as a supplier of
tourists including the average income, the local cost of living (a high cost in the region of origin
can encourage travel to places with lower costs of living to maximise the benefits of a strong
currency), the existence of political factors (e.g. bans on leaving the country, as was the case in
many communist countries) and environmental considerations (i.e. climate, due to a desire to
go someplace warmer) (Pearce 2001).

Networks comprised of various modes of transport suited to different geographic scales
interconnect places of origin and places of destinations. These networks are interconnected
by terminals or nodes that, in many cases, fulfil special functions within the network. The four
types of nodal functions that are relevant to transit tourism and air route development are
origins, destinations, hubs and gateways. To demonstrate these concepts, Figure 22.2 graphically
illustrates a theoretical example of the nodal functions which are relevant to transit tourism

![Diagram of a grid network and a hub-spoke network](image)

Figure 22.2 A theoretical example of a grid network (left), converted to hub-spoke (right)
Air route development and transit tourism

and air route development. Initially, all nine dots (A to I) shown in each scheme of Figure 22.2 can be considered potential origins and tourism destinations. However, point F on the right side of the figure has a privileged location in the transport network because all the traffic that connects the various nodes of the network pass through it, thus characterising F as a hub. More theoretically, hubs have been defined as exhibiting ‘centrality and intermediality spatial qualities [which] increase the importance and levels of traffic hubs strategically located within the transport system’ (Hoyle & Knowles 1998: 2).

A number of transportation hubs, particularly airports, are associated with air travel. Compared with road and rail networks, the implementation or displacement of an air hub from the node of one network to another is much easier, given that air transport uses airways that do not require surface construction. Amongst the advantages of hubs is the possibility of interconnecting multiple points in a network with few connecting pairs (compare the number of connecting pairs that are required to travel from point A to point D in the diagrams of Figure 22.2). The major disadvantage of the hub is that the travel time increases considerably because not only can the distance travelled increase (compare the increase in the distance travelled when connecting points B and C in both diagrams of Figure 22.2), but also, substantial layover time may accrue at the hub between two travel segments because of, for example, the schedules relating to onward connections, required minimum connection times, required security clearance times or other reasons.

Another special feature illustrated in Figure 22.2 (see the scheme with the grid network on the left) is represented by tracing the path between nodes C and E given that the entire connection to/from node A occurs through E and all connections to/from node D occur through C. This makes node E the gateway to node A and, consequently, the exit from A to the rest of the network (the same is true for the C–D relationship). According to Burghardt (1971, cited in Pearce 2001: 30), there are four attributes of gateway cities. First, these cities are in charge of the connections between the tributary area and the outside world and they develop in positions that have the potential to control the flow of goods and people. Second, they usually develop in their contact zones different intensities and types of production.

Third, although local ties are important, the gateways are best characterised by long distance commercial connections. Fourth, they are strongly committed to transport and trade.

One aspect of the gateway is the notion of intermediateness—a place in between two extremes, which can be ‘expanded by an association with a function of stopover, from where visitors are sent to other centres or resorts’ (Pearce 2001: 31). Gateways can generally be compared to a funnel through which travellers converge from different routes to gain access through a certain point and from where they can either disperse or converge, depending on the function of the other node. Intermediateness provides gateways with the advantage of capturing the passing traffic, with some travellers stopping and becoming tourists. Two examples of hubs that have taken advantage of the flow of passengers to expand their tourist destinations are Singapore (Asia) and the United Arab Emirates (UAE). In both cases, the national airlines (Singapore Airlines and Emirates, respectively) created internationally recognised in-flight services that increasingly captivated new and old passengers (Lohmann et al. 2009). With the significant flow of passengers who currently use both the Changi (Singapore) and Dubai (UAE) airports as hubs, numerous incentives have been created to encourage these passengers to take advantage of passing through the hub region by becoming acquainted with those hubs as tourist destinations. Amongst these incentives are shopping tour packages which include the purchase of airfares combined with hotel stays at significantly reduced rates, in addition to a range of services provided by the existing infrastructure of the airports, such as movie theatres, pools, etc. (Lohmann et al. 2009). For example, at Changi Airport, passengers waiting for more than five
hours between flights can take a free bus from the terminal to tour the city; moreover, customers can choose between two different itineraries.

Air transport growth in the Middle East

While this book identifies many countries in MENA, this chapter focuses primarily on the Middle East area, particularly the Persian Gulf region, where transit tourism and air travel development has been especially notable in recent years. The number of flights in the ten-year period between January 2006 and December 2015 were gathered, using the database AirportIS in 2016. However, because of the political or military instability of some of the countries listed above, air transport was significantly impacted either because they were recovering from war (e.g. Iraq) or were affected by conflict (e.g. Libya and Syria) during this period. For example, Iraq experienced astronomic growth (4,330 per cent) in flight numbers in this period, while Libya (60 per cent growth) and Syria (6.4 per cent growth) experienced much smaller increases in flight numbers in comparison with the other countries listed (see Figure 22.3). However, these three countries were excluded from further analysis because of the acute political instability that they experienced. Several countries were also excluded because the total number of international flights in the year 2015 was very small, that is, fewer than 18,250 in a year, or 50 flights a day. These countries include Afghanistan (with growth of 552 per cent, but with only 13,673 flights in 2015), Libya (7,158 flights in 2015), Syria (1,086 flights in 2015) and Yemen (113 per cent growth in the period 2006–2015, but only 10,436 flights in 2015). Libya and Syria were also included in this list with 7,158 and 1,086 flights, respectively. The indexed growth in international flights for the remaining 15 countries is presented in Figure 22.3.

According to the indexed growth of international flights during this period (i.e. 2006–2015), the Middle East countries experiencing the highest growth include Turkey (454 per cent growth, Qatar (342 per cent), UAE (310 per cent), Oman (282 per cent) and Saudi Arabia (248 per cent). More specifically, the growth of international flights in Turkey (the country with the highest growth of international flights) displays important seasonality fluctuation, where Q3 of every year represents the peak season, and Q1 the off-peak season. This result is highly influenced by the summer tourism season in Q3 (from June to September) and demonstrates the seasonality of Turkish tourism and the air transport network in general. Similar seasonality fluctuations are also evident in other countries such as Morocco and Tunisia, whose tourism relies on leisure sun–lust travellers. However, their growth is not as substantial as the Turkish example. Two other leading countries, Qatar and UAE, have shown continuous growth in international air traffic. In the case of Qatar, which had 97,489 flights in 2015, there is hardly any fluctuation during the year because tourism is less dependent on the weather and because Qatar’s main target is transit traffic. UAE had even more consistent growth with 301,932 flights in 2015, with the exception of an 11 per cent decrease in the number of international flights in Q2 2014. This decrease was primarily due to the temporary reduction of flights experienced during an 80-day runway refurbishment project between May and July, and the shift of freighter operators and general aviation to Al Maktoum International at Dubai World Central (DWC) in May 2014. The transit passenger traffic at some of the leading countries will be analysed in the following section.

Transit passenger traffic and tourism opportunities at major Middle East hubs

In this section, we examine the transit passenger traffic at major airport hubs in the Middle East, particularly Abu Dhabi (AUH), Doha (DOH), Dubai (DBX), Jeddah (JED), Istanbul (IST),
Figure 22.3 Air transport passenger growth for 15 airports in the Middle East during the period January 2006 to December 2015
Source: AirportIS 2016.
Kuwait (KWI), Muscat (MCT) and Tel Aviv (TLV). Primary data about transit passenger traffic were extracted from the AirportIS database. Bi-directional (total) data were selected for the period 2010 and 2015. Only origin–destination (OD) combined country data that represented more than 0.5 per cent of the airport passenger traffic are presented in order to identify the main OD transit markets. The 0.5 per cent threshold was considered in order to obtain only the strongest routes available within a particular airport, this value being the highest one available for the AirportIS database. It is crucial to have a threshold considering the efforts required by airports and tourism organisations to develop particular marketing strategies. The following number of routes with a market share of at least 0.5 per cent were identified for each airport: AUH (17 routes), DOH (13), D XB (18), JED (2), IST (2), KWI (22), MCT (18) and TLV (22).

JED and IST both had only two routes attaining at least 0.5 per cent of their passenger traffic data: Pakistan–UK and India–US; and Iran–Germany and Iraq–UK, respectively. The average number of reported and estimated transit passengers for JED is very small, nearly 18 passengers per day for these two routes in the six-year period analysed. IST has a much stronger average with over 177 passengers per day. Because of the combination of few routes with a strong market share and, in the case of JED, experiencing a low number of transit passengers, neither airport can be considered established transit points. However, IST is developing a number of strategies to become a transit point, including the construction of a new airport at a cost of more than €10 billion, aiming to serve 150 million passengers in the first phase (Clark 2016).

Other airports such as KWI, MCT and TLV have a much larger number of transit routes representing at least 0.5 per cent of their market shares in comparison to JED and IST. However, what is evident in the case of these three airports is that the absolute number of transit passengers is very small. The 22 routes at KWI had a six-year average of 24 passengers per day, MCT with an average of 28 passengers per day, and TLV with an average of fewer than five passengers per day. In terms of the most important routes for these three airports, out of the combined 62 routes identified in this study, only five routes (8 per cent) had an average daily traffic of more than 50 passengers per day in the six-year period 2010–2015. They were India–US and UK–Philippines for KWI; and India–UK, Thailand–Germany, and Germany–Maldives for MCT. The remaining routes for these airports were quite weak in terms of passenger traffic. When compared with the major airports in the Middle East—AUH, DOH and DXB—their daily average passenger numbers for the routes with at least 0.5 per cent of the market share were respectively 155, 190 and 493. Aggregating the 48 routes analysed for these three airports yielded an average of at least 90 passengers per day per route from 2010 to 2015.

On the basis of using a combined level above 0.5 per cent for transit traffic market share and the higher average of daily passengers for AUH, DOH and DXB in comparison with other major airports in the Middle East, further analysis will be provided only for these three airports. In many respects, the strategy initially developed by Dubai, so-called ‘Dubaisation’ (Elshehawwy 2010; Steiner 2010) involved a local airline offering outstanding in-flight and ground services linking a large number of airports around the world. In fact, Emirates is one of the few airlines in the world to serve all continents. This strategy, providing outstanding services, has been supported by promoting local attractions, events and other tourism initiatives to international passengers to foster stopover visitors. AUH and DOH, in many aspects, have followed strategies similar to those originally developed by Dubai/Emirates. Secondary data were obtained from the AirportIS to illustrate some of these strategies.

As discussed earlier in this chapter, airlines are playing an important role in introducing new routes and creating possibilities for increasing the number of transit passengers/tourists. The major Gulf carriers, Etihad, Emirates and Qatar Airways, are usually mentioned as the leading
Middle East airlines, but Turkish Airlines is also following this development part (Carrington 2014). All four carriers are expanding their network towards the US, while Turkish Airlines has positioned itself as a leading international carrier in Africa. Furthermore, Turkish Airlines and the Gulf carriers (i.e. Etihad, Emirates and Qatar Airways) have been increasingly developing their networks across Brazil, Russia, India and China (BRICs), countries considered to be the most promising developing markets in the twenty-first century (Carrington 2014). As confirmation of this successful strategy, Dubai’s Department of Tourism and Commerce Marketing (DTCM) announced an 18 per cent increase in the number of Chinese tourists between 2014 and 2015, while the number of Russian tourists declined due to the current political situation (AmeInfo 2016).

**Dubai (DXB)**

Dubai has emerged as a key intercontinental hub in recent decades. A small number of countries are amongst the top main origin–destination markets, including Australia, France, Germany, Hong Kong, India, Italy, Pakistan, South Africa, Thailand, the UK and the US. Figure 22.4 shows the OD markets which have more than 0.5 per cent of the passenger traffic through Dubai, including India–US (4.8 per cent), India–UK (3.7 per cent), Australia–UK (2.9 per cent), UK–Pakistan (1.4 per cent), UK–Thailand (1.2 per cent), Australia–Italy (1.1 per cent) and UK–South Africa (1.0 per cent).

The countries with the highest market share for transit travel through DXB (see Figure 22.4), are the UK (with ten pairs or 52 per cent of the 19 routes with more than 0.5 per cent market share), India (six pairs or 31.6 per cent), Australia (four pairs or 21 per cent), Germany (three pairs or 15.8 per cent), Italy, South Africa and Thailand (two pairs each or 10.4 per cent of the aggregated whole) and China, France, Hong Kong, Kuwait, Malaysia, Mauritius, Singapore and the US with only one pair (5.2 per cent of the aggregated whole).

The rise of Dubai is a modern phenomenon widely studied from different academic perspectives. Dubai is directly connected with 238 destinations and has 6,500 direct flights per week (Dubai International Airport 2016). The number of international tourists has reached 12 million in 2016 (Visit Dubai 2016), with India, Saudi Arabia and the UK as leading source markets. The average length of stay in Dubai in 2016 was 3.6 days (Visit Dubai 2016). From the tourism perspective, Dubai has built its leading tourism and hub position through a strong brand based on the consecrated ‘6S model’: stable, strategic, superlative, sophisticated, sustainable and successful (Lawton & Weaver 2017). Data obtained from Dubai Airport and DTCM support the ‘6S model’.

**Abu Dhabi (AUH)**

When comparing DXB and AUH in respect of the major originating country markets, similar patterns can be observed amongst those transit routes with more than 0.5 per cent of the market share (see Figure 22.5). As in the case of DXB, and also DOH, India–US is the most important OD market, with 3.4 per cent of the market share. Other dominant routes for both DXB and AUH (with at least 1 per cent of the market share) include Australia–UK (2.5 per cent), Thailand–UK (1.9 per cent), India–UK (1.3 per cent), UK–Pakistan (1.1 per cent)—all percentages for the AUH market. The remaining routes with at least 1 per cent of the market share through Abu Dhabi are Germany–Thailand (1.9 per cent), US–Pakistan (1.3 per cent) and Australia–Ireland (1 per cent). Markets that are particularly relevant to AUH, but not to DXB, are Ireland, Greece, Lebanon and Belgium (with at least 0.5 per cent of the market share).
Figure 22.4 Origin–destination air transport passenger country market using Dubai as a transit airport

Note: Average 2010–2015 data for routes with more than 0.5% of the market share.

Source: AirportIS 2016.
Figure 23.5 Origin-destination air transport passenger country market using Abu Dhabi as a transit airport

Note: Average 2010-2015 data for routes with more than 0.5% of the market share.

Source: AirportIS 2016.
The countries with the highest market share for transit travel through AUH include the UK (six pairs or 31.6 per cent of the 19 routes with more than 0.5 per cent market share), Australia (five pairs or 26.3 per cent), India and Thailand (four pairs each or 21 per cent), US (three pairs or 15.8 per cent), France, Ireland and Pakistan (two pairs each or 10.4 per cent) and Belgium, Germany, Lebanon, Malaysia and the Philippines with only one pair each (5.2 per cent).

Similar patterns appear to exist between Dubai's and Abu Dhabi's transit routes, with these two destinations deploying similar tourism development models. Although both Dubai and Abu Dhabi are targeting the same markets, they do not compete, but rather complement each other (Lawton & Weaver 2017). Abu Dhabi is creating its image as a more traditional and cultural destination compared to Dubai, which is an ultra-modern, luxury destination and trading hub. Abu Dhabi does not intend to imitate Dubai, even though both cities are creating their attractions based on their unique architecture and an atmosphere of luxury and a superlative tourism product. Abu Dhabi's development as a transit tourism destination is highly dependent on the cooperation of Etihad Airways, Abu Dhabi International Airport and the Abu Dhabi Tourism and Culture Authority. It is expected that Abu Dhabi will reach 7.5 million tourists by 2030, a target which will boost significant air route development opportunities (Abu Dhabi Airports 2016).

**Doha (DOH)**

Doha (DOH) airport presents a total of 13 OD country pairs of transit markets, six fewer than AUH and DXB (see Figure 22.6). DOH only has two routes that comprise at least 1 per cent of the market share, that is, India–US (2.5 per cent) (which also comprises the most important markets for AUH and DXB), and India–UK (2.2 per cent). They are followed by Thailand–UK (0.9 per cent), UK–Pakistan, UK–Australia, Germany–Thailand, US–Pakistan and India–Italy, all of which have a market share of 0.8 per cent. The remaining five top pair of markets are China–Nigeria (0.7 per cent), Sri Lanka–UK, Thailand–France and UK–Nepal (all with 0.6 per cent), and Spain–China (0.5 per cent).

The countries with the highest market share for transit passengers through DOH, are the UK (six pairs or 46.1 per cent of the 13 routes with more than 0.5 per cent of the market share), India and Thailand (three pairs or 23 per cent), Pakistan and the US (two pairs or 15.4 per cent), and Australia, China, France, Germany, Italy, Nigeria, Spain and Sri Lanka with only one pair each (7.7 per cent).

Currently, Doha represents the biggest competitor for Dubai and Abu Dhabi. In terms of air route development, Doha has built a strong and successful strategy with Qatar Airways operating more than 160 different routes, with an additional seven to be added in 2017 (Qatar Airways 2016). Many of these routes are served exclusively by Qatar Airways, such as some to Africa and Eastern Europe (Mayasandra 2011), thereby distinguishing Qatar from its competitors, Emirates and Etihad. Furthermore, a new-build airport in Doha, which is especially designed to accommodate A380 planes, suggests that Qatar is paving its way to becoming a serious world hub in the Middle East (O’Connell 2011). Some of the strategies that Doha has deployed to attract higher numbers of tourists have already proven to be successful in Dubai, Singapore and Abu Dhabi. For example, Qatar Airways offers free tours of Doha for all transiting passengers staying between five and 12 hours (Gulf Times 2014) while, since 2016, Qatar has offered a 96-hours visa-free pass for all transiting passengers regardless of nationality (Badawi 2016). As for other Middle East destinations, Doha transit tourism heavily depends on air route development, as well as aviation and tourism authorities working together to continue to develop Doha as a hub and tourism destination.
Figure 22.6 Origin-destination air transport passenger country market using Doha as a transit airport

Note: Average 2010–2015 data for routes with more than 0.5% of the market share.
Source: AirportIS 2016.
Conclusion

The close partnership between air transport providers and tourism authorities is creating new air routes and opening unforeseen opportunities for transit tourism and economic growth. The fulfilment of this growth depends on the successful engagement of a large number of stakeholders, an area which requires the consolidation of the academic research conducted so far.

The Middle East has positioned itself as one of the fastest growing tourism regions in the world. As discussed earlier in this chapter, this development is led by the UAE, followed by Qatar, with Turkey aspiring to become a transit destination. The constant growth in tourist numbers, including transit passengers, has been influenced by the introduction of new routes and strategic and partnership promotion of the Middle East cities as ‘must see’, high-class destinations.

Initial research on this topic, conducted predominantly between 1985 and 2000 (Swan 2002), identified the increase in air route frequency as the predominant way of developing air traffic worldwide. Frequency has been increased through a variety of methods, including the economic deregulation of the air transport sector, and has boosted the development of new routes; advances in technology have allowed for higher capacity aircraft and better performance; and finally, the overall global economic climate has created more potential for the establishment of new routes. The Middle East carriers have capitalised on this favourable environment, enabling them to attain the highest goal in the air transport industry: the development of long-haul routes (Weber & Williams 2001). Some of the key, specific factors that enable them to achieve this goal include their geographical location, liberal regulations, the use of a modern fleet and innovative airlines (Weber & Williams 2001). It is within this context that the Gulf States’ three main carriers, Emirates, Etihad and Qatar Airways, were analysed in this chapter, considering their impressive achievements in traffic growth.

Despite the growth in new international flights within the overall Middle East region, some countries have been affected by unstable political environments and terrorism threats. For example, Israel experienced a consistent decrease in the number of flights between 2006 and 2010. Similarly, Iran and Tunisia experienced a significant decline in 2014 and 2015. In contrast, research on the Arabian travel market conducted by Global Futures and Foresight (2007) has forecasted that Saudi Arabia will overtake the leading position in the number of international arrivals by 2020 with almost 45 million tourists arriving or transiting by air, followed by Turkey, UAE, Egypt and Jordan. However, in today’s world of constant political and economic turmoil, it is very difficult to predict the future of tourism destinations. Furthermore, it will take countries such as Syria, Libya and Iraq, whose infrastructure has been severely destroyed or damaged, a long time to recover in order to support a prosperous tourism industry. Technological developments may also threaten the future of air hubs and transit tourism destinations as new generation aircraft are capable of flying longer distances, thereby eliminating the need to make stopovers en route. For example, Qantas recently announced the commencement of a direct service between Perth (Australia) and London (18 hours) in 2018, with additional, similar flights to be launched in the future (Eddie & Peters 2016). This would allow the airlines to bypass the Middle East as a connecting transit point. Thus, the turbulent political situation and rapid technological progress are posing the following question to all Middle East countries: Do they have a strong and innovative strategy for developing new routes and tourism income?

References

Air route development and transit tourism


Chapter 4 – Stakeholder engagement in the development of international air services: A case study of Adelaide Airport - Summary

4.1 Introduction

The previous chapter partially addressed RO2. The results of this chapter presented the influence of ARD on transit tourism in the Middle East through the use of flight data available through AirportIS. This chapter addresses the ways in which economic factors foster successful examples of ARD, thereby complementing the previous chapter, and addressing the second research objective (RO2).

Following the structure defined for this thesis (Figure 1), the current chapter uses the case study method to explore the dynamics of stakeholder engagement and economic factors leading to the successful ARD with Adelaide Airport, Australia. Griffith University Policy on the inclusion of papers with thesis only allows papers where the PhD candidate was the first author with a major contribution to be included in the body of the thesis. As the results of this project were published in co-authorship with a person outside of the supervision team, and since the candidate was not the first author of this publication, only a summary of this article is used in this thesis. The full publication in the published version can be found in the Appendices (see Appendix 2).
4.2 Summary of the published article

ARD is recognised as a key airport activity in the post-liberalisation and commercialisation period. This paper provides a case study of a successful example of ARD in Australia. Outside of the traditional Australian gateways (Sydney, Melbourne, Brisbane and Perth), Adelaide Airport (ADL) is one of the most successful regional international airports in terms of its innovative approach to ARD. This paper provides a summary of the ARD related literature and includes some of the most prominent ARD references (i.e., Halpern & Graham, 2015, 2016; Malina et al., 2012; Martin, 2009). The literature review of studies relating to ARD provides separate perspectives of both airports and airlines. From the airport perspective, ARD is a progressive process that includes development in four steps – the initial stage involves identification of the objectives, the second stage involves market research, the third stage involves direct engagement with airlines and ARD marketing activities, the fourth step involves route implementation or establishing, maintaining and growing new services. The planning of ARD from the airline’s perspective is less discussed in the existing literature. Most of the
studies (Swan, 2002; Wu, 2010) have discussed the process of network planning, but have focused less on what steps are taken by airlines before the planning phase.

Stakeholder engagement has been discussed as the key theoretical concept guiding this research. The existing literature has covered the airport-airline relationship, but the lesser explored stakeholder relationships, including the relationships between the DMOs (Destination Management Organisations) and airports and/or airlines, and between the airports, airlines and other stakeholders require further attention. ARD and stakeholder engagement literature provided insights into multiple factors that could influence successful ARD processes, however, this current research is particularly focused on factors shaping the ARD process of ADL as a regional Australian airport.

This research used both primary and secondary data with the aim of presenting a detailed case study of Adelaide Airport. The primary data included eight semi-structured interviews with stakeholders whose roles were directly related to ARD at ADL. All interviews were transcribed and analysed in Leximancer. This data analysis identified four major themes which were later used as the structure of the analysis section. In addition to primary data, this research used secondary data such as SATC (South Australia Tourism Commission) and state government reports, ADL’s Master plan, and historical data of ADL air services obtained from AirportIS tool.

The results section has been structured around four key elements of ARD identified through the Leximancer thematic analysis: (1) opportunity identification and market analysis; (2) business case development and negotiation, including incentives; (3) initiating the route; (4) stakeholder relationships and engagement. Airline and ADL airport managers (together with SATC) perceived the initiation of ARD discussions differently. While airlines noted that ARD opportunities could come internally or externally (from the airport), ADL and SATC considered that the ADL representative would initiate and lead the process. Preparation and presentation of a business case represented one of the key steps of ARD from the airport operator’s perspective. ADL and SATC proudly shared the story about “Team Adelaide” which is already recognised worldwide as a successful partnership between an airport and a DMO. It came as no surprise that the interview data confirmed that ADL creates incentives for airlines, and that this step is expected from the airlines’ perspective. Some of the incentives offered by ADL include discounts on landing fees, marketing support and cash or in-kind financial assistance, usually available during the first year of operation. Despite incentives being
an important and expected part of the ARD negotiations, airline representatives confirmed that an airline would not commence a new service only because of the incentive. The incentives could be seen more as “the icing on the cake”, but not the main “ingredient”. The interview discussions captured some key stakeholder relationships, including ADL and SATC; ADL and airlines; ADL and other stakeholders; airlines and other stakeholders, including SATC. The published paper provides a summary of the main stakeholder relationships with relevant quotes/comments. In this summary, the airport-DMO relationship has been identified as the strongest relationship in the ADL case study. While the airport-airline relationship represented another very important partnership, the link between ADL and the airlines was not found to be as strong as in the case of ADL and SATC.

For ADL as regional international airport, route sustainability has been identified as one of the key challenges. Despite ADL being able to establish several key air services, some of the routes were suspended (i.e., the AirAsia route to Kuala Lumpur was suspended due to unprofitability and competition, and the Qantas route to Singapore was suspended in 2013 due to network restructure). Incentives are an important ARD tool, and for a regional airport like ADL, non-financial incentives and cooperative marketing support could be more attractive to the airlines than traditional financial incentives. ADL’s innovation in ARD goes beyond the concept of incentives and traditional ARD. At the time of writing (end of 2017, early 2018), ADL was preparing to host the biggest and most important ARD event – the World Routes Conference. This event was hosted in 2019 and it showcased ADL as well as South Australia as an emerging Australian destination to many international airlines and ARD experts.

Finally, the triangulation of primary collected data (interviews) and available secondary data collected for this study provided a model of ARD stakeholder engagement typical for ADL and adaptable to other regional airports. This model is based on the work of Halpern & Graham (2016) and it is enhanced by our interview results. The model identified the triad of the primary ARD stakeholders (airport, airline and DMO) as well as their main mutual relationships. All other involved stakeholders have been identified as secondary, and these include government (state and local), travel agents, chambers of commerce, travel wholesalers and other airports. While in the case of major city airports secondary stakeholders would not be necessary for successful ARD, in the case of ADL the participation of these stakeholders strengthens ADL’s business case.
Chapter 5 – Leadership and governance in air route development

5.1 Introduction

The previous chapter presented a systematic literature review of studies relating to the intersections between air transport and tourism research. ARD has been identified as one research area which is attracting growing interest, however this area lacks academic research. Following the structure of this thesis (Figure 1), this chapter examines the process of ARD (RO1) and explores the role and relevance of leadership attributes and good governance dimensions in the context of ARD (RO3). The list of key leadership attributes and good governance dimensions identified in SMEs’ tourism literature has been used in this study’s online survey which targeted airports, airlines and DMO ARD experts located throughout the globe.

Figure 1. Structure of the thesis

Source: Original from the study
This chapter presents the literature review, methodology, data collection, data analysis, results and discussion related to RO1 and RO3. Due to the publication requirements of the journal *Annals of Tourism Research*, the survey information has not been included in the published manuscript. Thus, a copy of the survey questions and the Information Sheet information used in this phase of data collection can be found in the Appendices (see Appendix 3). This chapter includes the published version of an academic article co-authored with my two supervisors. The bibliographic details of the published research article, including all authors are:


My contribution to this paper involved: initial concept, compilation of literature review, research design, data collection, data analysis, preparation of the manuscript, tables, figures and submission to the journal editor.

(Signed) ____________________________  (Date) _______________

Bojana Spasojevic Sijacki

(Countersigned) ________________________  (Date) _______________

Gui Lohmann

(Countersigned) ________________________  (Date) _______________

Noel Scott

5.2 Published article

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5 This is the authors accepted manuscript of an article published as the version of record in *Annals of Tourism Research* © 2019 Elsevier Ltd, https://doi.org/10.1016/j.annals.2019.102746
ABSTRACT

This paper examines leadership and governance among large tourism stakeholders, notably airlines, airports and state/national DMOs, in the context of air route development (ARD). An exploratory mixed method is used to identify the key leadership and governance attributes of successful ARD, and the strongest correlation among them. This study has identified a substantial difference between the key attributes perceived by small/medium enterprises (SMEs) and large tourism stakeholders. Large stakeholders identify partnership, effective communication, and information sharing as key leadership attributes, and strategic vision, leadership, and knowledge sharing as critical governance attributes. Additionally, a significant difference is observed in the correlations of attribute perception, which is dependent on the leading ARD stakeholder.

Keywords: Air route development; Good governance; Leadership; Stakeholder engagement; Partnership; Destination management
1. INTRODUCTION

In their attempt to attract tourist demand, increase competitiveness and create value, many tourism destinations rely on their ability to form a network of engaged stakeholders (Sheehan and Ritchie, 2005). Leadership and good governance have been identified as catalysts of stakeholder engagement (Pechlaner et al., 2014; Valente et al., 2015) that enhance tourism development. At the same time, the academic literature has identified the lack of proper governance and leadership cohesion as the cause of unstable destination management organisations (DMOs) and unsuccessful tourism partnerships (Zahra, 2011).

Leadership and governance are important factors in the tourism context as they lie at the intersection of the public, private and community sectors (Ruhanen et al., 2010). Tourism businesses are predominantly small and medium-sized enterprises (SMEs) and often in rural areas. Academic studies of tourism governance, therefore, examine the significant influence that DMOs have at local and regional levels on SMEs (Beaumont and Dredge 2010; Hall, 2011; Valente et al. 2014b, 2015; Qian et al. 2016; Wan 2013). Similarly, leadership theories have been applied to study the organization of SMEs in local communities (Trudeau Poskas and Messer, 2015) and in rural and regional tourism destinations (Haven-Tang and Jones, 2012; Pechlaner et al., 2011; Valente et al., 2014a, 2015).

While, SMEs and DMOs play a significant role in tourism destination development (Buhalis and Peters, 2006), governance and community engagement in rural areas; in the metropolitan destinations and important regional centres, larger stakeholders are critical to the creation of opportunities to increase demand. One way to increase demand is through the complex process of air route development (ARD), which involves business development, negotiation, finance, and marketing activities to maintain existing, or attract additional, air seat capacity. ARD plays a significant role in maintaining destination attractiveness, and due to the costs and expertise required, only very large government agencies and tourism/transport providers tend to be involved (Halpern & Graham, 2015, 2016). Singapore and Dubai provide successful examples where active stakeholder engagement transformed the destinations (Lohmann et al., 2009). In both cases, close collaboration between government agencies, DMOs, airports, and airlines supported the transformation of these air transport hubs into world-leading tourist destinations.
Similarly, the development of long-haul destinations and island countries (e.g., Australia, New Zealand, Japan, and the Caribbean region) into tourist destinations has been strongly influenced by the growth of air transport and consequent ARD (Lohmann & Duval, 2014). Hence, this study considers leadership in the context of networked environments, focusing mainly on distributed and systemic leadership (Pechlaner et al., 2014).

This paper aims to explore the role of leadership and good governance among large tourism stakeholders (i.e., DMOs, airports, airlines, and government agencies) in cases of successful ARD. In this study, ARD is considered successful if the collaborations of stakeholders led to the implementation of a new route. This paper has the following objectives: (a) to identify the most critical leadership and good governance attributes related to stakeholder engagement among large tourism stakeholders; (b) to determine how leadership and good governance attributes are related to the type of stakeholder leading the ARD process and to explore whether a correlation exists among these attributes; and (c) to explore the main factors that contribute to or hinder successful stakeholder engagement within ARD.

2. LITERATURE REVIEW AND STUDY CONTEXT

2.1. Stakeholder engagement and its application in tourism

In Freeman’s (1984, p. 46) seminal work, a stakeholder is defined as “any group or individual who can affect or is affected by the achievement of the organisation’s objectives”). While this concept of a stakeholder is widely accepted, there is a lack of supporting theories guiding research about stakeholders (Mitchell et al., 1997; Post et al., 2002). Stakeholder salience, proposed by Mitchell et al. (1997) and revised by Wood et al. (2018), discusses stakeholder’s importance to an organisation, although not necessarily their level of involvement in organisational activities (Farmaki, 2018). A typology developed by Gould (2012) organises stakeholders into primary stakeholders, which include groups such as communities, customers, employees, suppliers, and financiers, and secondary stakeholders, which include groups such as government, competitors, consumer advocate groups, social interest groups, and media. Clarkson (1998) considers that primary stakeholders are necessary for an organisation's survival, while secondary stakeholders are not essential but influence the organisation.
Advancing from “role-based” typologies, a “functional-based” typology was proposed by Donaldson and Preston (1995) to distinguish three branches within stakeholder theory: descriptive/empirical, instrumental and normative. A normative stakeholder is a group or person with legitimate interests in procedural and/or substantive aspects of a corporation’s proposed activities (Byrson, 2004; Hendry, 2001; Zakhem and Palmer, 2017). For the case of ARD, normative stakeholder theory recognises stakeholders’ involvement based on their activities. Here, "engagement" refers to the development of ongoing relationships with relevant stakeholders (Smith et al., 2011) and is considered vital for any organisation willing to create value among large stakeholders, such as airports, airlines, and DMOs.

Few studies examine the role of airports or airlines in the development of a tourism destination and those that do indicate they have low perceived importance. In a large-scale study, Sheehan and Ritchie (2005) interviewed the CEOs of 91 DMOs and identified the five most salient stakeholders as hotel associations, local governments, attraction associations, state tourism departments, and members. Interestingly, airports were not identified as key stakeholders, and airlines were ranked 15th out of the 32 stakeholders considered. Similarly, Sánchez Cañizares et al. (2016) identified four major groups of tourism stakeholders (i.e., the local population, tourists, tourism providers, and public agencies). In this study, transport providers, including airlines and airports, are classified as tourism providers and considered to operate in conjunction with other stakeholders. The role of large stakeholders, such as airlines and airports, in tourism development may be underestimated (Bornhorst et al., 2010).

A few authors have recently highlighted a need for further research into the role and engagement of primary (large) stakeholders in tourism destination development and management. Todd et al. (2017) suggest further study on stakeholder engagement in the context of hallmark event development. Halpern (2019) highlights the importance of studying stakeholder engagement and partnerships of large organisations such as DMOs, airlines, and airports. Leadership and governance emerged as important factors that may guide and shape stakeholder engagement, and the findings showed the directions and actions (leadership) and structure, rules and norms (governance) of engagement (Beritelli and Bieger, 2014).
In this study, we examine how leadership and governance among large tourism providers involved in ARD may guide and shape stakeholder engagement (Beritelli and Bieger, 2014; Pchelaner et al., 2014; Valente et al., 2015; Waligo et al., 2014). These concepts have been widely applied in tourism research, particularly in the context of SMEs.

2.2. Leadership

Leadership is a concept used in psychology, business, and organisational studies (Bass and Bass, 2009; Schein, 2010). Leadership is defined as “the process of influencing the activities of an organised group in its efforts towards goal setting and goal achievement” (Stogdill, 1974, p. 10). Northouse (2015) has identified five dimensions of leadership: the leader, followers, shared goals, organisational structure and the external context. In an organisation, the entire management team has a leadership role (Hristov and Zehrer, 2015).

Leadership is also applied to tourism research where Pechlaner et al. (2014), considers it one of the three main streams of tourism destination research: destination management (what) as a short to medium-term process, destination governance (how) as a medium-term process, and destination leadership (who) as a long-term process. A close relationship between leadership and stakeholder engagement – especially in the context of destination management, where stakeholder engagement is inseparable from the tourism development process (Beritelli and Bieger, 2014) – is often mentioned in practice but is less discussed in the academic literature (Wang and Krakover, 2008).

The concept of leadership was developed in the context of individual businesses and tourism studies initially focused on the actions of an individual leader when examining SMEs and local DMOs. Beritelli and Bieger (2014) advocate a more specific approach to leadership that treats a destination as a system that includes business networks of influential stakeholders in a tourism destination (Pechlaner et al., 2014), public institutions, and the local community. Hristov and Zehrer (2015) and Hristov et al. (2018) have studied the leadership network of a DMO. ARD presents a suitable context for studying destination leadership and governance in the context of large stakeholders, such as national DMOs, airlines, airports, and governments.
2.3. Good governance

The term governance is used in development studies, economics, geography, political science, public administration, and sociology (Bevir, 2011). The Centre for European Policy Studies (1995, p. 5) defines governance as “the whole system of rights, processes and controls established internally and externally over the management of a business entity with the objective of protecting the interest of all stakeholders”. Governance is the process through which organisations make their decisions (Graham et al., 2003).

Three main models of governance have been identified: hierarchies, markets, and networks (Hsu and Inbakaran, 2010; Pierre and Peters, 2000; Rhodes, 1997). The concept of hierarchy is used to describe the centralised structure of a typical organisation. Alternatively, a market, as a governance mechanism, is believed to be efficient due to its lack of centralised control (Hsu and Inbakaran, 2010). Networks, as a form of governance, sit between these two forms. According to Benson (as cited in Hsu and Inbakaran (2010)), a network can be understood as a complex of organisations connected by resources that make them dependent on and indistinguishable from each other.

The concept of good governance is used to examine the characteristics of successful stakeholder engagement and decision-making processes. It is argued that

“Good governance depends on the actors and groups involved in the network, their aspirations and values and the decisions they make about issues, such as accountability, transparency, participation, communication, knowledge-sharing, efficiency and equity” (Good Governance Advisory Group, 2004, as cited in Beaumont and Dredge (2010, p. 8)).

After reviewing the tourism governance literature, Ruhanen et al. (2010) identified three main governance principles: (1) governance is not a synonym for government; (2) governance implies less government control and predictability; and (3) governance involves multiple stakeholders and thus is considered an element of stakeholder engagement. Governance, as a medium-term process of stakeholder engagement (Pechlaner et al., 2014) addressing how processes are structured and what instruments are used, has significant implications in tourism policy research. Recently, Damayanti et al. (2019) found that many individual microbusinesses use "coopetition" strategies, working
together collaboratively but also competing with each other. This pattern has not been studied among large tourism stakeholders.

While Ruhanen et al. (2010) identified 40 governance dimensions present in the tourism literature, Valente et al. (2015) applied six dimensions in the context of regional tourist organisation (RTOs) (i.e., participation, legitimacy, accountability, transparency, efficiency, and efficacy). This study found differences in governance attributes in public and private RTOs. Furthermore, Beaumont and Dredge (2010) examined constructive communication, transparency, accountability, vision, leadership, equity, knowledge sharing, and clear roles and responsibilities of partners as good governance dimensions in the context of local tourism organisations (LTOs). Both public and private networks of SMEs, present at the local tourism level, showed trade-offs in adopting various good governance dimensions as part of their governance models.

2.4. Context: Air route development and collaboration among large tourism stakeholders

The concept of ARD is well known within the air transport industry, but it has received limited attention in both academic and professional publications (Halpern and Graham, 2015). ARD is known as “route development” in the European professional literature (Thelle et al., 2012) and as “air service development” in North America (Martin, 2009). Thelle et al. (2012, p. 81) defined ARD activities as “marketing activities undertaken by airports with the aim of attracting new routes, for example through participation in route development conferences, offering incentive schemes, meetings with airlines, producing bespoke reports for airlines.” Martin (2009, p. 22) defined ARD as “a broad term that encompasses a variety of activities with the ultimate goal of retaining existing air service or improving air access and capacity to develop the economy of a community or region.” Both definitions emphasise the most obvious objective of ARD: encouraging airlines to operate additional routes from a particular airport (Halpern and Graham, 2015). A survey by Airport Strategy and Marketing (ASM) (as cited in Halpern and Graham (2015)) identified tourism authorities as the most critical partner for ARD in 87 percent of cases. Other relevant ARD stakeholders include chambers of commerce, regional economic development agencies, and consulting companies (Halpern and Graham, 2016). New routes are an essential contributor to tourism destination development. Koo et al. (2017) argue that the "ARD–tourism"
relationship could be considered a classic "chicken-or-the-egg" dilemma. Although the link may seem obvious, these authors added that assessments of this relationship with a clear methodology are limited.

Lohmann and Vianna (2016) and Halpern and Graham (2015) have examined relationships among ARD stakeholders. Airlines are more likely to establish a closer relationship with larger airports since routes that operate between main gateway airports tend to be more profitable (Lohmann and Vianna, 2016). Additionally, there is a significant difference in attracting new routes operated by regional vs. major airlines serving regional vs. major airports (Halpern and Graham, 2015). Smaller airports are more likely to engage with tourism stakeholders and airports of the same size during the market research phase of ARD due to their limited internal resources and non-existent marketing departments (STRAIR, 2005). DMOs engage closely with airports of any size, as they are usually restricted in terms of options in their regions, sharing common economic interests with their local/regional airports (Lohmann and Vianna, 2016).

Although there is clear interest in close collaboration between airports and airlines, the less understood and discussed aspect of this process is the interest of tourism authorities at both the local and national levels. The influence of air transport on tourism is not a one-way relationship (Bieger and Wittmer, 2006; Farmaki and Papatheodorou, 2015), and the influence of tourism on air transport is evident in ARD. Koo et al. (2017) highlighted the two-way causal relationships between tourism and air transport in the context of Australian inbound tourism, in which direct air services strongly influence inbound tourism flows.

2.5. Developing a theoretical framework with leadership and governance theories

We propose a conceptual framework to analyse the ARD stakeholder engagement process. This includes seventeen leadership (Winston and Patterson, 2006; Waligo et al., 2014; Valente et al., 2014a, 2015) and nineteen governance attributes (Beaumont and Dredge, 2010; Ruhanen et al., 2010; Valente et al., 2015) identified in the SME tourism literature (Figure 1). Figure 1 illustrates the interrelation (through trust, communication and knowledge and information sharing) of leadership as a long-term process and good
governance as a mid-term process (Pechlaner et al., 2014) within stakeholder engagement.

An exploratory, descriptive approach is commonly used to examine issues that are not well theorised and to develop preliminary ideas to provide an initial typology of essential concepts (Neuman, 2014). An inductive approach is used to link abstract concepts to ARD. The theoretical framework of this study (Figure 1) draws from stakeholder engagement, good governance and leadership theories with the main focus on large stakeholders involved in ARD.

Figure 1. Theoretical framework of tourism stakeholder engagement and the influence of leadership and good governance on large stakeholders involved in ARD
Based on this framework, we identified leadership and governance attributes with the highest importance and their correlations during ARD. The following section outlines the method and results of this paper.

3. METHODS

As studies that consider stakeholder engagement in ARD in terms of leadership and governance are limited, this study adopts a mixed-methods exploratory approach. Mixed methods use a combination of quantitative and qualitative methods to synthesise new knowledge (Heyvaert et al., 2013).

3.1 Data collection

An online survey was used as the main data collection instrument to collect data from a large sample of ARD experts from around the world. The questionnaire was administered using Lime Survey. Non-random purposive sampling (Jennings, 2001; Neuman, 2014) was adopted as the population of ARD experts is limited. Key industry representatives responsible for ARD from airlines, airports, and DMOs were identified and contacted via LinkedIn using the following keywords: “air route marketing”, “air service marketing”, “air route development”, “air service development”, “aviation development director”, and “tourism”. The industry field “airline/airport” was used as an additional filter. To supplement purposive online searching, a list of delegates from the World Routes Conference (24-27 September 2016) held in China was used as a source of additional participants, who were also contacted via LinkedIn (as the delegate list did not contain contact information). We ultimately collected 93 fully completed responses out of 719 invitations. Eight respondents did not fully complete the survey but provided qualitative inputs. The total response rate was 14.04%, which is comparable to the 13% response rate in a similar ARD study conducted by Halpern and Graham (2015).

3.2 Analytical approach

The survey obtained the following data:

(1) Demographic and organisation information (e.g., country, organisation type, role in ARD, years of experience).
(2) Respondents were asked to provide an example (based on their practical experience) of successful ARD implementation as a result of stakeholder collaborations. Respondents nominated a total of 59 unique cases. The survey also asked open-ended questions about how leadership, governance structure, and stakeholder engagement might have contributed to the success and about the challenges faced in the process.

(3) Based on the example of success they described, the respondents then identified the stakeholder that led the ARD process. Options included airports, airlines, DMOs (tourism authority, regional development agencies), consultants, government, or others.

(4) Respondents ranked the top five of the 17 leadership attributes and 19 governance attributes. (The list was identified based on the leadership and governance attributes identified in the literature.)

In total, ten attributes (five each for leadership and governance) were obtained. To operationalise the selected attributes, we used the scoring scheme in Table 1. Each respondent cast a value to a total of 15 among all possible choices. We asked about only the five most important attributes, which was a compromise to reduce the cognitive load of respondents during the survey. This decision was based on the comments received in the pilot survey (n=10) conducted in June 2016 during the Air Transport Research Society (ATRS) Conference in Greece prior to the actual survey. The limitation on the number of "votes" also meant that respondents could not vote all attributes highly and that they had to prioritise certain attributes.

Table 1. Scoring scheme of the top-five attributes chosen by respondents for leadership and governance in ARD development

<table>
<thead>
<tr>
<th>Ranking of Attributes</th>
<th>Score</th>
<th>Fractional Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>5</td>
<td>33.33</td>
</tr>
<tr>
<td>Second</td>
<td>4</td>
<td>26.67</td>
</tr>
<tr>
<td>Third</td>
<td>3</td>
<td>20.00</td>
</tr>
<tr>
<td>Fourth</td>
<td>2</td>
<td>13.33</td>
</tr>
<tr>
<td>Fifth</td>
<td>1</td>
<td>6.67</td>
</tr>
<tr>
<td>Not selected</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>100</td>
</tr>
</tbody>
</table>
We adopted a sequential “QUAN → QUAL” mixed research approach. Quantitative responses were analysed by statistical software (SPSS and R) to identify the key patterns. Qualitative approaches were then used to cross-examine the open-ended responses with the quantitative findings to produce a more enriched understanding of the topic. Leximancer was used for content analysis, and manual coding was used for thematic analysis (Braun and Clarke, 2006). Leximancer is an automated content analysis software that is able to create patterns and concepts within the analysed material using text mining, text parsing and machine learning (Nunez-Mir et al., 2016). This complements traditional manual thematic analysis, in which researchers use their previous knowledge and experience to code material, a process that can potentially lead to limited and biased data analysis (Cheng and Edwards, 2019).

4. RESULTS

We first present the quantitative findings and then examine the qualitative findings (analysed by Leximancer and thematic analysis).

4.1 Overall pattern of quantitative questions

Tables 2 and 3 show the overall pattern of the data in terms of respondent demographics, nominated leading stakeholder and the average score (maximum of five) given to each leadership and governance attribute across the 93 valid samples. The average scores are colour coded into red (high values) and blue (low values), and the attributes are ranked from high to low (right to left) and colour coded (green to red). The values in bold are those with a higher difference to the mean (over 0.75). This section addresses the first objective of this study, i.e., to explore the importance of leadership attributes and good governance dimensions and to rank them.

Table 2. Average scores of leadership attributes and respondent profiles
Spasojevic, B. – Stakeholder engagement in air route development – The role of leadership and governance

Table 3. Average scores of good governance attributes and respondent profiles

<table>
<thead>
<tr>
<th>Attribute Scores (Difference to Overall Mean)</th>
<th>Variable</th>
<th>Respondents</th>
<th>(Overall Mean Score, n = 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Location</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Asia</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Europe</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>North America</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oceania</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Affiliation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Airline</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Airport</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consultant</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>0-2 years</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2-5 years</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5-10 years</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10+ years</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stakeholder</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Airline</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Airport</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consultant</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td>0.01</td>
</tr>
</tbody>
</table>

The overall pattern of the attributes is outlined. For brevity, we leave it to the reader to examine the details of the scores. Attributes with notable differences in the overall mean score are summarised in Table 4. This addresses the second objective of the study, i.e., to explore the relevance and correlation of attributes based on the leading stakeholder.

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Table 4. Summary of the more important leadership attributes (top three) by respondent type

<table>
<thead>
<tr>
<th>Variable</th>
<th>Respondent Type</th>
<th>Most Important Leadership Attributes</th>
<th>Most Important Good Governance Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent's work location</td>
<td>Asia</td>
<td>Encouragement</td>
<td>Accountability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coordination</td>
<td>Participation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Innovation</td>
<td>Rules of laws</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>Accessibility</td>
<td>Performance</td>
</tr>
<tr>
<td></td>
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<td>Risk taking</td>
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<td>Results production</td>
<td>Responsiveness</td>
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<td>Partnership</td>
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<td>Respondent's role</td>
<td>ARD Manager</td>
<td>Effective communication</td>
<td>Accountability</td>
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<td>ARD Consultant</td>
<td>Results production</td>
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<td>Innovation</td>
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<td>Aviation Business</td>
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<td>Network Planning</td>
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<td>Articulation of roles &amp; responsibilities</td>
<td>Constructive communication</td>
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<td>Clarity</td>
<td>Strategic vision</td>
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<td>Years of experience</td>
<td>0-2 years</td>
<td>Resilience</td>
<td>Knowledge sharing</td>
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<td>Articulation of roles &amp; responsibilities</td>
<td>Constructive communication</td>
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<td>Encouragement</td>
<td>Performance</td>
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<td>3-5 years</td>
<td>Effective communication</td>
<td>Trust</td>
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<td>Risk taking</td>
<td>Performance</td>
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<td>Flexibility</td>
<td>Rules of laws</td>
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<td>6-9 years</td>
<td>Clarity</td>
<td>Accountability</td>
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<td>Effective communication</td>
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<td>Partnership</td>
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<td>10 years or more</td>
<td>Trust</td>
<td>Leadership</td>
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<td></td>
<td>Resilience</td>
<td>Strategic vision</td>
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<tr>
<td></td>
<td></td>
<td>Creativity</td>
<td>Effectiveness</td>
</tr>
<tr>
<td>Stakeholder considered the most important in leading the ARD process</td>
<td>Airline</td>
<td>Clarity</td>
<td>Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Problem solving</td>
<td>Transparency</td>
</tr>
<tr>
<td></td>
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<td>Effective communication</td>
<td>Rules of law</td>
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<tr>
<td></td>
<td>Airport</td>
<td>Partnership</td>
<td>Responsiveness</td>
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</table>
Due to the relatively small sample size, we do not attempt to generalise these results. However, it is evident that attribute rankings are affected by respondents’ geographical location, role and years of experience and different “leading stakeholders” in ARD development. Our key observation is that with regard to geographical differences, North American and Oceania ARD respondents bear some similarities in leadership (with a higher value placed on partnership and information sharing) but differ in governance. Asian respondents are distinctive in that they more highly value innovation and encouragement in leadership. For governance, Asian and North American respondents are similar in giving high scores to accountability. Oceanians, on the other hand, greatly favour knowledge sharing. Europeans are more scattered across the attribute choices.

Since “respondent roles” is a more functional variable, we discuss this instead of “affiliation”. With regard to leadership attributes, respondents with network planning and consulting roles are much more focused on problem solving than others. Aviation business development and market manager roles see partnership as more important. With regard to governance attributes, accountability is exceptionally important for ARD managers. Respondents’ age might reflect the changes that occur when an ARD practitioner matures during his/her career. Compared with senior respondents, respondents with less experience more strongly favour the attributes of resilience and encouragement in leadership and the attributes of knowledge sharing and constructive communication in governance. Mid-career respondents more strongly value effective communication in leadership. For governance, trust and performance were initially considered important but then superseded by accountability. However, as seniority progresses, those with more than ten years of experience value trust in leadership and leadership in governance much more.

Survey respondents identified airports as the main initiators of ARD, leading the discussion among other stakeholders involved in ARD (52.7%), followed by airlines (26.9%), governments (16.1%) and tourism authorities (3.2%). Relating to the variable
of “leading stakeholders in ARD”, respondents who thought that the airline leads value clarity in leadership valued performance in governance very highly. Those who saw airports as leading stakeholders, however, had a relatively dispersed distribution, with partnership in leadership and responsiveness and accountability in governance slightly more favoured. Respondents who saw government as a leading stakeholder saw coordination and encouragement as more important (and information sharing as much less important) in leadership, and they highly valued strategic vision in governance.

4.2 Patterning of co-selection across leadership and governance attributes

In addition to its use in descriptive analysis of the mean values of the attributes, correlations are used to assess the interrelationship between the attributes. We use Spearman’s rank-order correlation to measure the strength and direction of the associated variables. This approach is suitable for our ordinal and non-normal distributed data. Correlation network diagrams were created using R software (Figure 2), which shows the strength of the score (1-5) pairs. We chose this correlation approach because the variables are ordinal and ranked correlations are deemed more suitable. There are 323 (17 x 19) possible leadership and governance attribute pairs, so for better legibility, only the pairs with correlation values above 0.15 are shown in the diagrams. The p-values and statistical significance of the correlations are shown in Appendix A for interested readers.
Figure 2. Correlation network between leadership and good governance variables

Figure 2 shows the correlation pairs of the attributes using the whole sample (n=93). Here, we refer to leadership attributes as (L) and governance attributes as (G). Notable correlation pairs based on their strength of association are “shareholder rights (G) – accessibility (L)” and “effectiveness (G) – results production (L)” (both rho = 0.34), “trust (L) – trust (G)” (rho = 0.32), “transparency (G) – information sharing (L)” (rho = 0.31), and “responsiveness (G) – information sharing (L)” (rho = 0.3) and “performance (G) – results production (L)” (rho = 0.3). It appears that similar attributes receive votes at the same time. Furthermore, there are interactions between leadership and governance attributes, as they are L-G pairs. These are further explored in the Discussion section.

4.3 Thematic analysis

Subsequent to the quantitative analysis, we now focus more on the qualitative analysis of the data. In doing so, we address the third objective of this study by thematic analysis, in which the textual responses to the open-ended questions are manually coded. First, spelling and grammatical errors were corrected or removed. The codes were based on the importance-ranking phase (Section 4.1). Similar meaning attributes were merged to
create deductive codes for thematic analysis; we combined knowledge sharing and information sharing, such as constructive communication and effective communication, and trust, from the textual responses. The leadership and governance dimensions are considered together from now on.

At the end of this coding process, seven themes emerged. The most prevalent one was partnership (n=46), followed by leadership (n=25), strategic vision (n=15), communication (n=15), knowledge and information sharing (n=14), results production (n=7) and trust (n=3). These findings are similar to those of the earlier quantitative analysis.

To summarise these textual findings, partnership was identified as the most dominant theme. The respondents stressed the necessity of all key stakeholders working together. A few specific partnerships involving particular stakeholders were identified and could be divided into the following categories:

- Airport–airline–tourism organisations;
- Airport–local entities (e.g., chamber of commerce, convention centre, visitor’s bureau);
- Airport–government–tourism organisation;
- City pair approach (airport–airport).

Furthermore, the respondents emphasised that close and long-term partnerships are vital to any successful stakeholder engagement. The symbiotic relationship between airlines and airports and the close engagement of both private and public services leads to a successful partnership. However, airlines have recently expected more than one-on-one engagement with airport management. Some respondents highlighted the need for political engagement when negotiating new routes connecting countries such as China and Iran. When a business case for route development is not robust enough, government/local authorities may eventually step in by offering “state-aid schemes” (i.e., discounts on landing and handling fees); accordingly, they become a major partner of the airport.

However, a significant number of respondents confirmed that a “strong leader” is necessary for successful partnerships. In many aspects, this idea reinforces the importance and symbiosis of partnership and leadership as key attributes. Hence, Leadership ranked
as the second most important attribute, which was expected from the highest level of both airport and airline management structures. Unsurprisingly, the respondents confirmed that having a strong and engaging airport and airline CEO is often necessary for ARD negotiations. Although ten different respondents mentioned the importance of active CEOs, none provided details regarding the characteristics of influential CEOs and their involvement with ARD. In addition to having a high-achieving CEO, leadership skills and initiative are necessary for the entire ARD team. Leadership teams from Brisbane and Perth airports were recognised as successful examples by three airport and two airline representatives from Australia and two airline representatives from Singapore and the Middle East. This finding warrants further study. In a few instances, respondents also mentioned the importance of the leadership of the government and local authorities, and they gave examples of the UAE, Turkey, Singapore, and Latvia. Again, none of the respondents provided more details on how those countries used government leadership for ARD.

As the third-ranked theme, strategic vision was often highlighted as the key attribute of the leading stakeholder. Five respondents discussed the case of the UAE, particularly Abu Dhabi, as the best example of how strategic planning and vision were used not only for ARD but also for tourism and economic development overall. The UAE case is well known in the current literature. However, a senior ARD consultant based in South Africa noted that Tourism Australia (a DMO) has developed an ARD strategic plan that is considered “one of the best”. Specifically, Tourism Australia has clearly defined the target number of arrivals and has worked with its regional tourism organisations and airports to identify suitable airlines and then provide the necessary market support. In this example, the same respondent considered effective communication as the critical leadership attribute and strategic vision as the key good governance attribute. Brisbane Airport was again mentioned by some Australian airline representatives, this time as a good example of innovative thinking and a proactive and inclusive approach to airlines regarding stakeholder engagement, partnership models and incentivisation. In this case, the respondent underlined creativity and knowledge sharing as the two most important leadership and good governance attributes, respectively. Meanwhile, Tenerife Airport (Canary Islands, Spain) had a clear strategy for developing a market for premium visitors based on results production as the critical leadership attribute and strategic vision as the
key good governance attribute. Thus, this airport targeted only full-service carriers such as British Airlines and Lufthansa and simultaneously maintained sustainable growth of the low-cost carrier (LCC) market.

With regard to communication, two main sub-themes emerged. The first was “business-to-business communication processes”, which encompasses initial contacts between the airport and airline CEOs, political connections via embassies, and official communication with and lobbying of foreign governments. The second communication sub-theme was more closely related to “market presence”, either via traditional marketing channels or through participation in major ARD events such as Routes Conferences.

Meanwhile, knowledge and information sharing were referred to as “sharing actual market demand data with other stakeholders” and “building a business case”. An experienced airport representative from the Netherlands suggested that supporting evidence about market demand must be shared and made available as part of the business case for government parties at both ends of the route. Darwin Airport (Australia) was highlighted as an example of successful ARD based on a highly data-driven approach that includes analytical components that are rarely seen by airlines. In some cases, respondents even mentioned that airports must share knowledge and educate other stakeholders (i.e., tourism authority, chamber of commerce, development organisation) on the benefits of attracting new air services to the region. An airport representative from the UK acknowledged that his/her airport had applied traffic stimulation and market share gains knowledge of Emirates Airlines and Dubai Airport while developing a new route between Dubai and a secondary airport in the UK.

The two remaining themes, results production and trust, were less represented. Results production refers to predictable outcomes of ARD, including job creation, tourism growth, and increases in revenue for airports and airlines. Regarding trust, the respondents mostly discussed the necessity of a risk-sharing deal between the airport and airline but did not provide specific details about how this is accomplished. One airline representative from the UK also mentioned trust issues when working with countries with strict aviation policies, particularly China and Iran; in such cases, government and diplomatic involvement are essential.

The thematic analysis showed the nuances of respondents’ thinking. The key themes were identified and explored but were based on our own interpretation. In view of the
vast amount of textual data available, automated means of analysis was performed to enrich the analysis.

4.4 Automated content analysis (Leximancer)

The primary aim of this analysis was to explore other possible themes that were not part of the thematic analysis (manual deductive coding), as there is potential bias in this approach. To overcome this, Leximancer offers another set of lenses to examine the same textual data by keywords (referred as “concepts” in the software) while retaining the linkage of text to the respondent to whom it belongs.

For this purpose, we included an additional variable, i.e., the size of the successful ARD case nominated, which affects leadership and governance patterns. This variable was not included in the earlier analysis because it was derived from the nominated airport/destination. The success case airports were divided into three categories according to the annual number of passengers (arrivals and departures): 46% were classified as large (over 40 million), 19% medium-sized (15-40 million), and 35% small (2-15 million). This classification is also used by the Airport Council International (ACI) in the Airport Service Quality (ASQ) award (ACI, 2017).

Two iterations of Leximancer content analysis were conducted. The first iteration excluded concepts such as “air”, “airport” and “airline” because these concepts are too broad. In the second iteration, we used the airport size of the ARD success case for the concept coding, thus considering the size effects of the success case. The result of the final Leximancer analysis is presented in Figure 3.
Figure 3. Main themes and the “network” of concepts generated by the Leximancer process

The four major Leximancer-generated themes are partnership, leadership, incentives, and business case. They are additionally linked to the main concept codes based on the airport size (small, medium-sized and large).

The closer the airport size dot is to the theme, the more critical a particular theme is for an airport of that size. For instance, small airports are more likely to emphasise the importance of the business case and incentive schemes, while large airports are often considered to be leaders of the ARD process. For medium-size airports, partnerships, including those involving local government, tourism providers, and other representatives, are pivotal to successful ARD. The “incentive” theme is most notable for smaller airports, as it is important for them to attract airlines (Halpern and Graham, 2015). The Leximancer analysis conforms with the previous analysis, but the linkages are visualised in a distance-weighted network diagram.
4.5 Main challenges of successful stakeholder engagement

In addition to the "success cases" and important attributes outlined earlier, it is essential to understand the main factors that hinder stakeholder engagement. The second part of the third objective of this research aims to address this question. Therefore, a survey question was included to identify ARD challenges. Due to the diverse answers given to this open-ended question, no clear theme emerges from the manual or Leximancer qualitative analyses. Instead, we summarise the key challenges by respondents' affiliation (i.e., airline, airport, consultant, tourism organisations and government) in Table 5.

Table 5. The main stakeholder challenges identified by different stakeholders (n=92)

<table>
<thead>
<tr>
<th>Airline (n=28)</th>
<th>Airport (n=49)</th>
<th>Consultant (n=8)</th>
<th>Tourism organisations (n=5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Closed mentality and organisational culture</td>
<td>● Airport business model</td>
<td>● Alignment of mutual goals</td>
<td>● Alignment of mutual goals</td>
</tr>
<tr>
<td>● Good timing of involving particular stakeholders</td>
<td>● Alignment of mutual goals</td>
<td>● Aviation security</td>
<td>● Inadequate leadership style</td>
</tr>
<tr>
<td>● Involvement of politics</td>
<td>● Bilateral agreements</td>
<td>● Equal treatment of all stakeholders</td>
<td>● Issue of attracting routes to secondary airport/city</td>
</tr>
<tr>
<td>● Managing the airline’s needs</td>
<td>● Competition of other airports</td>
<td>● Lack of knowledge</td>
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<td></td>
<td>● DMO strategies</td>
<td>● Negotiation skills</td>
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</tr>
<tr>
<td></td>
<td>● Inability to provide financial incentives</td>
<td>● Protectionism of the national carrier</td>
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</tr>
<tr>
<td></td>
<td>● Lack of cooperation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>● Lack of knowledge</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>● Local legislation</td>
<td></td>
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<tr>
<td></td>
<td>● Negotiation skills</td>
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<tr>
<td></td>
<td>● Politics</td>
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<td></td>
<td>● Protectionism of the national carrier</td>
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<tr>
<td></td>
<td>● Time management</td>
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<td></td>
<td>● Visa policies</td>
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</table>

Note – Government (n=2) had a very small sample, so it was excluded.

Airport representatives, as the largest group of respondents, identified a large number of challenges, including those related to politics, alignment of mutual goals, lack of knowledge and cooperation, and negotiation skills. Only 18% of the airport representatives were unaware of or said there were no challenges. In contrast, 42% of the
airline representatives were not aware of any stakeholder engagement challenges. The rest of this group identified the involvement of politics, a closed mentality and culture and the timely involvement of particular stakeholders as the main challenges. Respondents who were consultants identified some of the same challenges noted by the previous two groups (i.e., alignment of mutual goals, lack of knowledge and negotiation skills).

Additionally, airport representatives highlighted new challenges, such as protectionism of a national carrier, equal treatment of all stakeholders and aviation security. Different issues identified by the group of tourism stakeholders included inadequate leadership style and issues related to a secondary airport/city. The government representatives comprised a small sample (two respondents), so their answers were excluded from the analysis.

These challenges are diverse, and some cases, individual organisations have little influence. In relation to the overall results, these challenges highlight the need for further partnership between stakeholders.

5. DISCUSSION AND CONCLUSION

ARD is a complex stakeholder engagement process that involves multiple stakeholders. In this study, we test leadership and good governance theories in the context of large tourism (ARD) stakeholders. To the best of our knowledge, this tourism study is one of the first to provide a global perspective by surveying ARD experts worldwide. This paper attempts to confirm and clarify the role and importance of leadership and good governance among large tourism players involved in ARD, with tourism authorities as one of the key stakeholders.

The main aim of this study is to explore the role of leadership and good governance among large tourism stakeholders involved in the process of ARD. Given that ARD stakeholder engagement has not yet been analysed through the prism of leadership and good governance, we tested attributes adopted from the SMEs tourism literature.

The first objective of this study was to identify the most critical leadership and good governance attributes. Respondents were asked to rank the importance of the most
common leadership and good governance attributes identified, and some of the results were different from those of previous SMEs-based studies.

In terms of leadership attributes, our study identified partnership, effective communication, information sharing, and trust as key attributes influencing the successful stakeholder engagement of large tourism players. Results production is the only leadership attribute that is seen as important for both SMEs (as reported in the literature) and our respondents (large stakeholders). In SME studies, the ability to mobilise followers, communicate goals and articulate roles and responsibilities were found to be the key leadership attributes (Valente et al., 2015).

For governance, our top five attributes were different from the findings of (Beaumont and Dredge, 2010; Ruhanen et al., 2010; Winston and Patterson, 2006; Waligo et al., 2014; Valente et al., 2014a, 2015). Our results identified strategic vision, leadership, knowledge sharing, effective communication, effectiveness, and trust as the key governance attributes required for successful ARD stakeholder engagement. However, Valente et al. (2015 identified participation, legitimacy, accountability, transparency, efficiency, and efficacy as key governance attributes that lead to successful stakeholder engagement within RTOs. A recent study by Islam et al. (2018) suggested accountability, transparency, and participation as fundamental governance principles for adaptive co-management in protected tourism areas, with power and rules of law identified as other critical attributes.

To address the second aim of the study – to determine which leadership and good governance attributes are more relevant depending on which stakeholder is leading the ARD process and to explore whether a correlation exists among these attributes – we ran Spearman’s rank-order correlation to measure the relationship strength and direction between the variables. Detailed pair correlations and their coefficients were determined for the overall sample. The strongest correlation was observed between the leadership attributes accessibility and results production and the governance attributes shareholder rights and effectiveness. As one of the objectives of good governance is fairness as part of shareholder rights, accessibility of the leader could be considered an essential requirement. Results-productive leadership leads to effectiveness, which is a very straightforward correlation, followed by the interrelationship of information sharing and transparency and responsiveness. An interesting correlation can be observed between the
leadership attribute *partnership* and the governance attribute *leadership*. To avoid confusion, we refer to the explanation provided by Pechlaner et al. (2014), where destination-level governance represents a medium-term process, while leadership represents a long-term process. Thus, a long-term partnership can be developed with strong leadership at a medium-term level.

Finally, the third objective was to explore the main factors that contribute to and hinder successful stakeholder engagement within ARD. This was addressed through the thematic analysis. This study identified multiple patterns that were previously unknown in the air transport/tourism literature. Partnership, as the most critical leadership attribute of successful stakeholder engagement, emerged as the crucial topic. Furthermore, four different successful partnership patterns were identified, i.e., airport–airline–DMO, airport–local entities (chamber of commerce, convention centre, visitors' bureau), airport–government–DMO, and the city pair approach. Interestingly, in the city pair approach (as recently recognised by the Routes Conference), participants can book a specific city pair meeting that includes two airports (with or without tourism representatives) and a potential airline (Maslen, 2016). Leadership, as the key element of stakeholder engagement and the second-ranked dimension of good governance, was also discussed in this study. The findings support Waligo et al.'s (2014) finding of a direct relationship between the quality of stakeholder engagement and the development of initiatives and type of leadership.

When analysed from the aviation perspective, stakeholder engagement is sometimes neglected or not utilised sufficiently in decision-making processes (Rawson and Hooper, 2012). Hooper and Mills (2003) identified a number of factors that can potentially give rise to certain risks and prevent effective stakeholder participation: (1) the imbalance of knowledge and power between participants; (2) the hesitation of stakeholders to invest time and money while assuming unreliable outcomes; (3) the lack of active dialogue, interest and involvement of all stakeholders; (4) inappropriate attitudes, behaviour, and training of those who initiate stakeholder communication; and (5) inadequate means of communication. In this study, we attempted to discover any potential challenges that occur during ARD and influence successful stakeholder engagement. Some of the challenges, such as the involvement of politics, were recognised by almost all stakeholder groups. Airport representatives even added that if political participation occurred too
early, it could negatively influence engagement and negotiations. Interestingly, airport representatives identified the highest number of challenges, which led to the conclusion that as the leading stakeholders, they must surmount multiple obstacles and challenges on the path to securing new routes. The group of tourism representatives identified the problem of inadequate leadership styles and the issue of a secondary airport/city. Small or medium-sized airports tend to struggle as they are marginalised by major airports. Leadership and governance are vital for these airports to break through and grow. This conclusion concurs with Stephenson et al.’s (2018) view that smaller airports need to be more entrepreneurial in terms of their approach to ARD, hence creating opportunities for recognition and new routes.

This research applies leadership and good governance concepts in the context of tourism and aviation. The findings indicate significant differences in key leadership and governance attributes as perceived by SMEs and large stakeholders necessary for successful stakeholder engagement in ARD. These differences have not been previously identified. While the identified attributes were tested at a broader level (worldwide), the results of this study could benefit airport, airline, DMO and government managers involved in the ARD process. The obtained attribute scorings based on different variables (i.e., respondents’ geographical location, affiliation, role, and nominated leading stakeholder) could be further used to develop training tools for ARD decision-makers. Different partnership patterns suggest that in the process of ARD, it is rarely the case that “one-size fits all”. Thus, tailored solutions are needed for stakeholders of different sizes, structures and ownership types. This research also uses a novel quantitative method for examining the relationship between leadership and governance attributes, in addition to the qualitative approach, traditionally used in leadership and good governance tourism studies (Islam et al., 2018; Valente et al., 2014a, 2015).

6. LIMITATIONS AND FURTHER RESEARCH

Several limitations should be taken into consideration. This study aimed to survey ARD experts from all parts of the world, but due to limited access to contact details, a lack of participation from very relevant regions of the world was noted. For example, Chinese and other Asian respondents had low representativeness due to their lower propensity to use LinkedIn; they use different networking platforms. There were also
issues due to language barriers that could be addressed in future research (i.e., through multilingual expertise). This is critical not only because certain countries in Asia report the fastest increase in air transport development across the globe but also because governments have a stronger influence in the ARD decision process in many Asian countries. Leadership and good governance attributes are expected to contribute differently in countries with a neo-liberal, market-driven, privatised, commercially driven, light-handed environment and in countries with a centralised, government-influenced regulatory framework; in some cases, the government even manages airlines and airports. Another limitation is the possible underrepresentation of certain tourism organisations due to the respondent recruitment method. The LinkedIn search criteria provided limited information in identifying ARD-related personnel; in some cases, the role description does not match with actual responsibilities. While ARD roles are becoming increasingly common among national and state-level DMOs in more well-established Western destinations, several countries and regions have not yet incorporated ARD managers into their tourism organisational structures. Additionally, as airport representatives comprised half of the sample, potential bias towards airports might be present. However, this pattern is expected considering that airports are traditionally more active in ARD (Halpern and Graham, 2015).

Furthermore, it should be noted this was a pioneering exploratory study. We tested stakeholder engagement, leadership and good governance theory in the context of large tourism stakeholders involved in ARD. Thus, the replicability of this study could be assessed by the academic community. Additionally, outside the context of ARD, further studies on leadership and good governance should include other large tourism stakeholders, such as hotel chains, distribution channels, and event organisers, to provide a more comprehensive understanding of stakeholder engagement.

This study was designed to explore the role of leadership and good governance related to ARD in a general context and a worldwide setting. However, in-depth investigations of how the attributes identified in this study are actually operationalised in terms of facilitating ARD are strongly warranted. Based on our thematic analysis, the four distinct partnership patterns (airport–airline–DMO; airport–local entities; airport–government–DMO; city pair approach) identified could be an ideal research area for future in-depth case studies. Another potential angle for comparison is primary vs. secondary (or major
vs. regional) airports, which could also help unpack the effect of size in ARD. An in-depth analysis of case studies would also allow future studies to elaborate on the differences between SMEs and large tourism stakeholders.
Correlation is significant at the 0.01 level (**) and 0.05 level (*)
ACKNOWLEDGEMENT

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Chapter 6 - Leadership and governance in air route development – Lessons from Australia

The previous two chapter discussed successful examples of ARD and addressed the first three research objectives. Chapter 6 is a direct continuation of Chapter 5, using the results of this chapter to form Phase 2 of this thesis, as explained in the methodological framework (see Chapter 1, Figure 2). The results of the online survey were used for the design of the semi-structured interview used in Phase 2.

Following the structure of this thesis (Figure 1), this chapter evaluates the relevance of leadership and governance attributes in ARD and its role in Australia, directly addressing RO4. Australia has been found to be suitable as the study context due to its highly commercialised environment, which fosters the close relationship of all ARD stakeholders.

![Figure 1. Structure of the thesis](Source: Original from the study)
This chapter includes the study background, methodology, data collection, data analysis, results and discussion related to the RO4. This chapter is presented in the form of an unpublished manuscript.

6.1 Introduction

The results presented in Chapter 5 clearly suggest the need for further in-depth investigation on the role of leadership and governance in ARD. While the online survey conducted with ARD experts around the globe could not agree on the most prominent successful cases of ARD, the results pointed out to some successful countries and airports. Australia is one of the leading aviation countries widely recognised by ARD experts, including some stakeholders such as its national tourism body – Tourism Australia, as well as a few individual airports. Australia, as an island country whose aviation regulatory systems is one of the most deregulated in the world (Arblaster, 2014), has developed a unique aviation and tourism ecosystem with commercial set up between airports, airlines and tourism authorities to foster ARD collaboration. Hence, this chapter aims to assess the uniqueness of stakeholder engagement activities in ARD of the Australian aviation market. Due to the size and level of ARD activities, this study is primarily looking into international airports. The following research objectives will facilitate addressing the research aim:

1. Analyse the ARD process in Australia;
2. Identify the importance of leadership and governance attributes through the four stages of ARD;
3. Analyse the stakeholder engagement patterns across airports of different size and level of ARD;

This chapter is structured into five sections. The study background section, which follows this introductory section, presents the Australian aviation market and its uniqueness, including the regulatory light-handed regime, airport ownership structures and the airline duopoly in the domestic market. The third section, Methods, provides an overview of the qualitative methodology used in this chapter, including the rationale for using in-depth interview data collection and data analysis process. Then, the results section presents detailed results of the thematical analysis. In the Discussion and Conclusion section, the theoretical and practical contribution of the results obtained from
the interviews is discussed, and summary of the chapter with a discussion on limitations and further research directions is provided.

6.2 Study Background

Nearly all international tourist arrivals in Australia are by air, with a limited number of tourists arriving on cruise lines (Australian Bureau of Statistics, 2020). In 2019 Australia had 8.7 millions of international visitors (Tourism Research Australia, 2020), with 1,292 international flights per week (Tourism Australia, 2020). This high reliability of the country’s economy, including tourism created a specific aviation environment. To be able to understand the uniqueness of Australia aviation market, the following topics will be discussed.

- Size and geographical location;
- Characteristics of privatised airports;
- Characteristics of airline market;
- Major international airports and passenger numbers;
- Importance of ARD for tourism and economy growth;
- Recent route development.

Size and geographical location of the Australian airports

In 2019, there were over 2,000 airports and airfields in Australia, with around 10% operating as commercial passenger airports (Productivity Commission, 2019). Figure 1 represents the Australia’s top 40 airports in 2018-2019 based on the passenger numbers. The group of top 20 Australian airports (marked with orange dots, plus Alice Springs, Ayers Rock, Balina, Hobart, Karratha, Launceston, Mackay, Newcastle and Rockhampton) served 96% of total passenger movements in 2019 (almost 163 million passengers) (BITRE, 2019b). Besides the state capital city airports (i.e. Sydney, Brisbane, Melbourne, Perth, Adelaide, Canberra and Darwin), the three other major Australian airports are located in Queensland (Cairns, Townsville and Gold Coast), making it the only Australian state with non-capital city airports in the top ten country airports (Donnet, Ryley, Lohmann & Spasojevic, 2018).
The remoteness from the rest of the world makes this island country highly dependent on the air transport. Thus, airports play a major role in the economic development of each of the states. The importance of airports in Australia can be illustrated through the geographical distance between the major cities and travel time on different modes of transport. For instance, Melbourne is about 800km from Adelaide and about 600km from Canberra. Sydney and Melbourne are only 1 hour and 20 minutes apart by air, but 13 hours by rail and 12 hours by road (Forsyth, 2002). Brisbane is around 900km from Sydney or 10 hours by road, and only 1 hour 35 minutes by air. Perth, as the most remote city in Australia, is barely accessible by any other mode of transport apart from air (Perth-Brisbane 4,316km; Perth-Canberra 3,728km; Perth-Sydney 3,934km; Perth-Melbourne 3,425km). Significant geographical distance between the major cities has created a specific aviation environment with less direct competition between the airports, especially when compared with the major airport in Europe or the US (Forsyth, 2002). While there is a moderate competition between the top three international airports (Sydney, Melbourne and Brisbane) on the international market, the only three (or four)
airports with the scope to compete for the local traffic are located in Queensland. Brisbane Airport, as the major Queensland’s hub, has two other international airports within its catchment zone (Gold Coast Airport – 110km and Sunshine Coast Airport – 109km). Additionally, in November 2014, the new privately built Toowoomba Wellcamp Airport (WTB) located only 147km from Brisbane Airport, welcomed the first scheduled passenger service (Sydney to Wellcamp) (Killoran, 2014). While, currently this airport has no scheduled international passenger flights, it does have the required facilities.

Characteristics of Australian privatised airports

Gillen (2011) distinguishes at least seven airport ownership/governance structures, varying from fully government owned/operated (like in the US, Spain, Singapore, Finland), via public-private partnerships (e.g. India), not-for-profit corporations (Canada), partially private for-profit (Denmark, Switzerland) to fully private for-profit corporations with share ownership tightly held (Australia and New Zealand). Australian Government started the process of privatisation in 1996–1997 (Brisbane, Melbourne and Perth), and concluded with privatisation of Sydney Airport in 2002 (Gillen, 2011). All 22 Australian airports managed by the Federal Airport Corporation (FAC) were sold via trade sales, where investment consortia bids to purchase the airports (Aulich, 2014). The airports were sold under a lease agreement of 50 years plus an automatic renewal of 49 years. After this period, airports return back under the ownership of the federal government.

In the post-privatisation period, the Government recognised that some of the airports gained significant marked power, and after sale of Sydney Airport in 2002, introduced the so-called light-handed regime (Lohmann & Trischler, 2017). A light-handed regime (LHR) is a regulatory scheme that “places no immediate constraints on aeronautical charges, but monitors prices intending to ‘take action’ if prices are judged to be too high” (Gillen, 2011, p. 9). This approach has also been used in New Zealand since the late 1980s and has gained the interest of governments interested in change of airport regulations and maximisation of airport profitability (Arblaster, 2014).
Table 1 represents the top ten international Australian airports based on the total number of passengers in 2019\(^6\) (year ending January 2020). Additionally, the ownership structure and total airport revenue information has been added to complement the overall presentation of the major international airports in Australia.

Table 1. Top ten Australian airports (number of passengers, ownership and airport revenue)

<table>
<thead>
<tr>
<th>Airport (IATA code)</th>
<th>Total number of passengers (year ended Jan 2020)/ % of total pax market share (164 million passenger)</th>
<th>Ownership</th>
<th>Total airport revenue (2018/2019) in AU$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sydney (SYD)</td>
<td>44,410,105 / 27%</td>
<td>Fully privatised in 2002</td>
<td>$1,584,700</td>
</tr>
<tr>
<td>2. Melbourne (MEL)</td>
<td>37,142,193 / 22.6%</td>
<td>Fully privatised in 1997</td>
<td>$1,011,781</td>
</tr>
<tr>
<td>3. Brisbane (BNE)</td>
<td>24,104,576 / 14.6%</td>
<td>Fully privatised in 1997</td>
<td>$840,481</td>
</tr>
<tr>
<td>4. Perth (PER)</td>
<td>12,541,341 / 7.6%</td>
<td>Fully privatised in 1997</td>
<td>$497,200</td>
</tr>
<tr>
<td>5. Adelaide (ADL)</td>
<td>8,526,294 / 5.2%</td>
<td>Fully privatised in 1998</td>
<td>$226,045</td>
</tr>
<tr>
<td>6. Gold Coast (OOL)</td>
<td>6,486,153 / 4%</td>
<td>Fully privatised in 1998</td>
<td>$138,759</td>
</tr>
<tr>
<td>7. Cairns (CNS)</td>
<td>4,767,855 / 3%</td>
<td>Fully privatised in 2008</td>
<td>$127,500</td>
</tr>
<tr>
<td>8. Canberra (CBR)</td>
<td>3,241,076 / 2%</td>
<td>Fully privatised in 1998</td>
<td>Not publicly available</td>
</tr>
<tr>
<td>9. Darwin (DRW)</td>
<td>1,952,556 / 1.2%</td>
<td>Fully privatised in 1998</td>
<td>$126,684</td>
</tr>
<tr>
<td>10. Newcastle (NTL)</td>
<td>1,276,601 / 0.8%</td>
<td>Owned by local councils, operated by Newcastle Airport Pty Limited since 1993</td>
<td>$34,000</td>
</tr>
</tbody>
</table>

\(^6\) Hobart Airport (HBA) with total number of 2,788,650 passengers, is ranked as number nine in the top ten Australian airports. However, as this airport has no international traffic, it has been excluded from Table 1.
As noted by Forsyth (2002), one of the characteristics of privatised Australian airports in the early post-privatisation days was excess capacity. This situation has changed over the 20-year period with significant increase in passenger numbers for all the major as well as secondary airports. In 2010, the Bureau of Infrastructure, Transport, Regional Development and Local Government (BITRE, 2010) predicted that the number of total passenger movements will more than double by 2029-2030 (from 98.3 million to 235 million). In 2019, the total number of passenger movements in Australia reached 163.5 million (BITRE, 2019b). The increased infrastructure investments suggest that passenger numbers might even suppress the BITRE’s forecasts. Brisbane Airport is set to open the new parallel runway worth more than $1.5 billion in July 2020. The new runway is set to double the current aircraft movement capacity (Brisbane Airport, n.d.). Meanwhile, in Sydney, the Australian Government is investing up to $5.3 billion for the construction of Sydney’s second airport named Western Sydney International (Nancy-Bird Walton) which is planned to begin operations in 2026 (Western Sydney Airport, n.d.). The completion of the second airport in Sydney will significantly change the position, as well as the ARD arrangements at the Kingsford Smith Sydney Airport International (SYD), currently the largest airport in the country.

An additional characteristic of the post-privatised Australian airport market is the price monitoring regime, which was established in 2002, following the recommendation of the Productivity Commission inquiry (ACCC, 2019). Australian Competition and Consumer Commission (ACCC) is in charge of the price monitoring at the Australian airports, as well in some other industries (i.e., telecommunication and electricity) (Forsyth, 2002). Previous Productivity Commission’s reports have shown that in general the four major Australian airports (i.e. Sydney, Melbourne, Brisbane and Perth) have market power, which can lead to the lack of incentives to operate efficiently or lack of innovative technologies and passenger services (ACCC, 2019). While lack of innovations and operational efficiency does not represent some of the issues of the four major airports,
airport monitoring could be a useful tool in commercial negotiations, including the ARD process, where airports could use their market power to attract new routes or airlines.

Commercial negotiations with the aim of securing aeronautical and terminal agreement on charges, types of services, service quality and future capital investments between airports and airlines are usually a challenging and lengthy process (Productivity Commission, 2019). This has been one of the key characteristics of the Australian light-handed regulatory regime since 2002. One of the roles of Productivity Commission is to assess the conduct of involved parties and outcomes reached through negotiation. As pointed out earlier, the four major Australian airports could be in advantageous position, due to the lack of secondary airports (the only exception being Brisbane Airport), as it is the case in other parts of the world (Forsyth, 2008). This type of market power potentially puts the airline in the ‘take it or leave it position’ (Kistler, Trischler & Lohmann, 2018) which gives more importance to the role of Productivity Commission. Apart from the barging power, incentives could highly influence commercial negotiations. ARD or air service incentives are widely used around the globe. Ryerson (2016) states that airports may sponsor new route services by offering a range of special programs, such as discounted fees (reduced or waived landing and facility fees), financial incentives paid per passenger or joint marketing investments. While neither the Productivity Commission nor the ACCC have the power to directly intervene in the negotiations (Lohmann & Trischler, 2017), this negotiation process is closely monitored and reported to the general public.

Characteristics of the airline market

Australian airline market can be analysed in terms of domestic and international passengers, with significant differences between the two. Since the early days, the Australian domestic airline market has had the characteristics of a duopoly. In 1993, Douglas (1993) claimed that duopoly represents the natural state of the Australian domestic market, justifying the earlier ‘two-airline policy’ shared between Ansett and Trans Australia Airlines (acquired by Qantas in 1992). The Australian Government abolished the two-airline policy in 1990 under the Airline Agreement Termination Act (Zhang, Sampaio & Fu, 2016). This change allowed new airlines to enter all domestic routes and terminated price and flight routes control. Despite these changes, the oligopoly market structure did not last long – Virgin Blue entered the market in 2000, while Ansett
collapsed in 2002, which brought the market back to a duopoly position, this time between Qantas and Virgin. In 2003, Qantas created a low-cost subsidiary, Jetstar, to compete with Virgin Blue (Whyte, Prideaux & Sakata, 2012). After rebranding itself into Virgin Australia and becoming a full-service airline, the company purchased the majority stake in Tiger Airways Australia. This low-cost airline was renamed Tigerair in 2014 and became 100% owned by Virgin (Zhang et al., 2016). Today, Australian domestic market could be defined as a duopoly between the two airline groups – the Qantas Group and the Virgin Group.

In 2019 a total of 63 airlines offered 26.7 million outbound seats and 1,929 international flights per week to Australia (Tourism Australia, 2020). One quarter of inbound flights is operated by the Qantas Group (Qantas and Jetstar), followed by the Singapore Airlines which operates just below 10% of the flights. Table 2 below shows the top 20 airlines operating international flights to Australia, as well as percentage change between 2018 and 2019.

*Table 2. Seat capacity to Australia by top 20 airlines in 2019*

<table>
<thead>
<tr>
<th>Airline</th>
<th>Inbound seats (12 months rolling)</th>
<th>Year on year % change in inbound seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qantas Airways</td>
<td>4,725,651</td>
<td>2.7%</td>
</tr>
<tr>
<td>Singapore Airlines</td>
<td>2,112,987</td>
<td>3.7%</td>
</tr>
<tr>
<td>Jetstar</td>
<td>2,092,167</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Emirates</td>
<td>1,976,351</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Virgin Australia</td>
<td>1,899,974</td>
<td>9.4%</td>
</tr>
<tr>
<td>Air New Zealand</td>
<td>1,824,979</td>
<td>8.1%</td>
</tr>
<tr>
<td>Cathay Pacific Airways</td>
<td>1,128,289</td>
<td>1.2%</td>
</tr>
<tr>
<td>Qatar Airways</td>
<td>787,928</td>
<td>5.2%</td>
</tr>
<tr>
<td>AirAsia X</td>
<td>745,329</td>
<td>-23.3%</td>
</tr>
<tr>
<td>China Southern Airlines</td>
<td>740,437</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Malaysia Airlines</td>
<td>712,211</td>
<td>16.2%</td>
</tr>
</tbody>
</table>
Overview of some of the major international airports

Sydney Kingsford Smith Airport (SYD) is the main international gateway to Australia and serves as the country’s largest airport. It hosts regional, domestic and international passenger and cargo services from over 45 airlines. The airport is a major hub for Qantas, Jetstar, Tigerair Australia and Rex. Since the privatisation in 2002, the airport is operated by Sydney Airport Corporation. As the country’s gateways, Sydney Airport offers nonstop passenger flights to 45 domestic and 57 international destinations (46 Asia Pacific, six North America, three Middle East, one Africa and one Latin America) (CAPA, 2020). In 2019, Sydney Airport had 44.3 million passengers (27.5 million domestic and 16.9 million international passengers) (BITRE, 2019b). In 2019 Sydney Airport added two direct A330-200 routes to Sapporo (Japan) operated by Qantas Airways and Tianjin-Zhengzhou (China) operated by Tianjin Airlines (Tourism Australia, 2020). One more direct route to Japan (Tokyo-Sydney) operated by All Nippon Airways (ANA) is scheduled for March 2020. As currently the only international airport in New South Wales, Sydney Airport attracts major international airlines, but it is also dealing with the constrained capacity and curfew hours (11 pm to 6 am) when take-off and landings are restricted.

<table>
<thead>
<tr>
<th>Airline</th>
<th>Passengers</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Etihad Airways</td>
<td>644,775</td>
<td>-16.9%</td>
</tr>
<tr>
<td>China Eastern Airlines</td>
<td>524,575</td>
<td>10.0%</td>
</tr>
<tr>
<td>Thai Airways International</td>
<td>494,355</td>
<td>-20.6%</td>
</tr>
<tr>
<td>China Airlines</td>
<td>414,032</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Garuda Indonesia</td>
<td>409,433</td>
<td>0.2%</td>
</tr>
<tr>
<td>Scoot Tigerair</td>
<td>398,633</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Fiji Airways</td>
<td>322,549</td>
<td>-0.6%</td>
</tr>
<tr>
<td>United Airlines</td>
<td>309,675</td>
<td>-10.3%</td>
</tr>
<tr>
<td>Malindo Air</td>
<td>260,024</td>
<td>37.6%</td>
</tr>
</tbody>
</table>

Source: Tourism Australia (2020)
Melbourne Tullamarine Airport (MEL) is the second largest airport in Australia and the only international gateway to Victoria. After being privatised in 1997, it is owned and operated by Australian Pacific Airport Corporation. More than 25 regional, domestic, international and cargo airlines operate from this airport. Melbourne Airport offers 71 nonstop passenger destinations (30 domestic and 41 international – 33 Asia Pacific, four North America, three Middle East and one Latin America) (CAPA, 2020). In 2019, Melbourne Airport had 37.1 million passengers (27.5 million domestic and 11 million international passengers) (BITRE 2019b). Two new direct routes started operation in 2019 – Melbourne-San Francisco operated by United Airlines (B787-9) and Melbourne-Seoul operated by Asiana Airlines (B777-200ER). Virgin Australia has announced new direct service from Melbourne to Denpasar (Bali) on B737-800 from March 2020 (Tourism Australia, 2020). Melbourne Airport is curfew-free and operates 24 hours a day. Despite being the most important gateway, this is not the only international airport in Victoria as Avalon become the newest international airport in 2018 after introducing direct flight between Avalon and Kuala Lumpur, operated by AirAsia.

Brisbane Airport (BNE) is the gateway to Brisbane and major international airport in Queensland. It is owned and operated by Brisbane Airport Corporation since 1997. More than 25 airlines operate domestic, regional, international and cargo service from this airport, with being hub of Virgin Australia (Virgin Australia, 2015). Brisbane Airport offers 79 nonstop passenger services, with 45 being domestic and 34 international (29 Asia Pacific, 3 North America and 2 Middle East) (CAPA, 2020). In 2019, Brisbane Airport had a total of 23.7 million passenger (17.4 million domestic and 6.3 million international passengers) (BITRE, 2019b). Brisbane Airport has no curfew, but unlike other major international airports in Australia, had two other international airports in its catchment zone (less than 150 km), Gold Coast and Sunshine Coast Airports. As the result of extraordinary route development activities, Brisbane Airport attracted eight new Asian airlines between 2016 and 2019 (Air China, Hainan Airlines, Malaysia Air, Philippine Airlines, Royal Brunei Airlines, Thai AirAsia X and China Eastern) (CAPA, 2019). In addition, Qantas commenced new direct service between Brisbane and San Francisco in February 2020, with Brisbane and Chicago scheduled for April 2020, both operated on B787-9 (Tourism Australia, 2020). Brisbane Airport Business Development team was awarded World Routes and Routes Asia Award in 2019 as the airport organisation which
have excelled in route development marketing in the category airports between 20 and 50 million passengers (Route Online, 2019).

**Adelaide International Airport (ADL)** is the major and only international airport in South Australia. ADL was established in 1955 and privatised in 1998, since when is owned and operated by Adelaide Airport Limited. Adelaide Airport offers 32 nonstop passenger services (24 operated domestically and eight internationally – six flights to Asia Pacific and two to the Middle East) (CAPA, 2020). ADL had 8.5 million passengers in 2019, with 7.3 million being domestic and 1.1 million international passengers. In 2019, Adelaide Airport, together with South Australia Tourism Commission (SATC), hosted World Routes, the largest and most significant route development event in the world, which provided an incredible opportunity to promote Adelaide and South Australia to hundreds of airlines and airports worldwide. This airport has a curfew from 11 pm to 6 am and has no direct competitors in its catchment area.

**Gold Coast Airport (OOL)** is the main gateway to the Gold Coast (Queensland) and Northern region of New South Wales. This airport is privatised in 1998 and it is owned and operated by Queensland Airports Limited. As the fifth largest international airport in Australia, Gold Coast Airport offers nonstop passenger service to 17 destinations (nine domestic and eight international in the Asia Pacific) (CAPA, 2020). In 2019, this airport had 6.4 million passengers, 5.5 million domestic and slightly less than a million international passengers (BITRE, 2019b). OOL added one new international route to its portfolio in 2019 – Gold Coast-Seoul (Japan) operated by Jetstar Airways on B787-8 (Tourism Australia, 2020). Despite its close proximity to Brisbane Airport, Gold Coast has managed to position itself as the low-cost carriers (LCCs) hub and gateway for numbers tourists arriving from Asia Pacific.

**Cairns Airport (CNS)** is the major international and domestic gateway to far north Queensland and third largest airport in terms of passenger numbers in Queensland. It is operated by Cairns Airport Pty Ltd, which is owned and operated by North Queensland Airports. This airport was privatised almost a decade later from the other Australian airport, in 2008. Both international and domestic service are operated by 20 airlines from this airport. Cairns Airport has 29 nonstop passenger services (23 domestic and 6 international – all in Asia Pacific) (CAPA, 2020). In 2019, Cairns Airport had 4.8 million passengers (4.2 million domestic and around 660,000 international passengers) (BITRE, 2019b). As typical tourism hub, Cairns Airport is heavily reliable on tourism demand.
Darwin International Airport (DRW) is the main gateway to the Australia’s Northern Territory (NT) and a joint civil/military facility shared with the Royal Australian Air Forces. Darwin Airport is privatised in 1998 and owned by Northern Territory Airports Pty Ltd, which is a member of Airport Development Group Pty Ltd. This airport offers connection to 23 nonstop passenger destinations (19 domestic and four international in the Asia Pacific) (CAPA, 2020). In 2019, DRW had 1.95 million passengers (1.7 million domestic and approximately 250,000 international passengers) (BITRE, 2019b). DRW has no curfew, but its geographical location and a relatively limited catchment area are the two main limitations.

New international airports – Sunshine Coast Airport (MCY) and Newcastle Williamtown Airport (NTL) have recently added first international flights to New Zealand. Sunshine Coast Airport was acquired by Palisade Investment Partners from Sunshine Coast Council in 2017 and is operated by Sunshine Coast Airport Pty Ltd. In 2019, it welcomed one million passengers and positioned itself as the 14th busiest airport in Australia (Sunshine Coast Airport, n.d.). The first international flight from Sunshine Coast Airport commenced in 2012, a seasonal flight operated by Air New Zealand. Seasonal flights between Auckland and Sunshine Coast are operated between April and October, with 27% seat capacity increase between 2017 and 2018 (Sunshine Coast Council, 2018).

Newcastle Airport is an international airport serving the city of Newcastle and the surrounding Hunter Region in New South Wales. This originally military airport has been operated by Newcastle Airport Limited since 1993. This airport serves eight nonstop passenger destination (seven domestic and one international destination in New Zealand) (CAPA, 2020). In November 2018, Virgin Australia operated the first international flight from Newcastle Airport after airport’s 16 years of only domestic operations. In 2019, Newcastle Airport and Virgin Australia renewed a three-year contract for seasonal flight between Newcastle and Auckland (November to February) (Australian Aviation, 2019).

Recent route development

Routes Online’s analysis of published schedules between 2008 and 2017 shows that international air capacity from Australia rose from 16.3 million available seats in 2008 to 26.5 million in 2017. This represents growth of 62.3% across the period (Casey, 2018).
For the purpose of this study, AirportIS nonstop passenger scheduled flights data between December 2010 and December 2019 was used (courtesy of Brisbane Airport Corporation). Figure 3 below represents the total number of international flights operated between 2010 and 2019 from the eight selected airports.

![Figure 3. Total number of international flights from selected Australian airports between 2010 and 2019](image)

Source: AirportIS

Between early 2000’s and January 2020 Adelaide and Melbourne Airport outperformed other international airports in international route development, that includes both new services and increase in flight frequency and capacity. Adelaide Airport increased its number of international flights for 54%, followed by Melbourne with 42% increase. Two other major airports, Sydney and Brisbane had more steady growth of 26% each. Gold Coast Airport increased its number of routes for 14%, however 2,500 flights in 2019 represent 24% decrease from the top performing result in 2016. Darwin Airport had a significant decrease in route numbers between 2010 and 2019 (-
17% and -39%) when compared 2011, its best performing year. Sunshine Coast Airport’s first international route, which started in 2012 had a 62% of increase since then. Newcastle Airport has returned to the international market in 2018, but when compared to 2010 results, its number of international flights decreased in 8%.

Adelaide Airport offered flight to only four international destination in 2010 (Auckland, New Zealand; Denpasar-Bali, Indonesia; Kuala Lumpur, Malaysia and Singapore). In 2011, Adelaide Airport added first Middle East destination – Dubai, UAE, and second - Doha, Qatar in 2016. These two direct routes, alongside increased capacity and new airlines on the existed routes contributed to Adelaide Airport’s international recognition. In 2010 Melbourne Airport offered direct flight to 25 destinations, in 2019 this number increased to 41 destinations. In the last five years, Melbourne Airport significantly increased its route development activities in China. Brisbane Airport offered flights to 29 destinations in 2010 and 34 in 2019. As a result, the seat capacity and number of airlines operating to particular destinations significantly increased.

**Importance of ARD for tourism and economic growth**

The high importance of aviation industry and in particular ARD for tourism and economic has been presented through the symbiotic partnership of Tourism Australia (TA), the federal tourism organisation body, domestic and international airport and airline, as well as any other relevant stakeholders (i.e., hotel association, universities). Tourism Australia identifies the following partners: (a) airlines – TA has long-term strategic marketing agreements with eight airlines (Virgin Australia, Etihad Airways, Qantas, Air New Zealand, Singapore Airlines, China Southern Airlines, China Eastern and Air China) and a number of market-specific campaigns with other airlines; (b) key international Australian airport and State and Territory tourism organisations (STO) – TA supports airports and STOs in building demand for existing and new routes through cooperative marketing, attends key aviation events (Routes conferences) and participates in ARD discussions; (c) business events and travel agencies – TA supports business events bidding and travel sales (Tourism Australia, n.d.).

As air access is one of the critical elements of Australian tourism and economic growth, Tourism Australia created ‘Tourism 2020 Strategy’ with the aim to achieve overnight tourism expenditure above A$115 annually by the end of 2020. In March 2018,
the overnight tourism expenditure reached A$107.4 billion (Tourism Australia, n.d.). To achieve this goal, TA is actively participating in ARD. Tourism is Australian largest service export and ARD has been seen as one of the key areas for further development. In 2018, Australian tourism industry contributed A$57 billion to the Australia’s economy, with three times higher growth than the national GDP (tourism GDP growth 7%, national GDP growth 2.3%). In the previous five years aviation capacity between China and Australia doubled which makes Chinese airlines one of the major ARD partners (Brewer, 2015). Chinese tourists represent one quarter of total international visitors in Australia and TA is working closely with airlines and government to simplify the visa application procedures for Chinese nationals. Apart from Chinese market, TA supports the ARD on the global level, with attendance of World Routes conferences being the primary partnerships platform. Australian airports, STOs and TA represent together ‘Team Australia’, destination with strong brand and high-yield market (Brewer, 2015).

Australian airports play the important role in tourism and economic development. In 2018, 97% of international tourists in Australia landed to one of the international airports (AAA, 2018b). Furthermore, airports contributed with A$34.6 billion in economic activity and A$32.3 billion in tourism activity. Airports work closely with the state or regional tourism organisations, as well as with TA in the case of major airports. As airports and state/regional tourism organisations represent the same region, their mutual economic growth targets make these partnerships even stronger. Similar to TA’s strategy, Australian airports also see China as the main market. Between September 2017 and May 2018, five Australian airports (Sydney, Melbourne, Brisbane, Cairns and Darwin) introduced 11 direct routes mainly to Chinese secondary cities (AAA, 2018b).

6.3 Methods

As briefly explained in Section 1.5 (Methods), the second stage of this research makes use of a qualitative methodology derived from the interpretivist/constructivist research paradigm. The first stage of this research used an exploratory approach based on mixed-method surveys (see Chapter 3). The second stage of this research, presented in this chapter, is empirical by testing the theory explored in Chapter 3. Stakeholder engagement amongst large organisations, and, in particular, stakeholder engagement in the context of ARD is examined in the Australian context. Even though both empirical
research studies and case study methods have been criticised for the lack of rigour from the methodological perspective (Diefenbach, 2009), this type of research is becoming more accepted and appreciated in the academic arena. The case study method has been used for more than 40 years in various academic disciplines, particularly social sciences, business and education, having gone through significant methodological changes and improvements (Harrison, Briks & Mills, 2017). Today, case study research is considered a flexible research approach from a methodological perspective (Harrison et al., 2017), suitable for combining different data collection tools, as well as adaptable data analysis and presentation.

By addressing the research objectives of this study, the case study method enables the researcher to undertake a close examination of the ARD process, providing valuable guidance on what constitutes a successful stakeholder engagement within the context of the Australian aviation market. It is stated that case studies explore and investigate contemporary real-life phenomena through a detailed analysis of a limited number of events, conditions and their relationships (Zainal, 2007). Furthermore, case study research can help clarify the researcher's thinking and allows for the linking of abstract ideas in specific ways by referring to the concrete specifics of the cases that are observed (Neuman, 2014). Neuman (2014) emphasizes that case study research has six strengths: (1) conceptual validity – identification of concepts and moving toward their essential meaning; (2) heuristic impact – provides further learning, discovery and exploring the boundaries among related concepts; (3) casual mechanisms identification – the ability to make visible the details of social processes and mutual factors affection; (4) ability to capture complexity and trace processes – high effectiveness in tracing multiple processes; (5) calibration – adjustment of measurement of abstract concepts to dependable and concrete standards; (6) holistic elaboration – case studies can elaborate on entire situation and incorporate multiple viewpoints.

The application of the case study method is extensively used in tourism research and teaching (Beeton, 2005). Furthermore, this method was also applied in air transport research (Akar, 2013; Choi & Park, 2015), but to the author’s best knowledge this method has not been used in ARD related studies. The main features of the case study that provides the ARD and stakeholder engagement lessons from Australia are presented in Table 3.
Table 3. The main features of the case studies method

<p>| | |</p>
<table>
<thead>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Can explain why stakeholder engagement during the ARD process was successful.</td>
</tr>
<tr>
<td>2.</td>
<td>Can be relevant for Australian and overseas airports, airlines and tourism authorities.</td>
</tr>
<tr>
<td>3.</td>
<td>Can illustrate the complexities of a situation by recognising more than one contributing factor.</td>
</tr>
<tr>
<td>4.</td>
<td>Shows the influence of leadership and governance on the process of ARD.</td>
</tr>
<tr>
<td>5.</td>
<td>The reader may be able to apply the research concept to their situation.</td>
</tr>
<tr>
<td>6.</td>
<td>Can utilise information from a wide variety of sources (primary and secondary sources).</td>
</tr>
<tr>
<td>7.</td>
<td>Can present information in a wide variety of ways, as well as from a different perspective (i.e., stakeholder type, size of the airport, domestic/international route).</td>
</tr>
</tbody>
</table>

Source: Adapted from Beeton (2005)

There are three main advantages in using the case study as a research method. First, the data examination is most often conducted within the context of its use (Yin, 2013). The process of ARD is examined within the original business environment where the stakeholder engagement occurred. In addition, both primary and secondary collected data provide the realistic reconstruction of stakeholder engagement within the ARD process. Secondly, methodological flexibility in the case study approach allow for both qualitative and quantitative data to be used (Zainal, 2007). As stated before, this chapter is mostly based on the qualitative approach. However, to maximise the opportunity of using the case study method, secondary quantitative data will be extracted from several major sources (i.e., BITRE, AirportIS, Tourism Research Australia, CAPA). Thirdly, detailed qualitative case study not only explores and describes the data in a real-life environment, but it also explains the complexities of real-life situations which may not be captured through other research approaches (Zainal, 2007). For instance, while quantitative methods can identify which business strategy was used, it hardly explains the reasons for its use or, in the case of this study, the stakeholder engagement process and relationships developed amongst the major stakeholders. Experiences derived from ARD case studies in Australia could be hardly explained through any exclusive quantitative method. Thus,
the qualitative case study approach represents the most appropriate method for this empirical research.

Besides many advantages, case studies have been criticised as speculative, unreliable and too specific to be replicated or applied generally (Beeton, 2005). Yin (2013) discusses the most common arguments against case study research. First, case studies are often accused of their lack of academic rigour. Secondly, case studies do not provide enough bases for scientific generalisation. Thirdly, case studies are often labelled as too long and difficult to conduct. It has also been argued that case studies often reflect the bias of the researcher (Beeton, 2005).

To overcome these possible disadvantages, this study will use the 'triangulation' approach through the combination of qualitative and quantitative data collected on the same topic to prove the robustness of the data. It is stated that triangulation within a case study should neutralise the researcher’s bias and ameliorate the criticism (Beeton, 2005). Furthermore, to avoid possible biases, the researcher did not select directly the research participants. All major Australian airports were invited to participate, and the ones who agreed to be part of the study were asked to state who are their main stakeholders as suitable participants. This study is not aiming to generalise the leadership and governance influence on stakeholder engagement within the ARD, but to provide lessons from successful Australian case studies that may be used by airport managers who operate within similar airport sizes and structures.

In-depth semi-structured interviews are used as the primary data collection method. As a widely used data collection method in different disciplines, “interviews” have numerous definitions, such as “conversation with a specific purpose” (Dexter, 1970, p. 17) or “interaction following a question-answer format (stimulus-response)” or “an interaction more akin to a conversation” (Jennings, 2005, p. 101). Interviews can be classified from a different perspective, but the most common classification scheme distinguishes structured, semi-structured and in-depth (unstructured) interviews (Jennings, 2005). Interviews, as a data collection method, have also been used in several stakeholder engagement studies (Foster, 2006; Sheehan, Ritchie & Hudson, 2007; Yuksel, Bramwell & Yuksel, 1999), governance studies (Beaumont & Dredge, 2010; de Man, Roijakkers & de Graauw, 2010), and leadership studies (Valente et al., 2014, 2015). Thus, the use of semi-structured interviews as a data collection method is deemed to be suitable for this study. Semi-structured interviews enable the researcher to divert from
documented questions and seek more detailed clarification on specific issues (Jennings, 2005). Another advantage of semi-structured interviews is the repeatability of questions (Yin, 2013) in every interview.

In this study, interview questions were group into three main parts (see Appendix 4). In the first part, respondents were asked to identify three recent or well-established air routes which were created as the result of successful stakeholder engagement in the last five years. Besides the route itself, respondents were asked to identify the main stakeholders involved in the process of route development. The purpose of this exercise was to stimulate the interviewees to focus on some of the most successful examples of ARD based on their negotiations experience. They could also identify a brand-new route or an existing one which went through recent updates (e.g. new aircraft model, increased capacity, frequency etc.)

In the second part of the interview, some of the participants (i.e. tourism authorities, consultants and government) were asked to briefly explain their role in ARD. Airport and airline representatives were not asked this question as their ARD role is well-documented. Further, all participants were asked the general ARD questions, such as who tends to be the leading stakeholder in the ARD process, who tends to be a decision-maker in the ARD process and in what level is their organisation involved in decision-making when compared to the other stakeholders.

In the third part of the interview, participants were asked to assign the seven most crucial leadership and good governance attributes identified in the online survey across the four stages of ARD (Halpern & Graham, 2015).

Table 4. Importance of leadership and good governance attributes through the ARD stages

<table>
<thead>
<tr>
<th></th>
<th>Stage 1 - Development of route objectives</th>
<th>Stage 2 - Market research</th>
<th>Stage 3 - Route development activities</th>
<th>Stage 4 - Route implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective/constructive communication</td>
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</tr>
</tbody>
</table>

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The participants could assign each attribute to one or multiple ARD stages. In the next step, participants were asked to elaborate on the role of each attribute in a particular stage. They were advised to use the examples identified in stage one. However, they could also comment in general or use some other examples from their practice. Finally, the respondents were asked if they disagree with the importance of some of the seven attributes as well as if there are any missing attributes. Additionally, participants were offered a chance to share their final thoughts and comments. Lastly, when time permitted, the participants were asked about the importance of events such as Routes Conference for stakeholder engagement and ARD.

Purposive and snowball sampling were used to identify interview participants. Purposive sampling is a technique where the researcher “decides what needs to be known and sets out to find people who can and are willing to provide the information by virtue of their knowledge and experience” (Tongco, 2007, p. 147). This is undertaken considering the need to target professionals with expertise in the very narrow field of ARD. It is also stated that purposive sampling is a useful method for exploratory and empirical research studies (Neuman, 2014). Snowball sampling is further used to identify additional informants and their contact details. This technique involves asking each interviewee to suggest one or more additional informants. Snowball sampling is also used for determining network boundaries (Tongco, 2007). This sampling method is often used in related stakeholder engagement air transport and tourism studies (Kivits & Charles, 2015; March & Wilkinson, 2009).
The contacts obtained through the Griffith Aviation network were used to conduct initial interviews with airports. Each airport participant was asked to suggest the main key ARD stakeholders. Although some of the airport interviewees identified multiple stakeholders, not all of them accepted to participate in the study. The interviews were conducted from May to November 2019. Half of the interviews was conducted face to face, while the rest was conducted either via video call (Zoom) or telephone, due to the geographical location of the interviewees.

A total of 22 interviews were carried out, with the average length of 33.4 minutes per interview. As most of the participants stated they prefer not to have their responses attributed to their organisations, no company names will be used. The summary of interviews, including stakeholder type, participants' role and interview type and length, are presented in Table 5.

**Table 5. Summary of interviews**

<table>
<thead>
<tr>
<th>ID</th>
<th>Stakeholder type</th>
<th>Role description</th>
<th>Interview type</th>
<th>Interview pseudonym</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Airport</td>
<td>Senior Executive Business Development</td>
<td>Face to face interview (48)</td>
<td>Airport A</td>
</tr>
<tr>
<td>2</td>
<td>Airport</td>
<td>Director Aviation Development</td>
<td>Zoom interview (39)</td>
<td>Airport B</td>
</tr>
<tr>
<td>3</td>
<td>Airport</td>
<td>Manager Business Development</td>
<td>Face to face interview (26)</td>
<td>Airport C</td>
</tr>
<tr>
<td>4</td>
<td>Airport</td>
<td>Manager Business Development</td>
<td>Face to face interview (52)</td>
<td>Airport D</td>
</tr>
<tr>
<td>5</td>
<td>Airport</td>
<td>Senior Executive Aviation Partnerships</td>
<td>Telephone interview (51)</td>
<td>Airport E</td>
</tr>
<tr>
<td>6</td>
<td>Airport</td>
<td>Manager Business Development</td>
<td>Telephone interview (37)</td>
<td>Airport F</td>
</tr>
<tr>
<td>7</td>
<td>Airline</td>
<td>Commercial Head for international airline</td>
<td>Zoom interview (45)</td>
<td>Airline A</td>
</tr>
<tr>
<td>8</td>
<td>Airline</td>
<td>Head of network planning for international airline</td>
<td>Zoom interview (19)</td>
<td>Airline B</td>
</tr>
<tr>
<td>9</td>
<td>Airline</td>
<td>Area Manager for international airline</td>
<td>Face to face interview (44)</td>
<td>Airline C</td>
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*Airports: total number of interviews = 6*
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<tbody>
<tr>
<td>10</td>
<td>Airline</td>
<td>Manager network planning for international airline</td>
<td>Face to face interview (23)</td>
<td>Airline D</td>
</tr>
<tr>
<td>11</td>
<td>Airline</td>
<td>Director network planning for international airline</td>
<td>Face to face interview (16)</td>
<td>Airline E</td>
</tr>
<tr>
<td>12</td>
<td>Airline</td>
<td>Manager networks and scheduling for domestic airline</td>
<td>Face to face interview (21)</td>
<td>Airline F</td>
</tr>
<tr>
<td>13</td>
<td>Airline</td>
<td>Senior Manager network planning for domestic airline</td>
<td>Face to face interview (27)</td>
<td>Airline G</td>
</tr>
<tr>
<td>14</td>
<td>Airline</td>
<td>Senior Manager network planning for domestic airline</td>
<td>Telephone interview (49)</td>
<td>Airline H</td>
</tr>
</tbody>
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_Airlines: total number of interviews = 8_

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<tbody>
<tr>
<td>15</td>
<td>Tourism</td>
<td>Business Manager for state tourism body</td>
<td>Face to face interview (26)</td>
<td>Tourism authority A</td>
</tr>
<tr>
<td>16</td>
<td>Tourism</td>
<td>Aviation Director for state tourism body</td>
<td>Face to face interview (37)</td>
<td>Tourism authority B</td>
</tr>
<tr>
<td>17</td>
<td>Tourism</td>
<td>Manager Aviation Development for federal tourism body</td>
<td>Telephone interview (39)</td>
<td>Tourism authority C</td>
</tr>
<tr>
<td>18</td>
<td>Tourism</td>
<td>General manager destination development for state tourism body</td>
<td>Zoom interview (22)</td>
<td>Tourism authority D</td>
</tr>
<tr>
<td>19</td>
<td>Tourism</td>
<td>General manager for regional tourism body</td>
<td>Zoom interview (28)</td>
<td>Tourism authority E</td>
</tr>
</tbody>
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_Tourism Authorities: total number of interviews = 5_

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<tbody>
<tr>
<td>20</td>
<td>Consultant</td>
<td>Independent aviation consultant located overseas</td>
<td>Face to face interview (27)</td>
<td>Consultant A</td>
</tr>
<tr>
<td>21</td>
<td>Consultant</td>
<td>Independent aviation consultant located in Australia</td>
<td>Telephone interview (40)</td>
<td>Consultant B</td>
</tr>
</tbody>
</table>

_Constructants: total number of interviews = 2_

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</thead>
<tbody>
<tr>
<td>22</td>
<td>Government</td>
<td>Transportation Adviser for federal government</td>
<td>Telephone interview (18)</td>
<td>Federal government</td>
</tr>
</tbody>
</table>

_Government total number of interviews = 1_

Total number of interviews = 22
734 minutes in total
As presented in Table 5, there is a reasonable distribution of the three major types of stakeholders (i.e. airports, airlines and tourism authorities). The majority of participants hold either a higher mid-managerial or senior manager role. In the case of airport participants, the role of ‘Business Development Manager’ is the most critical ARD role. In the case of airline participants this role could be mostly defined as 'Network planner', while some tourism authorities have specialised ‘Aviation Managers/Directors’ and in some cases this role has been done by ‘Destination Development Manager’.

Data collection was conducted in alignment with Griffith University Ethics procedures. Ethics clearance was added in the Appendix (please, see Appendix 5). Before the interview, each participant was given the Information Sheet and Consent Form (please, see Appendices 6 and 7). By signing the Consent Form, each participant has agreed with the terms and conditions of participating in the study.

Data analysis

For the data analysis, NVivo 12 for Mac (QSR International) was used. While there are other available qualitative data analysis tools (i.e., Atlas.ti, Ethnography, MAXQDA, Leximancer), NVivo, as the most used software package in management and business studies (Jones & Diment, 2010), has been found as the most appropriate for this study. As the tool that originated from the first computer-assisted qualitative data analysis (CAQDA) software developed in 1981, NUD*IST (Non-numerical, Unstructured, Data: Indexing, Searching and Theorizing) (Sotiriadou, Brouwers & Le, 2014), NVivo has gone through numerous changes and updates. Today, the contribution of NVivo in qualitative data analysis could be compared to the one SPSS has in quantitative research (Leech & Onwuegbuzie, 2011).

In general, CAQDA tools could assist the qualitative researcher with multiple types of analysis (Leech & Onwuegbuzie, 2011). However, Jones & Diment (2010) divided these tools into two categories – tools that manually handle data (e.g., NVivo and Atlas.ti) and automated analysis tools (e.g., Leximancer). With NVivo being a so-called manual qualitative data analysis tool, researchers need to be aware of potential advantages and disadvantages, and thus to accordingly adjust the data analysis procedures. Besides...
offering advanced options of text mining, coding and comparison, researchers (Ishak & Bakar, 2012; Sotiriadou et al., 2014) have underlined additional NVivo features:

(a) Documents could be organised in folders according to their type. This feature is very useful when researchers are using different kind of data. In this study, interview transcriptions and mini surveys were separated into different folders.

(b) The software can directly use video or audio data, as well as images. This feature is especially useful during the coding, as research can easily refer back to the original audio source.

(c) The software has purpose-built tools for classifying, sorting and arranging data. These tools help the researcher to manage data and identify themes.

(d) The software has the advanced query options which allow the researcher to compare and contrast different themes and coding.

On the other hand, NVivo is often criticised for potential subjectivity, as one or more researchers need to code the data and develop themes or categories (Sotiriadou et al., 2014). To minimalize the potential subjectivity during the coding process, in this study a predominantly deductive coding approach was used. This aligns with Bazeley’s (2013) argument that NVivo can be successfully used when there is an ‘a priori’ model, or codes derived from the literature and/or previous phases of the research.

All interviews were audio-recorded and professionally transcribed directly into NVivo. The benefit of direct transcription – ability to listen to a particular part of the interview and also code audio recordings if required. Data analysis process, including coding, have been visually presented in Figure 4.
For data analysis, all interview transcriptions and mini-survey tables (see Table 4) were classified in two separate folders. Within the folder 'Interviews' every file represents one participant and includes interview transcription and audio recording. The folder 'Mini-surveys' include tables completed in the third part of the interview. Before the coding all transcriptions were classified as cases based on the stakeholder type – airport, airline, tourism authority, consultant, government. Furthermore, the airports were classified into three groups based on their size, passenger numbers and ARD activities – major city airport, regional airport, emerging airport. Routes Awards (for the airport which excelled the most in ARD activities) classify airports in the four categories based on the total number of passengers: (1) airports under four million passengers; (2) airports between four and 20 million passengers; (3) airports between 20 and 50 million passengers; (4) airports over 50 million passengers. As none of the Australian airports reached over 50 million passengers, in the context of this study the major city airport is
the airport that has between 20 and 50 million passengers. Additionally, the major city airport had significant ARD results in the last ten years. In the context of this study, regional airport has between 4 and 20 million passengers, alongside solid ARD results. Finally, emerging airport, has less than 4 million passengers and has limited ARD results.

Coding was the initial step in interview data analysis. Codes are defined as “tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study” (Miles & Huberman, 1994, p. 56). The NVivo codes are known as ‘nodes.’ The nodes could be assigned to paragraphs, phrases, sentences or words. The nodes could be theory-driven or developed a priori from the existing theory or concepts (deductive coding), or data-driven - emerged from the collected data (inductive coding) (Ryan & Bernard, 2003). In this study, the coding process is heavily theory-driven, linking to the previous stage of the research (please, see Chapter 3). In the initial coding phase, interview questions and themes were used to identify nodes (codes). The codebook was developed by initially using interview questions and results presented in Chapter 4. However, while coding each of the interviews, some new codes emerged. The codebook was developed through iteration of coding and included a set of codes, definitions, examples and number of references containing a particular code. The more information the researcher could present in the codebook, the higher consistency will be achieved among coders (if more than one person is coding the data) and the higher formalisation of the coding process will be achieved (DeCuir-Gunby, Marshall & McCulloch, 2011). In the case of this study, only one researcher coded all data.

The second step of data analysis included running queries. This NVivo data analysis option allows researcher to make a comparison between the cases and/or attributes and thus identify either additional node or themes. In this study, three separate types of queries were run.

1. **Query 1** – based on airport size. Each airport size case (major city, regional and emerging airport) was compared with leading stakeholder, leadership and governance attributes and role of tourism.

2. **Query 2** – based on stakeholder type. Each stakeholder type case (airport, airline, tourism authority, consultants and government) were compared with leading stakeholder, ARD stages, leadership and governance attributes and role of tourism.
3. **Query 3** – the allocation of leadership and governance attributes were analysed through the four ARD stages.

In the final data analysis step, results of open coding (first step of coding includes creating tentative labels for analysed data), axial coding (second step of coding includes identifying relationships among the open codes) and queries (third step of coding visualise the coding intersections of two or more nodes or cases) were grouped into major themes. The suitability of thematic analysis in this study has primarily seen through its ability to describe and interpret both inductive and deductive context while allowing the researcher to interpret the narrative material from the stories (interviews) (Vaimoradi, Turunen & Bondas, 2013).

### 6.4 Results

This section presents the results of NVivo data analysis. As part of the interview, each participant has been asked if their responses could be assigned to their companies. As some of the participants did not grant permission, no results were attributed to the real company’s name. Instead, interview pseudonyms such as Airport A, Airline A, etc. were used (please, see Table 5 for more details). The Results section follows the order of interview questions and topics discussed with the participants. The first part of the Results section presents the summary of the process of ARD in Australia explained by our participants. In order to explore the differences between the various stakeholder groups and airports of different sizes, the following results are presented as a comparison of the groups mentioned above.

*Process of ARD in Australia*

The process of ARD represents significant business development activity for Australian airports, airlines and tourism authorities due to the country’s heavy reliance on air transport. Considerable increase of international air services presented in Section 2 indicates that results of ARD have a direct influence on tourism and economy as a whole. Australian airports, despite their size and number of passengers, aim for high ARD achievements. The major city airports see the process of ARD as an opportunity to lead the aviation development of their states. For instance, *Airport E* sees airlines as its main stakeholders. However, the airport – airline relationship can vary on a case by case basis.
When it comes to the relationship with domestic airlines, Airport E has a strong partnership with regular meetings and ongoing ARD discussions. Building a new partnership with international airlines can take up to two, three years and in some cases (e.g. Chinese airlines) the airport must seek government support. For Airport A, ARD is a long-term process with plenty of ‘heavy lifting’ on the airport’s side.

"[...] If you were to look back at the aviation industry ten or twenty years ago, airlines had big teams of people at every point that they served. So, they had sales managers and events manager and finance managers and that sort of thing. If we look at most of our airline customers flying here today, they’d be lucky to have an airport manager and one sales manager. So, they absolutely rely on the airport to do the heavy lifting on those things where they don’t have the manpower to do it.”

To support the airlines and keep them interested in their destination, the airport has to prepare market data analysis in advance. This data has to be reliable, as this is the first step in building trust.

For regional airports building the trust in the early stage of ARD represents the primary goal, as well. Airport D involves the senior executives in the early stages of discussion as a trust-building strategy. In their case, state tourism authority might not always support the case. Thus, they heavily relay on the regional tourism authority when it comes to ARD negotiations. The example of Airport F shows that airport – tourism authority relationships vary from state to state. In the case of this airport, state tourism authority plays a critical role in all ARD activities. These two organisations represent the state brand, which gives them more credibility when negotiating with international airlines.

Emerging airports see the ARD as constant competition with other, bigger airports. In their case, both data and support from the state/regional tourism authorities and government are necessary to attract airlines even for the initial phase of the conversation. Both emerging airports claim that government financial support plays a key difference in ARD negotiations. These airports heavily rely on incentives as one of their major ARD tools.
The process of ARD is differently perceived by international and domestic airlines. One of the international airlines (*Airline A*) explains the uniqueness of the ARD and stakeholder engagement in Australia through the lens of privatised airports. In Australia, unlike other markets operated by this airline constrained capacity is not an issue, so there is no need for political engagement and transparency, either. Most Australian airports are seen as monopoly markets from a market demand perspective. One of the exceptions is Queensland, where a competitive market requires the involvement of tourism and government, not only during the ARD negotiations but also in the strategic planning phase. From this airline’s perspective unified aviation development strategy supported with the substantial numbers (demand) lead to the next level of conversation. Reliable data is another critical point in ARD. *Airline A* further adds:

“So often I’ve seen airports pursue almost everything under the Sun just to get their capacity and their frequency and their passenger loads up and what that does is create this sort of bubble effect where they’re pursuing airline X and the government or the tourism body looks at that and goes okay great, it gets them excited and then all of a sudden it all falls over.” (*Airline A*)

Another international airline, *Airline B*, claims that airline must have an apparent strategy and plans, and it typically does not rely much on the airport’s data. However, this airline’s representative confirms that the airline still prefers seeing the airport “doing its homework” as it shows the airport’s dedication. Both *Airline C* (the international airline) and *Airline H* (the domestic airline) agree that airports can take the light approach in initiating the ARD conversations, as they do not put their assets in the new route. Furthermore, *Airline H* representative gave us some insights on what the airline’s capital investment is and why they need not only the airport’s or tourism authority’s ideas but also the willingness to share the risk.

“The airlines are the ones who stand out, or to lose the most, because we effectively carry 100% of the risk of investing in capital which, depending on the routes […] could be $600 million of capital investment for a route, because we’re taking all the capital risk and then also the revenue and the cost. But if the route doesn’t perform the
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Airline carries 100% of the risk of an idea, say for example, that’s generated by the airport, and the airport and the tourism bodies, you know, this is a great idea, why don’t you fly. Um, but it’s the airline that carries all the risk.”

However, the same airline’s representative considers stakeholder engagement and airport – tourism authority partnership fundamental when it comes to “pitching the idea to the airline.” The Airline H will not start the ARD conversation if there are no two airports (one from each side of the route) and two tourism authorities (exception possible based on the outbound or inbound market predominance). Some of the major airports would not need this level of stakeholder support, but when it comes to the regional or emerging airports presence of other stakeholders is imperative.

In conclusion, from the airline perspective the ARD process must be enjoyable for the all involved stakeholders, says Airline A. From the airports’ perspective the ARD is a long-term process (from five to 15 years in some instances), while airlines’ pipeline is much shorter, typically one to two years. Thus, while the airport tries to “hit the airlines’ points, the variation of a pipeline could be absolutely massive”.

For the representatives of tourism authorities, the process of ARD could start as early as the Stage 1 (development of route objectives), or as late as Stage 4 (route implementation), where their primary role would be providing marketing support. Tourism Authority E, as the regional tourism organisation, reports that their major ARD role is related to marketing and promotional activities. In their case, the tourism authority would not join the airport – airline negotiations in the earlier stages. On the contrary, Tourism Authority A and Tourism Authority B, as the state tourism bodies, apart from the significant marketing support see their role in the early stages of ARD. Both tourism authorities participate in aviation strategic planning and also have close collaboration with the national tourism authority. Tourism Authority C is the leader in aviation and tourism strategic planning on the national level and represents the direct link with the federal government for all other ARD stakeholders.

Stakeholders’ role or who is the ARD influencer?

While the role of airports and airlines in the ARD process is usually clearly defined, there are other involved stakeholders whose roles are less known. The role of Federal
Government, as reported by the interviewee, is in trade, investment, tourism and international education support. While this government agency has no separate aviation portfolio, neither direct collaboration with airports, it is supporting their ARD activities mostly through the national tourism authorities. The role of tourism authorities is perceived differently, depending on the stakeholder group, as well as the airport size. For airlines, tourism authority represents the major marketing support and in-house expertise. *Airline F*, one of the domestic airlines, explains the role and expertise of tourism authorities as crucial when it comes to the international ARD.

“[…] but when you’re trying to drive inbound tourism, having the cooperation with a tourism entity that is looking at the whole area, not just passengers going through the airport, it brings a lot expertise to it, and it also just brings another perspective around who’s flying there, who may be flying there, how much they’re spending and the type of passengers. So, I’d say that they’re very important stakeholders to get on board very early.” (Airline F)

*Airline E* defines the role of tourism authority as the “ARD influencer”. The representative of this international airline claims that from its experience, Australian tourism stakeholders have the best-developed influencing skills.

“[…] when the business case is strong the airline may decide to operate even without consulting with the airport and just formalities. But when the airline is in doubt and you see that on the other end, all the airport and the tourism authorities are willing to help, to be partners and to construct something and share the risk then the decision is triggered by that support.” (Airline E).

Another ARD “influencer” is the consultant, as reported by both *Consultants A* and B. *Consultant A* underlines that the primary input of consultants comes through the market research and information they provide to the client (could be an airport or an airline). In both cases, the role of consultant heavily influences the decision-making process. *Consultant B* adds that the consultant’s role is to bring credibility to the information presented. Thus, its role might become critical when an airline is trying to tap into a new market.
Importance of business case

Despite opposite views in other areas, all interviewees agree that clear and high-quality business case is a critical component for any successful ARD negotiations. The business case is usually prepared by the airport team, with or without the support of tourism authorities and consultants. The business case is then presented to the airline, and this is often a breakpoint in the ARD process. If the business case does not “stack up” it is hard to convince an airline to enter the market, even though there is plenty of incentives offered alongside. However, the business case would become more vigorous, once the potential demand data gets support from the airport’s stakeholders.

“The real nuts and bolts of the business case, which includes stakeholders that aren’t engaged formally at the route development stage, for instance, we list a number of businesses in our catchment area that do business in their catchment area; they would be indirect stakeholders, and that’s sort of proof that there is a market there for business, not just leisure travel but business between the two catchment areas or countries. That’s just as important as the outwardly facing stakeholder engagement, and unless you tick the business case boxes, you don’t even get to leadership and governance mattering.” (Airport A).

Airport A points out that without this key step, ARD conversation would not progress any further, neither any of the leadership and governance attributes studied in this research would make any difference. Thus, a reliable and robust business case could be seen as the prerequisite for leadership and governance in ARD.

Leading stakeholder

Table 6 summarises the perception of leading ARD stakeholder based on the stakeholder group and airport size. While both airports and airlines represent the key ARD stakeholders, their comprehension of leadership might differ. None of the six airports identified the airline as the leading stakeholder. From the airports’ perspective, the ARD discussion is always initiated by the airport, while airlines play a significant role in
decision-making. Consultants and tourism representatives agree that airports would take the leading role in most of the cases. Consultant B adds that airports would not take the leadership role only in the case their capacity is already constrained. As the examples, Consultant B gives the Heathrow Airport in the UK and Sydney Airport that are rarely seen chasing new routes at Routes Conference. For smaller airports, the leading role is inevitable if they strive to grow the passenger numbers.

Table 6. Leading stakeholder: summary of responses based on stakeholder group and airport size

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<tr>
<th>Stakeholder group</th>
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<td>Airports</td>
<td>All six airport representatives agreed that the airport almost always leads the ARD process. While airlines are required to support the case, the initiative usually comes from the airport side. One of the participants explained that airline negotiates with 20-30 airports at the same time, while airports make the priorities and focus on a few new route developments. For this reason, airports have more interest to lead the process.</td>
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<tr>
<td>Airlines</td>
<td>All participants agree that ARD could be led both by the airline and the airport, and it depends on a case by case basis. Airline A suggests that major airports like Brisbane, Sydney and Melbourne successfully lead the ARD process due to their senior executive teams, while the regional airports require airline’s leadership. Out of eight airline representatives, three see the airport as the ARD leader, two see the airline, while three claim that the ARD process in their companies is led by both the airport and the airline</td>
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<tr>
<td>Tourism authorities</td>
<td>Four out of five tourism participants agreed that the airport mostly leads the ARD process. However, Tourism Authority A suggests that in some cases they would co-lead the process together with the airport, and in some instances, they would entirely take the lead. Tourism Authority D stresses that in the case of the development of one Chinese route, the state government has been seen as the leading stakeholder.</td>
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<tr>
<td>Consultants</td>
<td>Both consultant participants agree that in general airports could be seen as the leading ARD stakeholder. However, in the Australian market, the</td>
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major city airports do not need to “go and chase the new services”; thus, airlines often lead these ARD developments. On the other hand, regional and emerging international airports must lead the ARD conversation as airlines often do not see them as the first choices.

**Government**

Government participant points out that airports and airlines need to work together, especially if they are bidding for government support. Still, there are more cases where the airport would take the lead.

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<th><strong>Airport size</strong></th>
<th><strong>Summary</strong></th>
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<tr>
<td><strong>Major city airports</strong></td>
<td>Both major capital city airports consider themselves as the leading ARD stakeholders. <em>Airport E</em> emphasises they often carry the state’s aviation development role, as they are perceived as the leading aviation player, due to their size and global brand. While this airport has a close partnership with their state tourism authority, they stressed that tourism authority would not offer them support when it comes to outbound route development. Similarly, <em>Airport A</em> states that while they lead all ARD activities, in some instances their major partner – state tourism authority, has to be replaced by other stakeholders (i.e., tourism authority on the other side of the outbound route).</td>
</tr>
<tr>
<td><strong>Regional airports</strong></td>
<td>Despite being similar in size, the two regional airports have slightly different perspectives when it comes to leading ARD stakeholder. <em>Airport F</em> states that they lead the ARD process alongside their state tourism authority and that they have built a destination brand together. In the case of outbound routes, state tourism authority might not be involved in their full capacity, but they would still support the negotiations. <em>Airport D</em> sees themselves as the ARD leader, while other stakeholders might or might not support the case.</td>
</tr>
<tr>
<td><strong>Emerging airports</strong></td>
<td>Both emerging airports agree that the airport is leads ARD process. In many instances they would get the support from the state government, local city council and tourism authorities, but still the airport would remain the sole leader.</td>
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Source: Original from the study

For the two international airlines, *Airline E* and *Airline B* the leading stakeholder is always the airline, as they consider that ARD leadership starts from the moment when the airline becomes interested in the airport’s business case. The rest of the airline
representatives do not share this perspective. However, some of the airlines (i.e., Airline H) suggested that airline would overtake the leading position in the instances when the airport did not recognise a business opportunity. As an example, the Airline H gives the case of the recent development of the two North American routes from one of the major city airports, where the airline proposed the potential routes to the airport and their state tourism authority. Overall, all airline representatives agree that “airports are never short of ideas”; however, some of the ideas might not be compliant with their current strategies and portfolio development. In the case of regional airports, despite their similar size, these airports have a different perception of their ARD leading roles. While Airport F closely works with their state tourism authority and co-leads the process as the state brand, Airport D mostly relies on their own resources, long-term partnership with airlines and in some instances their regional tourism authority.

One of the tourism authorities that consider itself as the ARD co-leader, Tourism authority A explains how they perceive the ARD leadership.

“We work very closely with [...] Airport and sometimes we might lead the conversation and sometimes they might lead the conversation depending on the route and on the outcomes we're seeking. Sometimes we don't even participate on some air route development conversations because they're not going to drive inbound tourism. If they're mainly outbound we leave that entirely to the airport.” (Tourism authority A)

Although all the six airport interviewees agree that airports would be the leading stakeholder, there are some different viewpoints on how airports of different size perceive their leadership. Airport A, as a major city airport, considers itself as being responsible for the development of aviation strategic vision and communication to its key stakeholders. Furthermore, this interviewee adds that Heads of Aviation or Heads of Business Development should take the leadership role in preparing and presenting the business case to the airline. Another major airport, Airport F, explains that in their role as a leading stakeholder, this airport leads not only the ARD process, but also the entire state aviation development strategy. The main reason for this argument is evident in their internationally recognised brand, but also the lack of a dedicated aviation portfolio in the state government structure. Emerging airports agree that while they lead the ARD
process, this would not be possible without extensive support from their local stakeholders (state government, city councils, hotel associations, etc.).

**Decision maker**

While one or more stakeholders could lead the process of ARD, Table 7 summarises the perception of ARD “decision-maker” from the perspective of different types of stakeholders and airports of different sizes. In the context of this study, the ARD decision-maker is defined as the stakeholder that makes the ultimate decision if the new route will be implemented or, in the case of the existing routes, if the capacity/frequency will be increased.

*Table 7. Decision maker: summary of responses based on stakeholder type and airport size*

<table>
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<tr>
<th>Stakeholder group</th>
<th>Summary</th>
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<tr>
<td>Airports</td>
<td>Five out of six airports agree that airline is the ultimate decision-maker. One of the participants stressed that the airline is taking the majority of the risk, while the airport is there to try to convince them to open the new service. Thus, the airline has to be the one who makes the final decision. Only Airport C sees themselves as partial decision-makers, as they are the financially supporting the new route and thus directly influencing the airline’s final decision.</td>
</tr>
<tr>
<td>Airlines</td>
<td>All eight airline participants entirely agree that airlines make the final ARD decision. Some international airlines claim that Australian airports practice dynamic and aggressive ARD negotiations, ultimately influencing an airline’s final decision. Overall, airlines underline that despite the financial support and data resources offered by airports, their network planning teams analyse all circumstances and potential scenarios before making the final ARD decision.</td>
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<tr>
<td>Tourism authorities</td>
<td>All five tourism authorities have agreed that commercial decision has to be made by airlines. While airlines often already have a good understanding of the business case, there is the expectation that the</td>
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<th>Stakeholder</th>
<th>Comments</th>
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<tr>
<td>Consultants</td>
<td>Both consultants agree that airline is the ultimate decision-maker as the new route is an airline’s asset. While Consultant A considers airlines as the only decision-maker due to the cost of new route development (between A$30 and A$50 million for a long-haul route), Consultant B argues that airports should be seen as a co-decision maker due to its influence on the airline.</td>
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<td>Government</td>
<td>No response provided.</td>
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<tr>
<th>Airport size</th>
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<tr>
<td>Major city airports</td>
<td>Both major city airports agree that airline is the decision-maker. Airport A says that their role is to “sway airline’s decision or make it favourable” through the leadership and trust, particularly trust in numbers and transparently presented data.</td>
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<tr>
<td>Regional airports</td>
<td>Regional airports agree that final decision if the route will be implemented depends on the airline. Airport’s role is to convince the airline that a particular route is a good decision, as well to offer them certain incentives. At the end of the day airline network planners make a final decision.</td>
</tr>
<tr>
<td>Emerging airports</td>
<td>In the case of the emerging airport, one of the airports sees airline as the ultimate decision-maker, while the other claims that the airport contributes to the final decision through financial support. Source: Original from the study</td>
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Almost all interviewees agree that airlines play the role of ARD decision-makers. Still, there are some minor differences amongst stakeholders on how this role is perceived. Regardless of whether they are domestic or international, all eight airline interviewees agree that ultimately airline has to be the decision-maker. The network planning team would perform the detailed business case analysis and check. The final decision would be made by either the general manager of network planning or general manager of commercial and revenue management. The domestic airline, Airline F, suggests that while airline makes the ultimate decision, the decision-making process could be strongly influenced by the airport, through financial or marketing support. One international airline, Airline B, also claims that airlines make the final decision. However,
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when they engage with Australian airports, the influence of the airport becomes more significant than in other markets, as illustrated in the quote below:

“Airline has a network plan, but the airports are very key in reaching out and engaging with us, right, especially in Australia. Australian airport marketing teams are pretty dynamic and relatively aggressive in reaching out, especially to Asian based carriers who fly to Australia, right. So, because the Australian airports do quite a good job, they really share quite a lot in terms of analytics, customer analytics, market segmentation planning. Which sometimes, many airlines, and sometimes we don’t have access to that data, and that gives us a bit more clarity to how we make decisions as well.” (Airline B).

All five tourism authority interviewees agree that airlines must be the ultimate decision-maker because it is a commercial decision. The airline decides to allocate one or more aircraft, and thus they carry the ultimate risk. The primary role of tourism authority here, alongside the airport, is to influence the airline's decision-making process either through rebates, incentives or marketing support (Tourism Authority D). Consultant representatives also agree with other stakeholders. Consultant A stresses that any new route represents significant investment or risk for the airline. Long-haul routes could range in A$30 to A$50 million of investment, so it is evident that airlines make the final decision whether to fly or not. This decision could be influenced "by a lot of money by the airport or the region, but at the end of the day, it's the airline's decision."

No matter what the size of their airport is, all six airport interviewees agree about the airlines’ decision-making role. They also agree that the airport could support and influence the decision by financial investments, as well as through flexibility. Airport D gives a brief explanation:

“As an example, with Air [...] the international service, we gave them a business case for a minimum, I think it was, a five per week [flight] operation. They ended up deciding that they were going to do the route, but only two days a week. So, you know, the final decision lies with them; whether they will do the route and how often they will actually fly it, based on their assets and, you know, there's a lot of things that
they have to take into consideration. [...] So, yeah, the final decision will always lie with them, and we negotiate with them to try and de-risk the operation by offering them negotiated aeronautical charges, which all airports do, pretty much.” (Airport D)

Airport A, the major city airport, adds that airline’s final decision will be heavily influenced by the level of trust established by the two partners. Trust in the presented data is the first step, but data in its own is not sufficient; the airline’s trust in the airport’s business development team is what can make the difference.

Role of tourism stakeholder

Apart from the role of airlines and airports, tourism stakeholders’ involvement has been recognised as a primary influencer role, as well as one of key trust-building exercise. Table 8 summarises the role of tourism stakeholders perceived by different stakeholder groups and airports of different size.

Table 8. Role of tourism stakeholders: summary of responses based on stakeholder type and airport size

<table>
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<tr>
<th>Role of tourism stakeholder?</th>
<th>Stakeholder group</th>
<th>Summary</th>
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<tr>
<td>Airports</td>
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<td>While all six airports recognise the significance of the tourism stakeholder in the ARD process, there is a substantial difference in how this role is perceived based on the airport size. Regional and emerging airports are more likely to rely on local and regional tourism authorities, as they claim state and federal tourism authorities are more inclined to support major airports first.</td>
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<tr>
<td>Airlines</td>
<td></td>
<td>Even though all eight airlines consider the role of tourism authorities as highly significant, there is a different viewpoint on the stage of ARD, where tourism authority plays the most important role. Two international airlines see the role of tourism authorities to be crucial in the final phase of ARD, closer to the route launch. Tourism authority can assist the airline in building the demand, as it has devoted marketing budget. On the other hand, the three domestic airlines agree that tourism authorities should be involved in ARD</td>
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Discussion as early as possible, emphasising the higher need in international rather than domestic route development. Airline H stated that there is no conversation with the airport if their tourism representative is not included. The ideal ARD negotiations would include the two airports, two tourism authorities and the airline. Airline G adds that joint airport – tourism authority efforts are a new trend in Australia more visible in the last five years. For this airline, the presence of tourism body increases the confidence in data, especially as they have generous marketing funds.

Tourism authorities

Tourism authorities see their ARD role differently based on their level (regional, state, national). There is also a discrepancy in how different state tourism authorities perceive this role. Tourism Authority E (regional destination) perceives its role only as an airport support. There is no joint strategic planning with the airport. Instead, ARD activities are organised ad-hoc. The tourism authority is in charge of marketing activities once the route is launched.

On the contrary, state tourism authorities have a broader and more involved role in the ARD process. Still, there are significant differences between the three state tourism authorities. Tourism Authorities A and D are heavily engaged in strategic planning and all ARD activities, including the ones with no direct tourism impact. They see their role as key for destination brand and ARD activities.

Tourism Authority B’s approach in ARD is letting the airport lead the process and seeks for support when needed. This tourism authority collaborates directly with airlines in later stages of route development and claims that in Stages 3 and 4 airlines become their major partners.

Consultants

Consultant participants see the role of tourism authority as crucial as it directly represents the government. Consultant B gave the example of ARD negotiations failing only because tourism authority was not interested in participating.

Government

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<th>Airport size</th>
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<td>Major city airports</td>
<td>Both major city airports agree that while the role of tourism authorities (both state and national) could be underestimated, in</td>
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their cases tourism authorities provide the support only for inbound routes. While government aviation funding that comes through the tourism authorities seeks only direct tourism contribution, there are indirect effects on local exporters, migration, education and overall economic activities says the Airport A. Airport E explains that while they can almost always rely on their state tourism authority, this is not the case with state government funding, neither with the national tourism authority.

Regional airports

The two regional airports have different viewpoints on the role of tourism authorities. While Airport F considers its state tourism authority as the main ARD partner, Airport D mentions it could instead rely on the regional tourism authority, rather than the state tourism authority. In their case, the state authority is more likely to work closely with the major city airport, while the regional airport would get only occasional support (case by case).

Emerging airports

Emerging airports also have a very diverse opinion on the role of tourism stakeholder. Airport B treats their state tourism authority as the major ARD partner involved in all stages of the ARD process. In this state, ARD is a major contributor to economic development, and tourism authority works closely with the airport, even on the less touristy routes. On the contrary, Airport C struggles to establish the continuing collaboration with local, regional and state tourism authorities. Due to the size of local tourism authorities, their marketing budget and ARD knowledge are very limited. Additionally, due to the secondary priority of this airport, the collaboration with state tourism authority did not reach even close to the full potential.

Source: Original from the study

The role of tourism authority for all eight airline interviewees is undeniably highly significant, with tourism authority being named the second most important stakeholder (after airport). There is still some noticeable perception of differences between domestic and international airlines. The three domestic airlines emphasise that tourism authority should be involved in ARD discussions as early as possible. Airline H suggests that their initial feedback to the airport when discussing a new route would be “Why your tourism
body is not here? Why you do not talk to each other?” Nevertheless, this airport’s representative adds that major airport would not always need the presence of tourism stakeholder. Still, in the case or regional or emerging airports, it would be a must.

“[...] Generally speaking, we wouldn't go into a new route unless we have at least one airport if not both airports on both sides and the tourism bodies on either side and depending on the market whether it's a predominantly inbound or outbound market. If you don't have the people involved, the key stakeholders involved, we will not even consider it or evaluate some of the ideas if you don't have everyone at the table.” (Airline H)

Airline G, in general, agrees with the comments made by Airline H and adds that close airport – tourism authority partnership become a trend in Australia over the last five years. From this airline’s perspective, the presence of tourism authority brings more confidence in the business case, as Australian tourism authorities have generous marketing budgets and clear tourism development strategies. International airline representatives do not necessarily see the need for tourism authorities to engage in early stages of ARD. However, there is an agreement that tourism authorities play a significant role in destination awareness, marketing development and engagement with trade. Airline D explains that airline expects support in building the destination awareness, especially after investing millions of dollars into a new route. While airports usually have no expertise here, tourism authority overtakes the leading ARD position when it comes to the final phase of ARD – route implementation. Airline A gives an example of an international route between one of the major Australian airports and North America where the Australian airport worked very closely with their state tourism authority and North American tourism authority from the other side to ensure that there is a destination awareness from both sides of the route. Both sides agreed to invest a significant amount of dollars into marketing campaigns. Once the route started to mature, it became “business as usual”, and no additional support was needed. Airline E highlights the role of tourism authority, especially in Australia through the example of ARD discussions with the two major airports, and the extensive state tourism authority support, influenced their final decision to fly to airport X. The support of this tourism authority continued even after the route became well-established.
“I would say that the particular case of [...], the authority is really involved with the route. Every month I receive an email or a call from them asking how the route is going, how the load factors are, what the pay out, if we need anything, any help, any support, any additional support. And I would say that doesn't happen everywhere, it's not something common. I mean, I'm in charge of all the foreign markets, the authority with which I have the closest relationship is with [one of the Australian state tourism authorities]” (Airline E)

Based on their level (regional, state, national), tourism authorities in Australia perceive their ARD roles differently. National tourism authority (Tourism Authority C) recognises ARD as key to the future of sustainable tourism development, and thus it has a strategic planning role. Tourism Authority C supports new ARD through the partnership with state and regional tourism organisations, marketing support and destination awareness. This tourism authority collaborates with state and regional tourism bodies, as well with airports when directly approached by them. If the state does not have an aviation-specific representative looking after the ARD, the national tourism authority will directly engage with the airport. However, when there is an aviation representative position as part of the state authority, they are less likely to engage directly with the airport. Two out of three state tourism authorities (Tourism Authorities A and D) explain their ARD roles as broad and complex, with close partnership with the airports. Tourism Authority D states their direct involvement in ARD strategic planning.

“From a strategic point of view, we sit down with the airport. We actually have fortnightly meetings but at the beginning of the year we sit down and sort of map out what our key priorities are going to be over the coming year and obviously with a longer term time horizon as well, there are some particular routes we agree on and from time to time we actually don't agree on them all.” (Tourism authority D)

While this tourism authority has a strong focus on inbound routes, they aim to identify the state’s benefits even in the predominantly outbound routes. Similarly, Tourism Authority A seeks to support the airport in all instances. One of the roles of this tourism authority is to advise the airport on potential ARD goals.
“We also support the airport in helping them understand...all of these routes have to be two-way routes. You have to...whilst we're pitching to get visitors into the country, if we don't have people in [...] going outwards on the same flights it's going to be tenuous whether the route's viable so we're conscious of that and we have to let the airport do that but the airport isn't a marketing organisation. They put resources into marketing, but we might provide them some advice on what they should do to at least get a counterbalance in outbound travel, and they tend to then talk to [...] the local outbound travel agents” (Tourism Authority A)

This tourism authority and Airport F achieved very remarkable ARD results in the last decade, including daily flights by the two of the largest Middle Eastern airlines. Tourism authority A identifies the creative entrepreneurship as one of the main reasons for their success story, alongside uniqueness of their tourism-airport relationship.

“I think our relationship with the airport is absolutely critical and if we both didn't recognise that we both need to work in creative entrepreneurial ways, then we would be out of balance and I sort of look to some of the other airports around Australia and their relationship with their STO’s or DMO’s and you can see how they’re not connected quite the same and the airport goes off and they think they’ve got all the answers and the DMO sort of trails behind or [...] isn't even there at all. I think, if we were like that, we wouldn't have achieved what we've achieved. It's very important that we and the airport are working together very closely, and we've had that relationship for over ten years now.” (Tourism Authority A)

On the contrary, Tourism Authority B established a slightly different ARD role with the airports in their state. As this tourism authority simultaneously collaborates with more than one international airports, it is not in a position to “actively seeks new aviation routes”. However, this tourism authority still provides support, in the form of consultations and marketing funding, when the airport approaches them. In the later stages of ARD (i.e., route implementation), this tourism authority has closer collaboration with the airline than with an airport. Finally, regional tourism authorities are unlikely to
get directly involved in ARD strategic planning. *Tourism Authority E* explains that they would provide a letter of support to the airport to support their ARD initiatives and conversation with the airline, but they would not be directly involved. Their supporting role also comes into effect once the route is announced and through the marketing activities such as participation at the Routes Asia Conferences.

Consultant representatives consider the tourism authorities as the government representatives in the ARD process. *Consultant B* identifies the failed cases of ARD negotiation only because the government (tourism authority) had no interest to join the conversation. This representative further adds that governments should look way beyond the straight ARD effect on inbound tourism.

> “Governments without necessarily considering the consequences of their policy may be impacting upon the desirability and utility of living in particular locations because they are more focused, or singularly focused on just the inbound opportunity of tourism, as opposed to ensuring that citizens of their city or destination have the best lifestyle choices that they possibly could achieve. [...] The challenge with the tourism industry is that there's a few significant players, and then there's a long tail of other smaller players that find it very difficult to support a tourism industry marketing body that represents each one of these individual needs. So, the role government plays is vast and it's crucial on different levels.” (Consultant B)

The two major city airports agree that role of tourism stakeholder comes straight after the role of the airline. However, there is a different engagement dynamic, as tourism authority is far more selective when it comes to which ARD will get their support. *Airport A* adds that the support offered by the state tourism authority often plays a critical role. Still, they cannot rely on it in all cases, so the airport has to developed ARD strategies with no tourism authority’s support. Despite the importance of this relationship, *Airport A* finds it challenging due to discrepancy in perception of what is the main influence of ARD on the country’s economy.

> “I think the real opportunity for [...] Airport is, ultimately the DMO is a government funded, tax-payer funded entities. The part that I tend to
struggle with is there is general acknowledgement, not only in Australia but globally, that air access provides improve tourism trade and business outcomes. It's an economic driver. [...] I think part of the challenge is, historically you've had the government funding for air services linked to a tourism authority or destination market that's focused on inbound only, and on leisure. What it doesn't recognise is the value that these air services provide to local exporters, what it does for the education market, what it does for migration markets, that leads onto migration, population growth, employment, economic activity.”

(Airport A)

Airport E provides a very similar perception of the role of tourism stakeholders. None of the tourism authorities, regardless of their level, do not entirely share the targets of Airport E. Thus, this airport’s representative confirms that as in the case of Airport A, there will be a strong airport-tourism authority partnership in the case of inbound routes. In contrast, in all other cases, the airport could not rely on the tourism authority’s support.

One of the regional airports, Airport D, confirms a similar relationship with their state tourism authority. On the other hand, this airport has a much stronger partnership with their regional tourism authority which is keen to support them and share the information even when there are no direct tourism benefits expected from a particular route. Airport F shares close links with their state tourism authority and underline that they are the major ARD partner.

The two emerging airports reported quite the opposite experiences in engaging with tourism authorities. Airport B identifies its state tourism authority as the major ARD partner. In this state, ARD is perceived not only as of tourism but as the contributor to the entire state economy.

“[...] look at air service development from a contribution to the economy and the economic development of the economy. They apply some formulas to it to say for every new international passenger we get, we know they're worth X dollars to the economy and then based on that the government will look at supporting that route. Um, so I can't really talk about what support the government does because I think
that's confidential but that is at least, around cooperative marketing
and they might look other incentives [...]” (Airport B)

On the other hand, Airport C is experiencing some engagement hurdles when it comes to the partnership with the tourism authorities. Due to its specific location, this airport is engaging with various local, some regional, as well as the state and national tourism authorities. The lack of engagement model and clear division of stakeholders’ roles within a group of different tourism authorities represents the major barrier into securing some of the new routes. In conclusion, while there are some patterns between the airport of different size and the role of tourism authorities, it is also identified that there are a diverse engagement and a level of support offered to the airport between the Australian states.

The role of national tourism authority

Regardless of the stakeholder type they represent, the role of national tourism authority is similarly perceived by all the interviewees. National tourism authority holds a key role in promoting Australia as the destination. If there is no demand for a particular market (in this case Australia), then there is even less chance for any of the airports to establish a new route, shares the Airport F. In the previous stage of this study (see Chapter 3), the aviation strategy developed by the Australian national tourism authority has been recognised as one of the most successful. Airport A provides its viewpoint on the success of this strategy and how the airport can learn from it.

“Strategic vision is not about having one, because most people will or do. It's how you state it, and how you live it. So, I'm not sure Tourism Australia's aviation acquisition aspirations were any different than Destination Canada's or Visit Britain's, but the way they go about communicating it to their industry, the way they go about it in actually stating their intent is probably different, and I'd say that's equally for us. Strategic vision has become important because we do a thorough assessment of our pipeline, we understand where our priority markets are, we state them publicly, we put them out in media, and then when we go to trade shows, we're talking to all those stakeholders about how we fit into their story, trying to meld or integrate what we want with their vision, and we're good at doing that.” (Airport A)
For domestic airlines, national tourism authority also represents the key player in brand-building. If an airline strives to operate in a new market, national tourism authority plays the key role in creating the destination awareness, alongside with promoting Australian carrier, as often the airlines have no strong brand in overseas countries. For state and regional tourism authorities, national tourism authority’s role in presenting the “Team Australia” overseas could not be replaced. Despite their competition, all Australian airports and tourism authorities unite together when it comes to international events such as World Route conference. Tourism Authority B explains that despite the competitiveness among the states and the airports, building a strong ‘Australia’ brand is recognised as a common goal.

“We go underneath the Tourism Australia umbrella. So, all of us, participate and buy in to that bigger Australia stand. It sorts of gives Australia a much bigger presence, particularly when the event is being held internationally. So, all the airports do work together, and we do in that environment, however we are extremely competitive. The states are very competitive, and the airports are very competitive. So, we all work and travel together but when it comes down to it, we all want those airlines.” (Tourism Authority B)

Four stages of ARD and key leadership and governance attributes

In the third part of the interview, participants were asked to assign the seven key leadership and governance attributes (identified in the previous stage of the research, see Chapter 3), across the four stages of ARD proposed by Halpern and Graham (2015). The interviewees were offered the following guidelines on what each of the attributes means in the context of this study.

1. **Partnership** - symbiotic relationship between involved stakeholders;
2. **Effective/constructive communication** - business-to-business communication processes and market presence;
3. **Information/knowledge sharing** - sharing the actual market demand data with other stakeholders and building a business case;
4. **Producing results** - anticipated outcomes of ARD, including job creation, tourism growth, and increases in revenue;

5. **Trust** - necessity of a risk-sharing deal between stakeholders;

6. **Strategic vision** - clear ARD and tourism strategic planning and vision;

7. **Leadership** - strong leader and its characteristics both on the CEO and organisation level.

Further, they were asked to allocate in which of the four ARD stages, each of the attributes has the highest implementation. They could assign one attribute across the multiple phases and vice versa. Table 9 presents a summary of the top response, where interviewees reached above 50% of the agreement.

**Table 9. Four stages of ARD and main leadership and governance attributes**

<table>
<thead>
<tr>
<th></th>
<th>Stage 1 – development of route objectives</th>
<th>Stage 2 – market research</th>
<th>Stage 3 – route development activities</th>
<th>Stage 4 – route implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall (n=21)</strong></td>
<td>Strategic vision (90.5%)</td>
<td>Information/knowledge sharing (81%)</td>
<td>Partnership (90%)</td>
<td>Producing results (85.7%)</td>
</tr>
<tr>
<td></td>
<td>Leadership (76.2%)</td>
<td>Effective/ constructive communication (71.4%)</td>
<td>Leadership (76%)</td>
<td>Partnership (66.7%)</td>
</tr>
<tr>
<td></td>
<td>Trust (62%)</td>
<td>Trust (62%)</td>
<td>Trust (71.4%)</td>
<td>Leadership (62%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Airports (n=6)</strong></td>
<td>Strategic vision (100%)</td>
<td>Information/knowledge sharing (83.3%)</td>
<td>Partnership (100%)</td>
<td>Producing results (100%)</td>
</tr>
<tr>
<td></td>
<td>Information/knowledge sharing (66.7%)</td>
<td>Effective/ constructive communication (66.7%)</td>
<td>Effective/ constructive communication (83.3%)</td>
<td>Partnership (83.3%)</td>
</tr>
<tr>
<td></td>
<td>Leadership (50%)</td>
<td>Trust (50%)</td>
<td>Trust (66.7%)</td>
<td>Effective/ constructive communication (66.7%)</td>
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<td></td>
<td>Strategic vision (50%)</td>
<td></td>
<td>Leadership (66.7%)</td>
<td>Trust (50%)</td>
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<td></td>
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<td></td>
<td></td>
<td>Leadership (50%)</td>
</tr>
<tr>
<td><strong>Airlines (n=8)</strong></td>
<td>Strategic vision (87.5%)</td>
<td>Information/knowledge sharing (87.5%)</td>
<td>Partnership (87.5%)</td>
<td>Producing results (75%)</td>
</tr>
<tr>
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<td>Leadership (87.5%)</td>
<td>Trust (75%)</td>
<td>Effective/ constructive communication (75%)</td>
<td>Leadership (75%)</td>
</tr>
<tr>
<td></td>
<td>Partnership (62.5%)</td>
<td></td>
<td>Trust (75%)</td>
<td>Partnership (62.5%)</td>
</tr>
</tbody>
</table>
Effective/constructive communication (50%)
Information/knowledge sharing (62.5%)
Effective/constructive communication (62.5%)

Tourism authorities (n=5)
Partnership (80%)
Information/knowledge sharing (80%)
Trust (80%)
Strategic vision (80%)
Leadership (80%)

Consultants (n=2)
Information/knowledge sharing (100%)
Strategic vision (100%)
Leadership (100%)

| Tourism authorities (n=5) | Effective/constructive communication (80%) | Information/knowledge sharing (80%) | Effective/constructive communication (80%) | Partnership (80%)
|--------------------------|------------------------------------------|------------------------------------|------------------------------------------|-----------------------
|                           | Partnership (80%)                        | Leadership (80%)                   | Information/knowledge sharing (60%)       | Trust (60%)
|                           | Trust (80%)                              |                                    | Information/knowledge sharing (60%)       | Strategic vision (60%)
|                           | Strategic vision (80%)                   |                                    |                                            | Leadership (80%)
|                           | Leadership (80%)                         |                                    |                                            | Producing results (100%)
|                           |                                          |                                    |                                            | Trust (60%)

| Consultants (n=2) | Information/knowledge sharing (100%)
|-------------------|---------------------------------------
|                   | Strategic vision (100%)
|                   | Leadership (100%)

Source: Original from the study

The closer analysis of the results presented in Table 9 shows close similarity in how the representatives of different stakeholder groups overall perceive the key leadership and governance attributes. In Stage 1, strategic vision and leadership are identified as the essential attributes, followed by information/knowledge sharing. Airline representatives did not recognise this attribute in Stage 1. Instead, for them, the partnership represents the key point in the development of route objectives. In Stage 2, effective/constructive communication has been recognised as the most important attribute across the board.

Information/knowledge sharing, and trust were identified by three out of four stakeholder groups. Tourism authorities did not find trust as the key attribute in Stage 2, while consultants did not consider information/knowledge sharing as the key attribute. Instead, they found a partnership to be the critical aspect of the market research phase.

In Stage 3, partnership and trust represent the critical attributes for route development activities followed by leadership, which was recognised by all the stakeholder groups apart from the airlines. In the final stage of ARD was less agreement between the stakeholder groups, and all of the four groups recognised none of the attributes. However, producing results was seen as the key attribute by every airport, airline and tourism authority representative. Airline, airport and consultant representatives agreed on the importance of leadership and partnership in the route implementation stage. As the
quantified presentation of the responses could provide the overall impression of the key attributes across the ARD stages, further information on how the particular attribute gets implemented in the specific stage was needed. For the purpose of this analysis, each attribute is presented as a separate theme with additional subsections representing the perception of each of the stakeholder groups.

Strategic vision

Strategic vision as one of the central leadership attributes is most likely to shape the development of route objectives (Stage 1), as agreed by the vast majority of the interviewees. From the perspective of airline representatives, the strategic vision is discussed and analysed in the early stages of ARD conversation. Airline D, one of the international airlines, states the importance of this attribute in the early stage as the airline might not have all the supporting data yet. Once the data supports the strategic vision, the airline is focused on objective parameters as it is the “profit-making enterprise”. Another international airline, Airline E, adds that while strategic vision must be discussed at the beginning, it has to be implemented way beyond the route launch. This airline claims when the airport lacks the strategic vision, shortly after the launch the route might get “forgotten” and turns unprofitable, despite the initial strategies and incentives. Airline C (an international airline) reports that a clear strategic vision of one of the major Australian airports makes the key partnership difference when compared to other airports.

For domestic airlines, strategic vision also represents one of the key discussion points in the early phase of ARD. Airline H explains that if there is no clear strategic vision on what the destinations and airports are trying to achieve when proposing the launch of a particular route, they will not be interested in investing. This interviewee gives the example of domestic route development where one of the state tourism authorities, alongside with their state government and the airport developed the entire tourism strategic plan to incorporate the potential new routes. The formed partnership was based on strategic planning and trust. After a few years of communication and information sharing, the destination managed to improve the market demand, and the airline agreed to establish the promised routes. In the other instance, this airline required aligned strategic vision between the major Australian airport, state tourism authority and government representatives from the other side of the route. Another domestic airline, Airline G, explains what the strategic vision means for them.
“So, as an airline we develop our strategic vision about who we are and the sort of markets we're after and that sort of thing. And so that's where our strategic group planning comes into it. It's about supporting who we are as a business. [...] It may not mean that we're the right vehicle to actually serve the market, just because a route is successful for one airline may not necessarily make it a success for another airline.” (Airline G)

This airline’s representative adds that even though the airline might have the same market focus as the state or national tourism authority, this still might not be in accordance with the airline’s strategic vision.

For the airport representatives, strategic vision represents the equally important attribute as for the airlines. One of the major city airports, Airport A, underlines that their strategic vision or the way how they articulate it makes the difference.

“I think that our vision is clearly articulated, but it is articulated to the people that actually are key stakeholders or partners, and ultimately, that's what matters. It's not producing this fancy document that stays in the top drawer and no one ever looks at, and I think the other part of it is, as things evolve, communicating to your partner why things are changing and doing it really quickly as well. So, that's probably the main point.” (Airport A)

Another major city airport representative, Airport E, suggests that this airport needs to continually evolve on their strategic vision. This airport’s position is gradually changing from being a market leader with a firm marketing position and almost no competitors to a highly competitive environment with potential catchment encroachment by other airports. In most instances, having a strategic vision for this airport does not mean “chasing 30 new targets”, but instead focusing on a few key opportunities that could bring the highest passenger growth. Both regional airports agree that they share the strategic plans with their state (Airport F) and regional tourism authorities (Airport D). Airport D also adds that every strategic plan needs to have a B or even C plan in the case airline goes into bankruptcy or any other potential airline business disruption. Similarly, to this, one of the emerging airports, Airport B, confirms the importance of strategic vision in all stages depending on the stakeholders.
“Strategic vision would be really important in all stages; well it depends who it's with. So, with the airline in stages three and four and with Tourism Authorities in stages one and two.” (Airport B)

This airport representative further provides an example where the airport developed the “Chinese strategy” through the mutual partnership and shared strategic vision with the state government and state tourism authority. From their perspective, the strategic vision could only be put into practice if its implementation gets led by the influential airport leaders (CEOs or Head of Partnership/Business Development). On the other hand, another emerging airport, Airport C, identifies the lack of strategic planning and shared strategic vision between the airport and its key stakeholders (tourism authorities, local and state government). Furthermore, this airport’s representative finds this attribute as one where the airport could go better.

From tourism authorities’ perspective strategic vision is also seen as the key attribute of the early ARD stages. The national tourism authority (Tourism Authority C) considers itself a “heavy-lifter” in this area. Tourism Authority C developed the 2020 Strategy and is currently working on the new 2020 Strategy that includes the tourism and aviation development vision. On the state level, tourism authorities have their market priorities which might be slightly different from the national one. For instance, Tourism Authority B develops the State Aviation Framework, as the major strategic planning document. Tourism Authority A adds that strategic vision must suit both sides (destination and airline). Otherwise, it will never be implemented in practice. Tourism Authority D has the aligned strategic vision with the airport, and they share the same “endgame”. In the case of regional tourism authority (Tourism Authority E) the airport and would have a separate and often different strategic vision even when it comes to a particular route. Finally, Consultant B concludes that airports and airlines have a symbiotic relationship, and there is always going to be an overlap at some point, and it is crucial to find those “sweet spots”. The “sweet spot” is known as the place where the best opportunities can be pursued.

Leadership

Leadership, as one of the governance attributes, has been recognised as the key ARD shaping elements across the four stages. Unlike other attributes, there is no identified
pattern on the importance of leadership among different stakeholder groups. For Airline A leadership backs up the overall strategic vision. While the airport should show strong leadership during the market research (Stage 2), the airline’s leadership plays a role in setting the strategy and vision for further network development. Two other international airlines, Airline B and Airline C recognise the strong personal leadership of the Executive Business Development in one of the major Australian airports. “Leadership from the airport side is actually very linked with a particular person not with the organisation in itself,” says the Airline A. Airline B further explains that despite the change of the CEO this airport managed to keep and even improve the level of leadership initiatives on the executives’ level. As the opposite example, Airline B mentions the case of one of the regional airports where the executives showed no leadership when the airline asked to increase the flight frequency. After the airline got refused by the Business Development team, the airport’s CEO approved the increased frequency. The lack of leadership from the smaller airports is reflected in centralised power and decision-making process. For one of the domestic airlines, Airline G the leadership is a “bit of a dance between the airport and the airline”. In some instances, the airport would try to lead the process for many years, but in some cases, the airline would recognise the opportunity and approach the airport.

From the airport perspective, one of the major city airports, Airport A provides the most thorough explanation.

“Looking at these four stages, I think leadership alongside trust cuts across all of them. In terms of what we do that may be different [...] in terms of development of route objectives, I think we’ve got a developed pipeline of services and markets that we’re looking to attract in the next five years. That’s something that, internally, the team recognises, but I think the other thing that we do, and it sets us out from the leadership perspective, is we share that with state tourism authority and Trade and Invest state authority.” (Airport A)

In terms of leadership in market research, the airport always has to be on the “cutting edge” as the datasets, analysis and business intelligence tools are ever-changing. In terms of route development activities being flexible with stakeholders, you engage with, and
willingness to do things differently is the key. To conclude, Airport A provides insights on what differentiates them from other airports.

“[…] There's probably a formula to leadership that airports follow, and in essence, most of us are doing the same types of things; presenting a business case, understanding the airline, trying to unlock or get commitment from partners for funding, whether it be the state tourism body or another airport or whatever. I think what separates Airport B apart is the people in certain roles of this airport are incredibly specialised and knowledgeable, and experienced at what they do. So, I think there is that added level of appreciativeness that, airlines would have. Whether it would be […] ability to understand network planning or rival schedules connectivity better than anyone else, or my experience in destination marketing, understanding how DMO's make decisions, unlocked cash and how that all plays out. The mix of the actual knowledge base in the airport here, I think, is probably different to what we see elsewhere, and that may be what people are responding to.” (Airport A)

Another major airport, Airport E, adds that in specific markets, like China, the airport business development team need to have direct CEO’s support. Otherwise, it would continuously “hitting the roadblocks”. Leadership style needs to be updated to reflect the market characteristics and expectations. The regional airport, Airport F believes that leadership has to be present both from the airline and airport/destination side. For this airport, strong leadership/partnership plays the most important role in Stage 3 (route development activities). Strong stakeholder engagement on a destination level (airport, state tourism, convention bureau, local business) represents the key leadership tool for this airport. Airport D (regional airport) agrees with Airport F that different level of seniority needs to overtake the leadership role in a particular market, with China as an example. For emerging airport, Airport B, leadership has the vital role in Stage 1, and then in Stage 3 and 4, while Airport C sees the importance of the leadership only at the beginning of the ARD conversation (Stage 1).

National tourism authority (Tourism Authority C) explains its leadership role as critical in terms of strategic vision and overall development priorities. In the later stages,
the airport would be the stakeholder with a leadership role. Leadership is one of the attributes present across the board, being the most crucial in route development activities and the least important in market research. Tourism Authority C further adds that leadership can help the airport to establish trust through communication and information-sharing. This interviewee also emphasised the example of Executive Business Development from one of the major city airports as the leadership role model. This Executive often uses the “city pair approach” with engaging the airport from the other side of the route in the early stages of ARD. Two state tourism authorities, Tourism Authority A and Tourism Authority B have very opposite practice when it comes to ARD leadership. While Tourism Authority B, which closely works with five to six international airports in their state, has rarely stepped out as the leader, Tourism Authority A shares the leadership role with the airport depending on the ARD stage.

Not even two consultants could agree on which stage leadership play the most critical role. Consultant A explains that leadership has two sides – airport and the airline and each of the parties has an expectation from the other leader. While they use a different approach, for both sides leadership must be shown at the beginning (Stage 1). On the contrary, Consultant B identifies leadership and trust across the four stages (similar to Airport A) with airports caring for the leadership role as they need to ensure the optimal market growth.

Effective/constructive communication

*Effective/constructive communication* as both leadership and governance attribute has been recognised as the important ARD tool across the four stages, with slightly less representation in Stage 1. Airline representatives identify this attribute as key in all the stages, with higher importance in Stage 2-4. Routes Conferences are recognised as the key ARD event by Airline B and Airline H, as opportunities for airports to practice effective and constructive communication during the 20-minute “speed dating slots”. Airline H also specifies that there is no information sharing without effective communication. The airport has to communicate its vision and market data; otherwise, no common goals could be found. The domestic airline, Airline G clarifies the importance of communication.
“In terms of effective/constructive communication, I mean, that's really, really critical, and it's got to be clear communication between the parties. There's a lot of money at stake when you're doing route development, particularly for the airline. You're always talking about millions of dollars worth of risk and tens of millions of - or higher than that - of what you're bringing to the business. So, you have got to have effective communication there and I'll touch again on that trust.”

(Airline G)

Regardless of the airport size, effective/constructive communication represents one of the key ARD tools in Stages 2-4. For major city airports, Airport A and Airport E, communication skills make the difference in leadership style. Airport A explains that the airport often has to communicate the information that airline not necessarily wants to hear, good or bad. While communication must be performed on a high level during the ARD, communication in the route maintenance phase has even more importance. Both Airport A and Airport E agree that communication with different markets and culture requires cultural awareness. For instance, in Asian markets, email is not a form of correspondence; neither is an online conference. Language barriers with non-English speaking partners could be easier overcome in a face to face meetings. All regional and emerging airports that deal with Asian carriers agree with points made above. Apart from the cultural awareness, Airport F links communication with the second stage of ARD (market research) as the opportunity for the airport to stand out with the level and innovativeness in the data presented.

Tourism authorities reach consensus when it comes to effective/constructive communication, with the market research stage being the key communication point. Tourism Authority C considers it key in the market research area when it comes to the airport/destination – airline communication. On the other hand, communication between the tourism authorities on different level must be constant. Tourism Authority A and Tourism Authority D confirm the airports’ statements on the importance of cultural awareness and language barriers. Both tourism authorities agree that the ARD process with Chinese airlines requires much more communication efforts when compared to local airlines. Regional tourism authority (Tourism Authority E) identifies its communication
role in sharing the visitation data with the airport, as well as supporting them at the Routes Asia Conferences.

Both consultants agree that effective/constructive communication plays an essential role in Stage 2. Consultant A states that during the market research phases through the effective/constructive communication airports builds the trust. If the data does not get appropriately communicated, the trust will be lost. Consultant B emphasises the key communication difference between the Australian/New Zealand and Asian markets. The laid-back communication channels in Australia/New Zealand would never lead to success in the Asian market.

Trust

Alongside leadership, trust is identified across the four stages by all stakeholders, regardless of their type. Airline representatives still agree that trust-building process starts in the early phases of ARD. Airline A explains that building the trust in ARD does not differ from any other sales processes – “the first thing to sell is you, as the first thing your partner will trust is you, later you can sell the product”. For Airline H, trust is interrelated with knowledge-sharing and strategic vision. The way how an airport promoted its strategic vision and communicated the data would make or break the trust. For Airline G trust is almost equal to building the relationship, and it is a continuous process. As an example of an extraordinary trust-oriented airport, three out of eight airlines (Airlines A, B and C) identify the same major city airport. Airline A explains what makes this airport’s approach different.

“I think Airport A had a good balance of relationship and data. Some airports probably get a little bit too focussed on the data and, some airports get very proud of their data and you know, it becomes sort of their key tool to use and they anticipate that to sell itself. That's not the reality, you need to build the relationship and granted you're speaking with Network Planners which are typically the technical people that are not the relationship focussed people at first but once you go beyond the Network Planners that's when the relationships become critical.”(Airline A)
Airline H also specifies building the relationship as the way to develop mutual trust. For this airline, attending the Routes Conference is more a relationship-building exercise, rather than finding new things about the market and new opportunities.

Both major city airports (Airport A and Airport E) confirm that sharing the information represents the first step in trust-building. Airport E explains that if you are not prepared to show information in an open, trustworthy manner, by showing all the sources of information, how you obtain and calculate it, then it is difficult to earn the trust and build the long-term partnership. For Airport A building the trust starts in Stage 1 but never ends.

“In terms of developing trust, if an airline has got one hundred and sixty things it needs to do in order to establish a new route, the airport's role is really to try and do as many of those things for them as possible, and by doing that work on their behalf or for them, which de-risks it for them, saves them time, accelerates the process, that in itself earns you that trust. That doesn't mean to say that if you do them all, it will work, but in terms of the development of trust, if you're acting as them on their behalf, you know, doing approvals, negotiating slots, even so far as mapping out how their launch event can look, how their marketing strategy can be employed. If you can go to the full extent and do a lot of that work for them, that will gather a lot of trust in the relationship.”

(Airport A)

Going “above and beyond” in supporting the airline, is also the approach practised by the regional airport, Airport F. This airport aims to build the trust even with the airlines they currently do not see flying from their airport in the near future. As the global economy changes on a daily level, the airport has to build relationships for potential future scenarios. Another regional airport, Airport D, believes that trust starts with the airport’s credibility. If the business case that airport presents to the airline does not “stack up”, the airline is wasting their time and trust will be lost in the very beginning. This airport adds that existing trust can be challenged in the process of re-negotiations, and their strategy is to choose the staff members to represent the airport carefully. Regional airports also agree that trust should be built through information sharing and communication.
For Airport B Stage 3 represents the key point for building the trust as in this stage airline needs market facts and figures to decide on route development details.

For the national tourism authority (Tourism Authority C), trust development requires a long-term relationship, which starts in Stage 1, and spreads across Stages 3 and 4. This tourism authority has some long-term partnerships with domestic and international airlines but says that the trust part is very fragile and has to be taken care of. The trust between them and airlines comes into effect in Stage 4, through the marketing activities, where an airline has to have trust in their promotional skills. For Tourism Authority B (state level), building the trust with all the international airports in their state represents the challenge, as each of the airports shares the confidential ARD plans that must be kept in secret from the other state airports. Tourism Authority B claims that despite trust being a “big thing,” it is built through the small actions, like providing the timely information, answering the calls, finding time for regular and ad-hoc meetings, etc. All other tourism authorities state that trust must be incorporated in all other six attributes and present across the four stages of ARD.

The two consultants confirm that trust will be built based on communication and information-sharing. If there is no clear and effective communication, there will not be any trust. The market research stage is where the communication comes into effect, and so when the trust is “born”.

Partnership

Partnership, as one of the leadership attributes present across all the four stages of ARD, has still been identified as the key attribute in the later stages (Stage 3 and 4). One of the international airlines, Airline D, provides an explanation of the importance of leadership in the later stages.

“The reason I put partnership more into the last two stages was that if I can get market research done and I can kind of discover that there might be an opportunity there by having some exploratory conversation and, I don't need, necessarily, years and years of symbiotic relationship being built, and trust established, and partnership there and all of this for me to do this. [...] Once I start really understanding, OK what sort of, what are you trying to get out of this relationship? How can I help
you to support it? How can we work together on this? How can we launch this together? You know, it's more in this section that I really need the partnership to really work. If you don't tell me very effectively what the development of route objective is, like if you don't tell me that there's demand for cargo between [...] and [...] which necessitates a wide body service for example, then I won't know that.” (Airline D)

Airline A also provides a thorough explanation of ARD partnerships. Depending on how its defined, partnership is always present. In the first two stages, it would be a partnership amongst government, airline, airport and tourism. Depending on how the ARD process is progressing, more stakeholders can be added to the partnership. For example, hotel association could help the airline better understand the destination capacity and demand. Airline C describes the partnership as the collection of other attributes like leadership, communication and trust. This airline representative states that the partnership they have with one of the major city airports stands out, as this is their premium destination and airport team always make them feel special. One of the domestic airlines, Airline G, explains their partnership activities as the ongoing, even in the case of the airport they do not currently fly to.

Airline B also provides a thorough explanation of ARD partnerships. Depending on how its defined, partnership is always present. In the first two stages, it would be a partnership amongst government, airline, airport and tourism. Depending on how the ARD process is progressing, more stakeholders can be added to the partnership. For example, hotel association could help the airline better understand the destination capacity and demand. Airline C describes the partnership as the collection of other attributes like leadership, communication and trust. This airline representative states that the partnership they have with one of the major city airports stands out, as this is their premium destination and airport team always make them feel special. One of the domestic airlines, Airline G, explains their partnership activities as the ongoing, even in the case of the airport they do not currently fly to.

Airport E, one of the major city airports, also identifies partnership in the later stages of ARD. For this airport partnership with non-airline stakeholders is secondary to their relationship with airlines. As this airport prefers the independent ARD, partnership with airlines would heavily rely on the risk-sharing through the financial support of the route. This airport’s representative is aware that not many other Australian airports would have this approach to partnerships. For Airport A (major city airport) partnership represents the ongoing relationship with airlines, tourism authorities and other involved stakeholders. However, partnership with airlines requires the most effort through a commitment to conversation, negotiations, continuous relationship development and multiple visits and meeting per year. To simplify the need for partnership development, this airports’ representative says, “if you are not there for the airline, someone else is.” The regional airport, Airport F, identifies the third stage of ARD as the key for partnership development. In this stage, the airport and airline are discussing the details of the new route (i.e., capacity, type of aircraft, frequency) and airport needs to be seen as a trustworthy partner. Another regional airport, Airport D believes that to build a
partnership with the airline, airport needs to have an existing partnership with the tourism authorities. In their case, regional tourism authority would provide them with all the necessary information for the business case and support their case during the meeting with the airline. Both emerging airports, Airports B and C, consider their relationship with airlines instead as a business relationship than as a partnership. For Airport C partnership needs to be developed over a period of time, and their relationship with airlines is not long enough. However, Airport B has a strong partnership with its state tourism authority and finds it very important in the first stage of ARD. This airport and its state tourism authority share the strategic vision information, as well as the market research-related costs.

Regardless of their level, all representatives of tourism authorities agree that the partnership they have with airports represents the most significant value in the ARD process. Tourism Authority D gave the example of co-funded aviation and route development position between the airport and the tourism authority in their state. This co-funded position was available ten years ago, but it was a significant step in improving the partnership between the government and the private sector (airport). While the airport/tourism authority relationship gets built over the years in the case of ARD, it comes to the full effect in Stage 3 when airports need support to negotiate the route details.

Consultant B further explains that in some instances partnership between the airport and airline or airport and tourism authority would not bring the results (new route). In this case, the airport to airport partnership could be fundamental as this gives the airline the certainty about the route.

Information/knowledge sharing

Through the analysis of previous attributes, information/knowledge sharing has been mentioned as the part of trust and communication. For the majority of the respondents, this leadership and governance attribute shapes Stage 2 of ARD – market research. Airline representatives find information/knowledge sharing as the key step in progressing or abandoning ARD conversations. Airline A explains that transparency of information/knowledge sharing in Stage 2 makes the critical points as the airline typically assess the route in the network planning phase. Both domestic and international
airlines agree that airport and tourism authority might possess the data not available to
the airline (i.e., job demand, population survey, travel motivation, visitors’ dispersal, etc.). Even when the airline has access to all the necessary databases, *Airline H* explains that shared *information/knowledge* gives them security in the route and confirmation that airline and the airport are “on the same page”. One of the domestic airlines, *Airline G*, provides a summary of information/knowledge sharing from the airline’s perspective.

"In terms of information, knowledge sharing, that really sits in market research. We've got an extremely good handle obviously on the domestic market and the international market but we're always keen to get other people's views because, we see one side of the coin. Which is obviously the airline side of the coin, the P&L side of the coin. But sometimes it's useful to see what our colleagues from airports and tourism bodies think; how we're being perceived in the market.”

(*Airline G*)

Airport representatives also consider *information/knowledge sharing* as the key part of market research. Depending on their size airport would have access to different databases. For instance, major city airports would use a few different databases at the same time, such as OAG and AirportIS. In contrast, some of the regional and emerging airports cannot afford the subscriptions, so instead, they rely on more affordable databases like CAPA or publicly available data from IVS/NVS or BITRE. In all cases, transparency of data presented to the airline is the priority. Supporting the airline through *information/knowledge sharing* and sharing the data on the local market is one of the main strategies used by the major city airport, *Airport A*.

"I think the major difference, as an airport, that we offer to those airlines is knowledge of the local market. For many of them that are global carriers, *Airport A* is probably mid-range on their global priority list, and they don't necessarily have people deployed here or knowledge of consumer behaviour, consumer purchasing preferences out of Australia for their outbound marketing. So, we effectively act as their default marketing advisory and sharing information ... what we would recommend they do with their brand, how they would spend
money, who they would engage with through the travel trade here, how they would run an event, who would they invite; all of those things. [...] Effectively we become their marketing team.” (Airport A)

For tourism authorities, information/knowledge sharing falls into Stage 1 (development of route objectives). Tourism authorities on all level conduct a lot of independent research and could supply the airport with unique data as part of business case preparation. For instance, national tourism authority (Tourism Authority C) conducts international research, alongside the research conducted by Tourism Research Australia. Any of the Australian airports can request access to the research results. Consultant representatives consider information/knowledge sharing as the key attribute across Stage 1 and 2. However, this attribute should not be analysed individually as it is a crucial part of strategic vision, communication and trust.

Producing results

Producing results, one of the leadership attributes reached a solid agreement of all interviewees related to its implication in later stages of ARD (Stage 3 and 4). Both domestic airlines explain the route implementation stage as “rubber hitting the road” where airline needs to ensure that the route is actually producing results. In this stage, all marketing and operational activities would come together, and the first results should be seen. Airline H expects the first results three to six months prior to the route launch. If the booking numbers do not meet the expectations, the marketing campaign must be intensified. One of the international airline representatives, Airline D, provides a simplified explanation of what the producing results mean for the airline.

“Producing results - I guess my definition of that is that I really need the numbers to work. And I guess, it's important in all stages but I guess, you know, I'm not going to move a business case into stage three and stage four unless the numbers work so that's kind of where the producing results bit, to me, is really important. Conversely to that, I guess, if the numbers work, if I can make money with it, then it's nice to have a strategic vision but if I can make money without a strategic vision then I'll still make money.” (Airline D)
All eight airport representatives placed *producing results* into the final stage of ARD – route implementation. Implementing the route represents the first result for the airport, and later results would be measured through the number of passengers. For tourism authorities *producing results* means visitation. Naturally more interested in inbound passengers, tourism authorities dedicate significant time and resources on marketing campaigns to increase the overnight visitor expenditure. For *Tourism Authority B* (state level) *producing results*, the attribute does not lose importance over the time, as this authority always aims for more flight frequency and capacity as that increases tourist dispersal and expenditure. *Consultant B*, however, analyses *producing result* attribute from a broader perspective.

“*Producing results* - I think it depends in some areas. Some airlines aren't necessarily focused on the commercial bottom line, and so I think results is a subjective sort of measure. Sometimes it's more around strategically connecting with the market. [...] So, let's assume we're talking about a commercial airline that has to deliver a profit. So, it becomes crucial, once the service is in place, to then measure performance. So, whenever I see clients (airports), I always suggest, 'look, there might be an incentive required here to get over the hurdle of this airline, making an investment in this service, but be sure to measure the outcomes of that investment, be sure to ask the airline, 'what is your target, average fare? What is your expected return on the service? Can we discuss this six months and twelve months in, or however frequently you need to do that,' so that you can get a gauge for how good the performance is.” (Consultant B)

**Missing attributes and differences in ARD stages**

After assigning all seven leadership and governance attributes to one or more ARD stages, the interviewees were offered a chance to identify if some missing attributes shape the ARD equally or more than the offered ones. Some of the respondents also made comments on the ARD stages and their orders.

*Risk-sharing* has been pointed out as one of the key missing attributes by *Airline E, Airline H* and *Consultant A*. In the previous phase of this study (please, see Chapter 3)
“taking risk” was offered to the online survey respondents as one of the leadership attributes, but it was not selected as one of the top five or even top ten attributes. However, the three interviewees explain the importance of risk-sharing. Airline E explains that establishing a new route represents a massive risk for an airline. If other stakeholders, especially the airport, are willing to share the risk, then it is much easier to test the route. Airline H provides an even broader explanation of interconnection between a few attributes; strategic vision, partnership, effective communication and risk-sharing.

“I think the risk sharing part is the one that is probably the key, is the one missing in there. From my side, I think, the route development is very much about that. Like having that joint strategic vision of what you're trying to achieve and what you're trying to achieve together. And as part of that, everything else in there is around strategic vision and executing on that on a repeated basis. So that's where the trust comes in and the effective communication and the partnership comes in, it's executing on a strategy, um, again and again and again, um, that's where that comes in. And as part of that is the risk sharing.” (Airline H)

Consultant A clarifies that the role of a risk-sharing attribute. From the perspective of a consultant, airports are not keen to share the risk, so if you ask them, it is doubtful that this attribute would be identified. On the other hand, airlines see risk sharing as one of the key ARD attributes and will always seek to know the airport’s commitment to share the risk.

Airline B (international airline) and Airport E (major city airport) and Tourism Authority A (state tourism authority) identify the somewhat similar missing attribute. Airport E finds problem-solving as one of the missing attributes as ARD contains continual barriers that are blocking the conversation and require innovative solutions, for example, bilateral rights, no service agreement or visa requirements. Airline E’s missing attribute is innovation in the context of new ideas and innovation in problem-solving. Airports must be able to innovate, as no two routes are the same, explains the Airline E. For Tourism Authority A innovation and creativity represent the key attributes due to dynamic and everchanging aviation environment.
Power, one of the governance attributes, was identified by Airport D (regional airport). This airport’s representative claims that capital city airports have power and naturally get routes. On the international market, the major cities have to fight for new routes, so there are plenty of power games, making the power one of the key ARD attributes. The rest of the identified missing attributes are somehow related to the seven discussed attributes. Airport B (emerging airport) considers reputation as one of the attributes that could support ARD conversation and lead to trust. Airport B (major city airport) finds industry knowledge or mastery of technical knowledge as the way to improve the ARD communication. The airport needs to employ capable people who will get into negotiations and be able to anticipate the needs of an airline. Airline network planner expects the airport to have an answer within 20 seconds, and stumbling is not allowed. Tourism Authority B (state tourism authority) believes confidentiality improves the quality of stakeholder engagement, but also adds that this attribute could be anticipated as part of the trust. Tourism Authority D (state tourism authority) and Consultant B identify the ability to recognise the opportunity and urgency as the missing attributes. Both attributes relate to the same prompt action of the airport in a dynamic aviation environment. Both representatives agree that airline might make an unannounced change in the network, which might lead to new opportunities, and the airport must act as soon as the opportunity arises. This could be summarised as responsiveness, one of the governance attributes.

Difference in ARD stages

Three out of 22 interviewees suggested that the order of the four ARD stages should be different. Airline A, Airport D and Consultant A agree that the order of Stage 1 (route development objectives) and Stage 2 (market research) should swap. Airline A explains that before the airline pursues any sort of objectives, the market research is needed. The airline needs the data behind the potential opportunities to access whether the route will be feasible or not. However, this airline’s representative adds that the proposed order of ARD stages makes sense from the airports’ perspective. Interestingly, only one of the six airports, Airport D, agrees with this claim. For Airport D market research phase comes first, as the way to explore the wider market opportunities and to quantify and qualify the market information and from there propose the route objective. This airport’s representative also suggests that the 5th ARD stage, marketing,
should be added. In the marketing stage, stakeholders need to build awareness of the airline that is entering the market. Marketing is expected on both side of the “fence” and is a critical component to the success of a route. Additionally, Tourism Authority B suggests that from their perspective, there is a key difference between Stage 1 and 2 and Stage 3 and 4. In the first two stages, the airport would lead the ARD process, from the third stage, the tourism authority overtakes the leading role, and its relationship with airline becomes the primary.

Uniqueness of Australian airports

A majority of interviewees operate in Australia and overseas or have close collaboration with overseas airlines and airports some of the interviews lead into a discussion on the uniqueness of the Australian market and major differences between the ARD in Australia and rest of the world. Aviation consultants often collaborate with airports and airline all over the world. Thus, they are overseeing different markets and their characteristics. Consultant B explains that Australia, as a whole, has a number of very hungry airports keen on traffic and interested in growing different markets. One of the interesting characteristics of the Australian market is of genuine interest in growing the international market, rather than domestic. When compared to the similar airports in Asia, Australian airports are blunter and more aggressive, continues Consultant B. Another difference when compared to the United States or Europe, is closer collaboration between the airport, tourism destination and the airline. This is also relevant for New Zealand, or Oceania as a whole.

International airlines also perceive Australian airports as more aggressive, dynamic and hungry for business. Airline B points out the strong partnership of Australian stakeholders (airports, tourism authorities, government, hotel associations) as one of the uniqueness of the Australian market. Furthermore, this airline’s representative emphasises the uniqueness of Airport A and their dedication to the partnership with airline, as well as their strong collaboration with local stakeholders. Airline A finds Australian airports to be more independent and innovative when compared to the Northern American airports. This difference might be influenced by private ownership of Australian airports. However, despite private ownership, Australian airports have much stronger partnerships with tourism bodies even though they represent the
government. *Airline D* explains Australian airport as “similar culture”, and thus there are less cultural barriers like it is the case in Asia. For this airline’s representative Australian airport regulations, a close partnership of the airport and tourism organisation and marketing resources, make ARD conversations in Australia much smoother and shorter. Another international airline, *Airline C*, argues that all Australian airports have the same approaches in ARD. Even one of the major city airports represents the “hard work” for this airline. This airport is not perceived as creative or innovative, especially when compared to the major airports on the East coast. The domestic airline, *Airline H*, identifies even more differences between the major city airports.

“I guess the size (of an airport) can be an element, but then even if you look at the three big ones their approaches are very different. So, Sydney, Brisbane, Melbourne airports approaches are very different, and I guess it's kind of drawn by the personalities. Part is personalities, I guess, personalities are there because the assets that they're selling are very different in a way. So, for example, Brisbane needs to fight harder to be Sydney and Melbourne. Right, so just from a population perspective, just from an international attractiveness perspective.”

(*Airline H*)

Another domestic airline, *Airline G*, also agrees that different personal styles within route development exist between the Australian airports. Another thing that makes Australian airport different is the improved level of sophistication in ARD. When the airport has no sophisticated approach to ARD and communication skills, the whole discussion is seen as less fulfilling by the airline.

*Tourism Authority C* (national level) underlines the case of Queensland as a unique ARD example due to the number of international airports and the strong relationship that state tourism authority has with each of the airports.

“Queensland is doing quite a good job in terms of managing all of those airports and requests. And they also have, funding mechanism which helps. So, a formal process to put in an application. Not all of the states and territories have that process, that I'm aware of. I don't know if it exists in the Northern Territory (NT), but then as well I'm not
sure it needs to exist in the NT because there are fewer opportunities obviously just for Darwin Airport. Um, I'm not sure if that exists either in New South Wales. So, I would say, Queensland is definitely leading the charge in terms of new route opportunities coming to us.” (Tourism Authority C)

Does the airport size influence the different ARD approaches?

The airport size has been discussed in all parts of the Results, additionally, as some of the interviewees provided a specific airport size-related comments, this sub-section will summarise with the aim to respond to the question “is the airport size influencing the different ARD approaches?” Airline representatives have been found as the most knowledgeable to comment on this matter. In general airline, representatives consider airport size as the indirect element that influences the different approaches in ARD. Airline A explains that ARD approaches vary depending on leadership, not necessary airport size. But certainly, the leadership style would be developed around the airport size, infrastructure and demand. Airline D considers smaller airport to be more desperate for new services and thus prone to “talk up stuff” that are not realistic. In general, this airline’s representative sees the smaller and medium-size airport as more demanding partners, as due to their size, they lack resources and in-house knowledge. One of the international airlines, Airline B, says that while they do not fly to small airports in Australia, they can see the difference between the few capital city airports they operate to. The airports with more capacity are more aggressive and hungrier, says this airline’s representative. Airline C does not classify airport based on their size, but what they can offer in the ARD negotiations. It is expected that the major airports have more funding and resources, but as the smaller airport are more eager to establish the new routes, they may go “above and beyond” which is not always the case with the major ones. Domestic airlines suggest that all Australian airport have slightly different approaches and strategies when it comes to ARD and that airport size does not necessary shape the airport’s approach.
Role of Routes Conferences and similar events

All interview respondents agreed that Routes Conferences and similar events represent the important yearly event for establishing and growing the relationships between the airports, airlines and tourism destinations. Two international airlines, Airline A and Airline C, consider that airports could gain more benefits from attending Routes events. Airline A further explains that airports’ need to be present depends on the size and scale. Typically, airports would be represented by very senior route development managers, all the way down to mid-level analysts. On the other side, airlines would be represented by junior to mid-level network analysts and a few marketing people. For example,

“Emirates always takes a huge booth in Routes and there's fairly Senior people that attend, whereas other airlines would send some junior people. So, it really depends on what you're trying to target and again if you're after Emirates, if that's your solid goal, then yeah Routes is a place to start building the relationship.” (Airline A)

Another international airline, Airline B, describes Routes as a good way to catch up with the existing partners and understand market development. This airline attends World Routes Conference for global exposure but considers Routes Asia as the key event for their route development.

In general, all airport respondents agree on the importance of Route events. Still, there is a different approach and perception on how to utilise the attendance. One of the major city airports, Airport E, explains that this airport changed the focus and the way they communicate during the Routes conferences since the interviewee joined the company.

“Before this job, I was new to aviation business development from an airport side; I'd worked more on the airline side, and the team, when I came in, they were quite focused on pitching things and having these big presentations to show the airlines at these route conferences, and you only get twenty minutes, at most, with these meetings, and I found that the meetings were just wasted, because in most cases you wouldn't even get half way through the presentation because questions come.
The most value you get out of those conferences, because it's like speed dating for airlines or airports, the little bit of time you get with them to ask them questions, because it's very expensive and time consuming to fly around and see all your airlines, so we often, I mean we are a little bit different to other airports, as we said initially, but out of our meetings, at least 90% are with incumbent airlines. So, we'll try, I mean, we have a diary where we get twelve appointments, say, for Routes World, and Routes is very good now in terms of acknowledging extra appointments. I think Routes is expensive (chuckles) but if you can maximise your diary and completely jam it with meetings, you can get, I guess, good money's worth. [...] We've changed our approach completely since I've started. We're doing much more simple meetings; we're doing less talking and trying to encourage the airline to talk more and find out more from that twenty minutes.” (Airport E)

Another major airport, Airport A, considers Routes as a relatively cheap and effective way to maintain contact with airline partners at least twice a year. However, an airport should not expect that the attendance of these events could replace the overall relationship strategy or need for in-market visits. Still, if an airport is not there, a competitor can suddenly pick up a lead that started there and, in a year, or two that could result in a new route: “So attending Routes conferences is almost a defensive strategy not to lose an opportunity as opposed to only gain them.” This airport’s representative mentions that there are other similar events such as Airline Network in Europe. However, Routes events still remain the key events to attend or even host if there is an opportunity. Interestingly, one of the emerging airports, Airport B, shares Airport’s A viewpoints despite the significant size in passenger numbers and numbers of routes.

From the perspective of tourism authorities and consultants, the Routes Conferences represent a way to get the exposure, maintain and create new contacts. Consultant B emphasises that not all airports have an equal need to be present at Routes. For instance, Sydney or Heathrow airports would rarely be seen chasing new traffic at Routes. Instead, these big airports would have conversations with their existing partners on how to up-gauge their current routes. For Tourism Authority A attending or even more hosting an event like Routes conference requires a high level of entrepreneurship, creativity and
innovation. It is not only important to show up at the conference, but what message (and how) are you sharing with your existing and potential partners.

6.5 Discussion and Conclusion

This chapter discusses the results obtained through 22 in-depth interviews with ARD experts based in Australia and overseas. The research aims to assess the uniqueness of stakeholder activities in the ARD process in Australia due to its remote geographical location and strong collaboration between the aviation and tourism sectors. In particular, the research results analyse the ARD process in Australia, including the discussion on leading ARD stakeholder, decision-maker and role of tourism stakeholder in ARD. The in-depth analysis of ARD is conducted through the identification of the importance of leadership and governance attributes across the four stages of ARD. Furthermore, the identified attributes are used to analyse the stakeholder engagement patterns across the airport of different size and level of ARD. Final research objective to propose the recommendations for ARD managers on how to deal with critical ARD steps is discussed in this chapter. For the effective discussion, this section follows the themes as presented in the Results section, while at the same time addressing the research objectives.

Process of ARD in Australia

The ARD process in Australia is perceived as one of the key business development activities by all interviewees. The results indicate that the success of ARD depends on relationship development among the stakeholders. From the airport perspective, the airline obviously represents the key ARD stakeholder. Building a relationship with the airline is a long-term process, especially when it comes to international airlines. Albers, Koch and Ruff (2005) suggested that airlines and airports more or less work together in customer-supplier relationship and there is a need for the creation of a strategic alliance between the two partners with the aim to reduce uncertainty, share risk and achieve flexible long-term governance. The results of this study support the need for a long-term strategic partnership between airports and airlines, especially in the environment where airlines heavily rely on airports to provide ongoing support. However, building an exclusive strategic alliance between the airport and the airline should not be the airport’s primary goal due to the need to often collaborate with rivalry airlines. The Australian
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aviation market is an excellent example of two domestic airlines, Virgin Australia and Qantas, where airports need to have carefully established partnerships with both airlines, without offering exclusive rights to one or another airline. The results of this study indicate that Australian airports identify building trust as one of the first steps in creating a strategic alliance or a partnership with an airline. To achieve the first step, airports need to prepare the market data analysis; for this task, they often rely on another ARD partner – tourism authority. While regional and emerging airports report to rely more heavily on their state and/or regional tourism authorities, there is a discrepancy on the level of support provided depending on the state. Major city airports are more capable of leading ARD negotiations without tourism authorities’ support; however, the highly developed airport-tourism authority partnership is one of the characteristics of ARD in Australia.

The study further demonstrates that international airlines perceive the Australian aviation market as very unique due to a high number of privatised airports and light-handed regime. Tan et al., (2017) suggest that airline has power in the ARD process, mainly due to its mobile assets (aircraft). The results of this study confirm that while an airline has the power to deploy its assets, airport and tourism destination can have a significant influence on the airline’s decision. For domestic airlines, a typical route development negotiation includes the airline, two airports and two tourism authorities. Thus, the airline’s final decision to deploy its asset to a particular destination could be influenced by early stages of ARD. While the involvement of other stakeholders (apart from airport and airline) has been discussed in previous studies (see Halpern & Graham, 2015) the results of this study clearly indicate a role of ARD influencer. Airlines have identified Australian tourism authorities as one of the leading ARD influencers that have the best-developed influencing skills. Consultant participants identified their role as the role of ARD influencer, as well. While the tourism authority mostly influences the process through its marketing expertise and funding, the consultants have the credibility to present the information which might be the critical moment for the airline aiming to enter a new market.

Leading stakeholder and ARD decision-maker

One of the approaches to better understand the ARD process is to explore some of the main roles that stakeholders perform during the process. The role of leading
stakeholder could be explained as the role of the proactive side that initiates ARD discussion. From the airports' perspective, the ARD discussion is always initiated and led by the airport, while airlines play a key role in decision-making. Consultants and tourism authorities agree that the airport would lead the ARD in most of the cases. From the airlines' perspective, there is no unified agreement on the role of leading stakeholder. Three airlines consider airport as the ARD leader, two see the airline, while three claims both airline and airport could lead the process. These results build on existing evidence that while historically airlines and government were in charge of ARD, in the last two decades, airports become more proactive in ARD area (Halpern & Graham, 2016). Almost all interviewees agree that airline makes the final decision if the route development will proceed or not due to the risk they face while deploying the assets. Only one regional airport considers itself as a partial decision-maker due to significant influence through the incentives. In the opposite process of air route suspension, as found by Lohmann and Vianna (2016), the airline has a total power to abandon the route. The most significant difference between these two opposite processes is that airport, tourism authority and government have a higher chance to influence airline's decision through the ARD process. In contrary, the airline's decision to suspend the route is usually made independently by the airline and airport is notified after the decision has been made (Lohmann & Vianna, 2016).

Role of tourism stakeholder

The results of this study confirm the undeniable role that tourism authorities have across all stakeholder groups and airports of all sizes. Airlines consider tourism authorities as one of the key partners, especially when it comes to route implementation and marketing activities. However, some of the airlines appreciate the intervention and engagement of tourism authorities in the early stages of ARD. While the previous studies exploring the relationship between tourism authorities and airlines (Tan et al., 2017) provided insights on tourism reliance on air services and airlines, this study used a different angle. In the Australian aviation market, both airports and airlines rely on tourism authorities and their strategic planning, marketing activities and funding. Regional and emerging airports are more likely to rely on the support of tourism authorities heavily, and Australian airports are not the only case. The study from Greece
(Tsiotas, Niavis & Polyzos, 2019) confirms that larger airports have strategic planning role, while regional and small airports rely on the strategic planning of their tourism authorities. Besides, among the tourism authorities on different levels there is a high level of engagement, despite different perceptions on their roles (for instance, strategic planning role on the high national level, strategic planning plus partnership role on the state level and more ad-hoc support on regional levels). The essential strategic planning role of Tourism Australia identified by one of the survey participants (see Spasojevic, Lohmann & Scott, 2019) and defined as “one of the best in the world” (p.,10) has been confirmed in this study. The results of this study further explained that having a strategic vision is not enough for success. Instead, unlike other national tourism authorities, Tourism Australia, has developed a skill of actively communicating their strategic vision to all relevant stakeholders.

Four stages of ARD and main leadership and governance attributes

The four stages of ARD as proposed by Halpern and Graham (2016) were used in this study as discussion framework with the aim to identify the role of a particular leadership and governance attributes across the stages. In their research, Halpern & Graham (2016) analysed the ARD process from the airports’ perspective. The results of this study provide a broader perspective on ARD by including the airline, tourism and consultancy stakeholders. While the results are built on the existing evidence by Halpern & Graham (2015, 2016), the findings indicate the perception discrepancy on ARD stages between the airline and airport stakeholders. Three interviewees disagreed with the order of the proposed stages (one airport, one airline and one consultant). From the airline’s perspective, market research stage should come first. Based on the obtained results, further route objectives would be developed.

Overall Stage 1 – route objectives is based on strategic vision, leadership and trust. These results complement the results of the previous study (Halpern & Graham, 2016), which state that the airport’s values and vision influence the objectives of route development. Also, the results of this study provide additional details on the key attributes for each of the stakeholder groups (see Table 9). In Stage 2 – market research, the stakeholder engagement is overall based on information/knowledge sharing, effective/constructive communication and trust. While the previous study (Halpern &
Graham, 2016) provided a list of marketing research activities that airports perform, it was less known how are this information shared with other stakeholders. Trust, as one of the key attributes in the first three ARD stages, could be built or broken in this stage, depending on the quality of shared information and effectiveness and communication channels. As explained by Halpern and Graham (2016) in the third stage - ARD activities airports make strategic decisions on how to approach ARD and communicate with airlines. In addition, the results of this study underline the need for airport’s and tourism authority’s leadership in this stage. Through strong leadership and effective communication, ARD stakeholders would achieve strong partnership, built on trust. In this stage, an airline/tourism authority partnership would come into full effect through collaboration on marketing activities. Finally, in Stage 4 – route implementation, stakeholders are oriented towards producing results. Airlines, airports and tourism authorities perceive route development results differently. For airports, the first result represents the route announcement, while the airlines see the results in sale numbers and tourism authorities in visitation. In any case, this ARD stage requires continuing leadership and a strong partnership among the stakeholders.

While the previous ARD studies were more focused on factors influencing ARD process and industry practices, particularly from an airport’s perspective, the result of this study demonstrates the importance and implementation of seven key leadership and governance attributes responsible for successful stakeholder engagement. One of the rare ARD studies (Halpern, 2019) discusses the implementation of partnership as one of the key attributes for a marketing perspective. In addition, the results of this study show that there are a few critical partnerships within the ARD. Airport – tourism authority partnership represents the symbiotic relationships between the two stakeholders representing the same destination. Airport – airline partnership represents the key ARD relationship between the partners with a mutual goal (passenger numbers). Airport – airline – tourism authority partnership or the ARD triangle is the most preferred partnership arrangement within the ARD stakeholders in the Australian aviation market. Airline – tourism authority partnership would mostly come into effect in the later stages of ARD through the tourism authority’s marketing support. Consultants are mostly perceived as ARD influencers and are rarely part of a long-term partnership. Other six attributes discussed in this study, to our best knowledge were not previously analysed in the context of ARD. Thus, it represents one of the significant contributions of this study.
The size of the airports matters

Influence of the airport’s size on the ARD process to our best knowledge has not been previously studied. Tsiotas et al., (2019) researched the dynamics of small airports and tourism industry, but without particular focus on ARD. This study brings the novel results on how airlines perceive the airports of different size, as well as what are the main differences and similarities between the major, regional and emerging airports in Australia. From the airlines’ perspective in general Australian airports are more aggressive and hungrier for new routes when compared to other markets. Smaller airports are more “desperate” to secure new services and sometimes reliant to exaggerate their resources and market demand, which could lead to losing trust and reputation. Overall, airport size is an indirect element that influences the approach that the airport would take in the ARD process. Still, this indirect influence plays a vital role as it shapes all ARD elements, from strategic vision to producing results.

One of the main differences between the airports of different size is the partnership and reliance on tourism authority. While, major city airports are capable of leading the ARD and aviation development in general, regional and emerging airports rely on tourism authorities’ support (and funding). When the emerging airport cannot access the required tourism support (like in the case of Airport C), there is a chance of many ARD opportunities being missed. Major city airports also have highly developed partnership with airlines, underlying that partnership represents a long-term close collaboration with the airline. In addition, major city airports and regional airports have thoroughly developed strategic visions that are very likely co-shared with tourism authorities. If the emerging airport does not share its strategic vision with the relevant tourism authority, it could lead to multiple missed ARD conversations with airlines.

Furthermore, lack of airport’s leadership among some of the regional airports has been recognised by some of the international airline representatives. Strong ARD leadership is one of the characteristics of major city airports in Australia. Smaller (regional and emerging airports) could make or break the ARD success through the chosen leadership style. Airports need to be aware of the characteristics of a market they are targeting as in some markets strong CEO’s leadership is required (like in the case of China), while others require more balanced leadership style. Effective/constructive
communication and information/knowledge sharing are the two ARD attributes that could be effectively used by the airports of all sizes, especially in Stages 2-4. Smaller airports often have no resources (financial or human resources) to conduct the in-depth market research, which could lead to airline’s early withdrawal from the ARD discussion. To overcome this issue, the regional and emerging airports partner up with state or regional tourism authorities or seek out for consultants’ advice. Regional airports consider that major airports have more power and thus, naturally secure new routes. For emerging airports reputation (or lack of) represent one of the key challenges, as major and regional airports are more likely to already have positive international reputation and brand.

Recommendations for ARD professionals doing business in Australia

With the respect that not all aviation markets have the same dynamic, despite the globalised world, this study also aimed to provide a list of recommendations for ARD professionals doing business in Australia, emphasising some of its market characteristics. Australian aviation market has often been described as aggressive and airports as eager to expend the traffic and target different new markets. While generally more interested into growing international than domestic market, Australian airports developed a few internationally recognisable characteristics. Strong stakeholder engagement between the large stakeholders (airports, tourism authorities, convention centres, hotel associations, etc.) in Australia is one of the main differences between this and other markets (i.e., United States or Europe). In addition, Australian airports are recognised as more independent due to the light-handed regime and more innovative due to the most private ownership.

The ARD negotiations are known as a lengthy process. However, when negotiating with Australian airports, airlines can expect smoother and shorter conversations. This is mostly due to close collaboration between the airport and other relevant stakeholders, as well as a straightforward process of accessing ARD incentives and marketing funding. Australian airports and tourism authorities lead by Tourism Australia created a strong international brand under the “Team Australia” umbrella, which could be often seen at the major ARD events such as World Routes Conference. Despite the competition between the airports (and tourism authorities within the states) ability to represent the country together on the global market are the sign of properly communicated strategic
vision and leadership of Tourism Australia which is a reliable partner to every other tourism authority and airport.

Limitations and further research

Despite the novelty approach of analysing the ARD process, several limitations should be taken into consideration. The study aimed to examine the process of ARD in Australia; however, not all representatives of the international airports were interviewed. The generalisability of the results is slightly limited by the number of airport interviewees (six). However, the collected interviews reached the saturation point despite the limited number of interviewees. The triangulation of primary and secondary data was constrained by the inability to reveal the names of the organisations each of the interviewees work for. Due to this limitation, the comparison of the increase in passenger numbers and the number of new international routes with ARD activities by each of the organisations could not be performed. Another limitation is possible underrepresentation of airlines from certain markets (i.e., the Middle East and China). Despite all the efforts, the representatives of Middle Eastern airlines did not accept to participate in this study. In the case of Chinese airline, language barrier represented the main issue.

This study was designed to explore the importance of leadership and governance attributes through the four ARD stages. It is beyond the scope of this study to analyse some other potential factors that could influence the success or failure of ARD. Further studies could build on the result of this study and investigate further the application of each of seven attributes. An in-depth analysis of different leadership styles noted among the Australian airports could assist other less developed aviation markets in learning and growing their ARD activities. Further research is also needed to establish the partnership patterns between the airports of different sizes and tourism authorities on different levels (national, state and regional).
6.6 References


Chapter 7 – Discussion and Conclusion

The preceding four chapters have detailed the methodological approach, data collection, data analysis and results for each of the four research objectives (RO). Following the structure of this thesis (Figure 1), this chapter examines the findings of the four research objectives, and also considers the theoretical and practical implications of this thesis. The chapter concludes with an outline of the study’s limitations and directions for future research.

*Figure 1. Structure of the thesis*

Source: Original from the study
7.1 Air transport and tourism – Systematic literature review as a foundation study

The study of air transport and tourism is an interdisciplinary research area that has seen growing interest during the last two decades. The topic of this research was based on a systematic literature review (SLR) on the air transport and tourism publications between 2000 and 2014. The results of this SLR were published in early 2018 (see Chapter 2). Between its publication and the time of submission of this thesis (May 2020), this paper has received more than 31 citations on Google Scholar as of May 2020.

As a result of the SLR, ARD was identified as one of the emerging air transport and tourism topics, and the central topic of this thesis. Conducting a SLR in the early stage of the PhD candidature provided an overall understanding of the existing and emerging air transport and tourism topics. The SLR also identified the major research institutions and key authors, as well as the academic journals publishing air transport and tourism-related studies. The results allowed identification of the academic experts who when contacted, provided their feedback on the data collection instrument in Phase 1 (Chapter 5).

The SLR also identified other emerging research topics include passenger experiences, low-cost carriers (LCCs) and their impact on tourism, the implications of new direct long-haul flights and carbon offsetting, and a new generation of aircraft. The progress of aircraft technology has a significant impact on stopover destinations, as due to the ultra-long-haul direct flights (up to 19 hours) there will be less need for connecting flights (Castro, Lohmann, Spasojevic, Fraga & Allis, 2019). The "Aviation and Tourism" book chapter (see Summary in Chapter 2) used this data to provide a chronological insight into the relevance and attractiveness of the research topics within the 15-year period from 2000 to 2014.

Air transport and tourism papers often focus on industry events (for example, the topic of safety and security became a key topic after the 9/11 terrorist attack). Some of the topics, such as the environmental impact of air transport and the sustainability of tourism destinations, aim to provide possible solutions through modelling or through prediction studies. In the period between 2015 and early 2020, the tourism and air transport literature continued to grow, with some of the key references used in this thesis being published during this period (Halpern & Graham, 2015, 2016; Koo, Lim & Dobruszkes, 2017; Lohmann & Vianna, 2016) The current major aviation and tourism disruption caused by the COVID-19 pandemic shows the interconnectedness of the two
industries. It is likely that the impact of COVID-19 and the pathways to recovery will form a new focus for air transport and tourism research as discussed in areas for further research below.

7.2 Implications of the key findings – connecting the dots of research objectives

Chapters 3 to 6 of this thesis investigated the process of ARD as one of the emerging themes in research into the intersection between air transport and tourism. As destination marketing organisations (DMOs) have an important role in ARD, and from an air transport perspective, this area has not been previously explored, this exploratory study adopted the concepts used in the literature relating to small and medium enterprises (SMEs) within tourism. In particular, the role that leadership and governance attributes play has been explored in the context of successful stakeholder engagement in large stakeholders (i.e., airports, airlines, DMOs and government authorities). Table 1 below summarises the main research findings for each of the four research objectives (RO), and it identifies the key references related to the findings.

RO1 was examined in the Part 1 (see Figure 1 in Chapter 1) through a literature review of the existing ARD literature. However, due to the limited literature available, some parts of the primary data collection also addressed RO1. Thus, Chapters 3 to 6, alongside the existing literature, provide conclusions for RO1. Chapters 3 and 4 aimed to address RO2 through two separate examples of successful ARD (in the Middle East and in Adelaide Airport, Australia). RO3 has been addressed in Chapter 5 through the analysis of the results of a mixed-method online survey. Finally, Chapter 6 used primary qualitative data (interviews) to address RO4, and this chapter provides insight into the practical implementation of leadership and governance attributes in Australia, which represents one of the most commercialised aviation environments in the world.

The four following subsections discuss in the detail the thesis findings that formed the answers to the four research objectives. In addition, the existing key literature is discussed.
Table 1. Summary of the main research findings and key references

<table>
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<tr>
<th>Research objectives (RO)</th>
<th>Main research findings</th>
<th>Key references</th>
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<tr>
<td>RO1 - examine the process of ARD, its objectives, phases and leading stakeholders</td>
<td>Key essential elements in the success of ARD are identified as route profitability and stakeholder engagement. Overall, airports are perceived as initiators of the ARD process. However, airlines consider they are the leading stakeholder. From the airports' perspectives, ARD discussions are always initiated and led by airports, while airlines play a key role in decision-making. Consultants and tourism authorities agree that an airport would lead the ARD in most cases. From the airlines' perspectives, there is no unified agreement about the role of the leading stakeholder. The results of the in-depth interviews indicate that an airline makes the final decision as to whether route development will proceed or not, due to the risk they face while deploying their assets. In addition, the study confirmed the important role that tourism authorities have across all stakeholder groups and airports of all sizes. Airlines consider tourism authorities to be one of their key partners, especially when it comes to route implementation and marketing activities.</td>
<td>Halpern &amp; Graham (2015, 2016); Halpern (2019); Lohmann &amp; Vianna (2016); Martin (2009); Thelle et al. (2012)</td>
</tr>
<tr>
<td>RO2 - analyse the influence of ARD on transit tourism destinations and the economic development factors which foster successful examples of ARD</td>
<td>The close partnership between air transport providers and tourism authorities is creating new air routes and opening unforeseen opportunities for transit tourism and economic growth. The fulfilment of this growth depends on the successful engagement of a large number of stakeholders. Some of the Middle Eastern destinations (i.e., Dubai, Abu Dhabi, Doha) are found as great examples of growing tourism demand influenced by strategic ARD.</td>
<td>Albers et al., (2005); Halpern &amp; Graham (2016); Lohmann et al., (2009); Lawton &amp; Weaver (2017); Malina et al., (2012)</td>
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The Middle Eastern region has positioned itself as one of the fastest-growing tourism regions in the world. This development is led by the UAE, followed by Qatar, with Turkey aspiring to become a transit destination. The constant growth in tourist numbers, including transit passengers, has been influenced by the introduction of new routes and strategic partnership promotion of Middle Eastern cities as "must-see", high-class destinations.

Among all other factors fostering successful examples of ARD, incentives were found to have a varying degree of influence amongst the airlines. Start-up incentives are expected by airlines operating to airports in Australia, while growth incentives are also desired. Incentives are frequently not a decisive factor in attracting an air service. Non-financial incentives and cooperative marketing support are identified as being more attractive to airlines, especially international full-service network carriers (FSNC). A direct relationship between the airline and DMO was found to be a supportive factor of the ARD process.

The results of this study identified that the following leadership attributes influence successful stakeholder engagement in ARD: partnership, effective communication, information sharing, results production and trust. The top five governance dimensions that influence ARD include strategic vision, leadership, knowledge sharing, effective communication, effectiveness and trust.

Partnership, as the most critical leadership attribute of successful stakeholder engagement, emerged as a crucial topic. Four different successful partnership patterns were identified, i.e., airport–airline–DMO, airport–local entities (chambers of commerce, convention centres, visitors' bureaus), airport–government–DMO, and the city pair approach.

Different partnership patterns suggest that in the process of ARD, it is rarely the case that “one-size fits all”. Thus, tailored solutions are needed for stakeholders of different sizes, structures and ownership types.

**RO4** - evaluate the key leadership and governance attributes and its role in Australia, where the aviation and tourism sectors operate in a commercialised environment

International airlines perceive the Australian aviation market as being unique due to the high number of privatised airports and the government’s light-handed regime.

The four stages of ARD, as proposed by Halpern and Graham (2016), were used in this study as a discussion framework to identify the role of particular leadership and governance attributes across the stages.

Overall Stage 1 – route objectives are based on *strategic vision, leadership and trust*. In Stage 2 – market research, the stakeholder engagement is based overall on *information/knowledge sharing, effective/constructive communication and trust*. In the third stage, airports make *strategic decisions* about how to approach ARD and *communicate* with airlines. Also, airports and tourism authorities are expected to show their *leadership* at this stage. Through strong *leadership* and *effective communication*, ARD stakeholders are able to achieve strong *partnerships* and build on *trust*. Finally, in Stage 4, route implementation, stakeholders are oriented towards *producing results*.

Overall, airport size is an indirect element which influences the approach that the airport would take in the ARD process. Still, this indirect influence plays a vital role as it shapes all ARD elements, from strategic vision to producing results. One of the main differences between the airports of different sizes is the partnership and reliance on tourism authorities. While major city airports are capable of leading ARD and aviation development in general, regional and emerging airports rely on tourism authorities’ support (and funding).

Source: Original from the study
**ARD process, objectives, phases and leading stakeholders (RO1)**

The process of ARD is widely practised in the industry and is extremely important for aviation business development. Still, as discussed in the chapters of this thesis, there is a lack of ARD related academic studies. The analysis of previous ARD literature was planned for the data collection pre-phase (see Figure 1 in Chapter 1). However, the lack of both academic and industry literature has led to a response to RO1 over each of the four chapters (Chapters 3 to 6). Each of these chapters has added a new relevant finding that assisted in responding to RO1.

This study required definitions of key terms. The existing definitions of ARD can be found in the professional literature (Martin, 2009; Thelle, Pedersen & Frederik, 2012). In their seminal work, Halpern and Graham (2015, 2016) summarise the industry view on ARD and identify the objectives of ARD. Nevertheless, a unified definition of ARD has not yet been offered. A better understanding of the ARD process, its main objectives, phases and involved stakeholders can assist in defining ARD. As a practical process, ARD has mostly been explored from the perspective of the current practices. Halpern and Graham (2015) conducted an airport-oriented study that revealed that ARD objectives include attracting new routes with new and existing airlines, growing existing routes, retaining existing routes and influencing changes to existing routes. The results of this thesis also identified these four ARD objectives, but also that other involved stakeholders might perceive the ARD objectives differently. For instance, the first two route objectives would not be part of the airlines' aviation business development plan. Airline respondents in Chapter 6 revealed that, in most instances, airports would initiate the discussion on establishing a new route. The airline's network planning team would later work closely with the airport to grow the existing route or implement the changes (i.e., different schedule or aircraft type). Tourism stakeholders would naturally only be interested in inbound traffic and higher passenger numbers, so they may or may not share the same ARD objectives as the airport.

Some parts of this thesis (i.e., Chapters 3 and 4) aimed to investigate what the elements of successful ARD are. Route profitability and stakeholder engagement were identified in Chapter 5 as the two essential elements of ARD success. Route profitability represents a sensitive topic due to the confidentiality of data, especially given the fact that most of the airports and airlines do not publicise the incentives provided, due to the
potential effect that revealing this information could create with competitors. Thus, it is no surprise that no available academic literature discusses route profitability, one of the key elements of ARD. The importance of stakeholder engagement has been explored both from the perspective of route development (Halpern & Graham, 2015, 2016), and also from the perspective of the opposite process, that is, in route suspension (Lohmann & Vianna, 2016). Halpern and Graham (2016) acknowledged the airports’ urge for stakeholder engagement with other ARD key players. Apart from the airlines, other interested stakeholders could include local and state governments, tourism authorities, consultants, chambers of commerce, hotel associations, etc. As this study was focused on the airports’ perspectives, it lacks details on the perspectives and involvement of other relevant stakeholders.

To address the knowledge gap, this thesis used both an online survey and in-depth interviews to gain additional details related to the ARD stakeholders involved and their roles, especially when it comes to leading the ARD negotiation and decision-making process. In Chapter 5, the results of the survey undertaken with industry experts from all over the world confirmed that airports, airlines, tourism and government authorities and consultants represent the most commonly involved ARD stakeholders. Airports have been recognised overall as leading stakeholders that initiate ARD discussions with airlines. Still, there is a discrepancy in responses between the airport and airline respondents. It is not unlikely that the airlines would consider themselves to be the leading ARD stakeholders. In Chapter 6, the airline representatives clarified that, from the airline's perspective, the process of ARD starts when the airline’s interest in potential work is raised. All the prior work done by the airport (market research, preparation of the business case) might not be known to the airline nor considered to be part of the ARD process. Tourism stakeholders and consultants agreed that the airport is the leading ARD stakeholder. Usually, as is the case in Australian airports, tourism authorities offer significant support to the airport and thus consider themselves to be co-leading ARD stakeholders.

Lohmann and Vianna (2016) provided a framework analysis of the decision-making process related to route suspension. Chapter 6, and up to a certain degree Chapter 5, examined the decision-making processes involved in route development. When it comes to ARD decision making, all stakeholders considered the airlines to be the ultimate decision-makers. Due to an airline's financial investment in new or existing routes, the
airline holds the right to make the final call as to whether the route development will proceed or not. However, there are a few potential mechanisms that the airport and/or tourism authority could use to support the airline and thus influence its final decision. From the airline's perspective, risk-sharing is one of the most suitable strategies that the airport can offer. This could be done either in the form of route co-funding or reducing/waiving aeronautical charges such as landing fees and airport charges. Other forms of support and influence could come in the form of marketing campaigns and destination awareness activities. In addition to the two roles known so far (ARD leader and decision-maker), the results of Chapter 6 identified a new role – ARD influencer. This role could be performed by either the tourism authority or the consultant. Both stakeholders could bring credibility to the presented data, however the tourism authority has unique, in-house expertise and has the most reliable market data.

Phase 2 of this thesis (Chapter 6) acquired the four stages of ARD from Halpern and Graham (2016). The four stages were used as a framework to allocate the key leadership and governance attributes along the ARD process. While the majority of the interviewees agreed with the four phases or stages (Stage 1 – development of route objectives; Stage 2 – marketing research; Stage 3 – ARD activities; Stage 4 – route implementation) as proposed by Halpern and Graham (2016), the results of Chapter 6 provide additional insight. The four proposed phases are highly influenced by the airports' viewpoints. In Chapter 6, airline representatives offered their perspective, considering that the orders of Stages 1 and 2 should be swapped. Before working on any route objectives, the airline would conduct independent market research. The results of airline's market research would profoundly influence the ARD negotiations, despite the data prepared by the airport. Furthermore, one of the regional airports in Australia agreed that the market research phase should come first to explore the wider market opportunities. However, this perspective should not be generalised without further research related to the differences in the perceptions among various stakeholders of ARD phases.

Even though the process of ARD has traditionally been explored from the perspective of either the airport or the airline, the tourism authority has been recognised as one of the key ARD stakeholders (Halpern & Graham, 2015; Halpern, 2019; Lohmann & Vianna, 2016). The results of both Chapters 5 and 6 agree with those found by Halpern (2019) that there is a growing need for aviation/tourism partnerships. Halpern (2019) provided a list of examples of ARD marketing partnerships funded by the tourism authorities and/or
governments. This thesis provided the additional example of Tourism Australia and its aviation development strategy which profoundly influenced the recognisability of Australian airports in the international aviation market. The strategic role, alongside the influencer's role, confirmed that the tourism authority belongs to the ARD stakeholder triangle, together with airlines and airports.

Finally, by taking into consideration the previous definitions provided by Thelle \textit{et al.}, (2012) and Martin (2009), as well as the results of Chapters 3 to 6, this thesis proposes the following ARD definition. ARD is defined as the process of engagement activities undertaken by airports and other involved stakeholders leading to the attraction of new routes, retaining existing air services or improving air access and capacity with the ultimate goal of developing the economy of a community or region.

\textit{Influence of ARD on transit tourism destinations and the economic development factors fostering successful examples of ARD (RO2)}

One of the sub-questions in Phase 1 (Chapter 5) aimed to identify examples of successful ARD stakeholder engagement. The initial idea was to select the top three responses, and in Phase 2, conduct an in-depth analysis. However, the obtained results failed to identify the outstanding examples, and none of the selected responses represented more than 10\% of the total sample. Still, the very well-known ARD examples, such as Dubai, Singapore, and London Heathrow, were on the top of the list alongside Australia and Istanbul (Turkey). Survey respondents (n=101) identified 60 different examples of successful ARD located all over the world. This result showed that ARD stakeholders and particularly airports had to adapt their stakeholder engagement strategies to market regulations, ownership structures, levels of commercialisation, etc. Despite the fact that the original thesis plan had to be shifted, analysis of successful ARD examples was conducted as a sub-phase of Phase 1. Due to the lack of access to the primary data in the Middle Eastern region, secondary data was used to explore the influence of ARD on transit tourism destinations.

In the tourism literature, Dubai and Singapore are recognised as "textbook" examples of their transformation from aviation hubs to tourism destinations (Henderson, 2007; Lohmann, Albers, Koch & Pavlovich 2009). In both cases, due to the small domestic market, air accessibility has been used to increase the number of international visitors, in
the first instance, through transit tourists (Henderson, 2007). Chapter 3 looked beyond the case study of Dubai and explored passenger growth in other Middle Eastern countries. Based on AirportIS data (indexed growth of international flights) in the ten year period January 2006 to December 2015, Turkey was the country with the highest growth of international flight (454%), followed by Qatar (342%), United Arab Emirates (UAE) (282%), Oman (282%) and Saudi Arabia (248%). It is argued that the geographical location of Dubai and Singapore impacted their rise as leading transit tourism destinations (Lohmann et al., 2009). Other Middle Eastern countries have had significant air traffic growth, share a similar geographical location with Dubai, however not all have thrived as tourist destinations.

Besides Dubai, which in 2016 was connected directly with 238 destinations, significant air traffic and tourism growth has been identified in Abu Dhabi, Doha and Istanbul. Abu Dhabi and Doha followed a similar development strategy to Dubai (Lawton & Weaver, 2017). This strategy is based on a close partnership between the three major ARD stakeholders (airport, airline and DMO), which target the high-class tourism segment. In Doha’s example, the reputation of the city as a tourism destination is closely linked to the national carrier, Qatar Airways, which in 2016 connected Doha with 160 destinations. The results of Chapter 3 identified Istanbul as an aspiring transit destination. At the time of writing Chapter 3 (2015/2016), Istanbul's new airport was under construction. While the positioning of Istanbul among the leading transit tourism destinations has been impacted by the current disruption caused by the COVID-19 pandemic (like the entire aviation industry), the pre-COVID19 air traffic data and strategic development of the new Istanbul airport, and Turkish Airlines as the national carrier, could see Istanbul overtaking the cities of the UAE in the future.

While Chapter 3 provided insights into the influence of ARD on transit tourism destinations and demonstrated the need for a close partnership of major ARD stakeholders alongside some transit tourism destination requirements (i.e., geographical location, aviation and tourism infrastructure), Chapter 4 explored another successful example of ARD – Adelaide Airport (ADL), Australia. As explained previously, Chapter 4 presented only a summary of the results obtained in the case study on ADL, due to Griffith University Policy on the inclusion of published and unpublished papers. However, some of the results obtained in this study assisted in providing the answer to RO3, especially the part related to the economic development factors that influence successful ARD.
Through the case of ADL, a regional international airport in Australia which managed to secure direct flights with some of the major airlines (i.e., Emirates and Qatar Airways), a few key learning points have been identified. The results of in-depth interviews agreed with previous studies (Albers, Koch & Ruff, 2005; Malina, Albers & Kroll, 2012) that partnerships between airports and airlines could better reach their potential through clear financial and marketing agreements. While Malina et al. (2012) emphasised the role of incentives in an airport-airline relationship, the results of this study revealed that, in the case of regional airports, non-financial incentives and cooperative marketing support tend to be more attractive to airlines, especially international full-service carriers. Another ARD strength of ADL airport has been seen through their symbiotic relationship with the state tourism organisation, the South Australian Tourism Commission (SATC). These two stakeholders participate in ARD negotiations as "Team Adelaide" which gives the impression of strong brand and support of other local (secondary) stakeholders.

In summary, while both Chapters 3 and 4 presented the examples of successful ARD, there are some similarities and differences that could be observed. The case studies of ADL and the Middle Eastern destinations, despite being distinct based on multiple factors (e.g., the size of the airports in passenger numbers and geographical location) had one ARD factor in common. Strong stakeholder engagement of all primary stakeholders, and in particular airport and DMO in both cases, led to significant ARD results. In the case of ADL, besides close stakeholder engagement, partnership and leadership played an important role. For comparison, in most of the Middle Eastern destinations, strategic vision and innovation together with airport-airline-DMO collaboration led to the growth of both passenger and tourism numbers.

Role and relevance of leadership and governance attributes for successful ARD stakeholder engagement (RO3)

Chapter 5 of this thesis examined the role and relevance of leadership and governance attributes among large ARD stakeholders (airports, airlines, state/national DMOs, government). The motivation for this exploratory approach came from the tourism literature, where leadership and governance play an essential role in the stakeholder engagement of small/medium enterprises (SMEs). Studies into regional tourism (Trudeau
Poskas & Messer, 2015; Valente, Dredge & Lohmann, 2015) demonstrated that leadership and governance attributes represent key inhibitors of stakeholder engagement. In the case of regional tourism, DMOs are often considered to be the leading tourism stakeholder, enabling the collaboration of other small tourism operators and enterprises (Valente et al., 2015). While other SMEs stakeholders rely on the DMOs’ leadership, there are multiple leadership attributes and governance dimensions that enable successful stakeholder engagement at the destination level. In Phase 1 of this thesis (Chapter 3), 17 leadership (Valente, Dredge & Lohmann, 2014; Valente et al., 2015; Waligo, Clarke & Hawkins, 2014; Winston & Patterson, 2006) and 19 governance attributes (Beaumont & Dredge, 2010; Ruhanen, Scott, Ritchie & Tkaczynski 2010; Valente et al., 2015) identified from the SME tourism literature were used to understand the role of leadership and governance in the context of ARD. The results of the online survey identified the top five leadership and governance attributes. The detailed distribution of the average scores and respondent profiles presented in Chapter 3, Tables 2 and 3, identified several differences based on the geographical role of the respondents, their roles and affiliations.

Overall, in Chapter 5 the top five leadership attributes crucial for successful ARD were partnership, effective communication, information sharing, trust, and results production. The results obtained differed through the respondent groups. Respondents from North America and Oceania share a similar approach to key leadership attributes such as partnership and information sharing. On the other hand, respondents from Asia considered innovation, coordination and encouragement as the key attributes. Still, due to the small sample size, the generalisation of these results should be taken with caution. When compared to the results of SME tourism studies, ARD stakeholder engagement relies on different leadership attributes. In the case of regional DMOs in Brazil, successful stakeholder engagement is based on the ability to mobilise followers, communicate goals and responsibilities (Valente et al., 2015). This major difference could be a result of the organisational size of the stakeholders involved and their ability to operate individually and in collaboration with other stakeholders. The only shared leadership attribute among SMEs and large stakeholders is results production. Despite the size of the stakeholders involved, the outcome of the collaboration should lead to mutually agreed results.

Regarding the main governance attributes identified in Chapter 5, overall strategic vision, leadership, knowledge-sharing, constructive communication, effectiveness and trust were considered as the top five. Again, as in the case of leadership, there was a
discrepancy among the respondents. This time, the role of respondents showed the most obvious difference, with ARD consultants being the only ones to consider power and participation as the key governance attributes. On the contrary, in the case of tourism SMEs a different set of governance attributes was considered to be the most important - participation, legitimacy, accountability, transparency, efficacy and efficiency (Valente et al., 2015). In a separate study, Islam, Ruhanen and Ritchie (2018) suggested accountability, transparency and participation as the key governance attributes in protected tourism areas. On one hand, from the governance perspective, results indicated that large ARD stakeholders require a set of governance attributes that enables high-level activities such as strategic vision and long-term planning based on trust supported by effective communication and knowledge sharing. On the other hand, due to the scale of their organisations, SMEs' stakeholder engagement relies more on transparent and legitimate collaboration.

The qualitative part of Phase 1 (thematic analysis) attempted to provide more detailed elaboration on why the selected key leadership and governance attributes successfully influence ARD stakeholder engagement. The thematic analysis provided insights into some of the most common ARD partnership patterns (i.e., airport-airline-DMO; airport-local entities; airport-government-DMO and city pair approach). Nevertheless, the thematic analysis provided only brief indications of how identified attributes perform in the examples of successful ARD. The results of Phase 1 demonstrated for the first time that leadership and governance play a significant role in ARD stakeholder engagement. Besides, the findings indicated a crucial difference in key leadership and governance attributes among SMEs and large ARD stakeholders. As suggested in the Conclusion section of Chapter 5, an additional in-depth investigation into how the identified attributes operationalise in the context of ARD is required. This suggestion was followed, and the results are presented in Chapter 6.

Key leadership and governance attributes and its ARD role in Australia (RO4)

While Chapter 5 aimed to explore the role and relevance of leadership and governance in ARD stakeholder engagement, Chapter 6 used the obtained results and
provided an in-depth analysis of the key attributes. The exploratory approach taken in Chapter 3 identified the most relevant attributes in the context of ARD. In continuation, the mostly explanatory approach of Chapter 6 provided an insight into the roles and implementation of the most pertinent attributes in one of the most commercialised aviation markets, Australia. The suitability of Australia as a case study originated from the results of Phase 1 of this thesis. In a few instances, survey respondents in Phase 1 identified Tourism Australia and some of the Australian airports as good examples of successful ARD. In addition, as the candidate is located in Australia and already had some industry contacts, it supported the decision to select Australia for the in-depth analysis of key leadership and governance attributes identified in Phase 1.

The seven key leadership and governance attributes (strategic vision, partnership, leadership, effective/constructive communication, knowledge and information sharing, results production and trust) were the main interview discussion topics with 22 ARD experts. The four stages of ARD proposed by Halpern and Graham (2016) were used as a framework for Chapter 6. The results of this chapter contributed to the body of knowledge by providing details on each of the ARD stages and on the relevant leadership and governance attributes. While there is an overall agreement within the different stakeholder types (i.e., airports, airlines, DMOs and consultants), each of the stakeholder groups had slightly different attribute preferences. Given the limited literature on leadership and governance in the context of ARD, the results of Chapter 6 contributed to the understanding of leadership and governance in the context of large aviation and tourism enterprises. Previously, only a few authors have discussed some of the attributes in the context of air transport/tourism or airport/airline relationships (Koo et al., 2017; Tan, Koo, Duval & Forsyth, 2016).

Strategic vision, as one of the leadership attributes, has been identified as the central attribute in Stage 1 (development of route objectives). The role of strategic vision has been seen as crucial from an airline's perspective, and its lack results in the termination of ARD discussions. Implementation and communication of strategic vision have been found to be the most critical step in the route development stage. Stage 2 of ARD (market research) is dominated by information/knowledge sharing and effective/constructive communication. These two attributes are closely related and, if undertaken properly, would lead to a partnership built on trust. Reliability of shared information and market tailored communication is the most critical step in the market research stage. In Stage 3
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(route development activities) *partnership* represent the most dominant attribute. However, this attribute is of significant importance during all four ARD stages, with the difference that in each of the stages, airports develop strong partnerships with different stakeholders. This result added a new level of knowledge about ARD partnerships. Halpern (2019) suggested the need for close airport and DMO partnership, especially in ARD marketing activities. In addition, the results of Chapter 6 pointed out a few key partnership pairs: an airport-DMO partnership ideally developed in early stages of ARD; an airport-airline partnership fully developed in Stage 3; an airline-DMO partnership developed in the later stages of ARD.

*Trust*, as both a leadership and a governance attribute, plays a vital role in all stages of ARD but comes into full effect in Stage 3 when details of new routes are discussed. To build trust amongst ARD stakeholders, all other six attributes must be fully implemented. Two other attributes that have the most substantial effect on building trust are communication and knowledge sharing, as the success of a future route relies on the reliability of market data. Another attribute present in all four stages is *leadership* (one of the key governance attributes). The results of Chapter 6 indicate that the leadership role must be present and must be performed successfully during all four stages of ARD. Each of the stakeholder groups had a unique perspective on the role of leadership. Still, they agreed that besides strategic vision and partnership, it is the most important element in ARD. Finally, in Stage 4 (route implementation) of ARD *producing results* was seen as the most critical attribute. While airports, airlines and DMOs could have different means of measuring the results of ARD, it is crucial that common ARD goals be set up as part of the ARD discussion.

The results of Chapter 6 also identified a few “missing” leadership and governance attributes that shape ARD in Australia. Regional airports claimed that *power* has an important role when it comes to competing with major city airports that use market power as one of their main attributes. Interestingly, in the existing literature (Tan *et al.*, 2017), power is a governance attribute that has been closely linked with airlines and their decision-making ability. Airline representatives added *risk-sharing* as one of the key ARD attributes. This result adds to the previous study by Tan *et al.* (2017), who found that the asymmetric relationship between airlines and DMOs could be improved by governments entering into a risk-sharing agreement with airlines. The results of Chapter
confirmed that airlines expect to see a willingness to share the risk from both the government (DMO) and the airport.

The specific geographical locations and long distances between the major cities in Australia (Koo et al., 2017) are only some of the factors that influenced the development of unique ARD environment. A highly commercialised aviation market and a light-handed regime (Lohmann & Trischler, 2017) have provided a lot of freedom to Australian airports. Despite the same market environment and private ownership, Australian airports developed specific ARD characteristics and strategies based on their size and level of ARD experience (major city airports, regional airports, emerging airports). The results of Chapter 6 provide a new perspective on how airports of different sizes could prepare for ARD discussions with airlines, and what particular attributes could assist in successful ARD. While, in general, Australian airports have been defined as more aggressive and with a business appetite for establishing new routes when compared to the rest of the world, smaller airports often struggle to perform well in ARD negotiations. Due to the lack of expertise and resources, emerging, and to some extent, regional airports, must prioritise partnerships with DMOs at all stages of ARD. As part of this partnership, they should develop a shared strategic vision and share the leadership role. Strong leadership and information/knowledge sharing are characteristics of major city airports. Still, some major city airports in Australia lack clear strategic vision, or at least communication of it. To my best knowledge, no previous studies have analysed the differences in airport size in the context of ARD, apart from a study by Tsiotas, Niavis and Polyzos (2019) who examined the collaboration dynamics between small airports and the tourism industry in Greece. Thus, the results in Chapter 6 bring new knowledge to the literature on ARD.

Integration of the findings directly related to the four RO objectives of this thesis is further explored and discussed through two lenses – theoretical and practical. The theoretical implications of the results of this thesis and its contribution to the academic knowledge are discussed in Section 7.3, while the practical implications and “take away” guidelines for the industry professionals are discussed in section 7.4.
7.3 Contributions to academic knowledge

This thesis aimed to explore the emerging topic of ARD. One of the major challenges encountered in this study was to find a clear theoretical framework into which the study would fit. Lumsdon and Page (2004) suggested that despite the overlapping worlds of tourism and (air) transport, there has been slow progress in the development of conceptual frameworks and theories; however, a modelling approach has been widely used in this interdisciplinary research field. Due to the highly practical implications of tourism studies, the theory, as used in natural sciences, has often been replaced by a model (a less theoretical approach) in tourism studies (Ritchie, Sheehan & Timur, 2008). As an interdisciplinary stakeholder engagement study, this thesis aimed to provide novel research and a contribution to the extant knowledge by adopting the concepts well explored in tourism SMEs studies and applying it in the context of ARD.

The research method design of this thesis was drawn from the interpretivist/constructivist research paradigm that intends to "understand the world of human experience" (Mertens, 1998), naturally more aimed at providing practical contributions. Similar challenges were encountered by other tourism and air transport researchers. In early tourism studies, the process of identifying a clear research paradigm was not considered to be essential due to its social science perspective (Tribe, Dann & Jamal, 2015). In addition, air transport literature provided even less support in creating an academic contribution to the field, due to the lack of theoretical indications in previously published air transport studies (Kaps & Phillips, 2004). The majority of air transport studies were focused on the professional audience and were aimed at providing practical rather than theoretical contributions (Kaps & Phillips, 2004).

However, the empirical findings linked to the four research objectives of this thesis have provided a number of contributions to academic knowledge. As an emerging topic in the intersection of tourism and air transport, this thesis adopted and explored the well-known concepts of leadership and governance in the context of ARD stakeholder engagement. Both leadership and governance theories have been found to be significant inhibitors of successful stakeholder engagement of tourism SMEs (Beaumont & Dredge, 2010; Valente et al., 2015). Chapter 5 (see Figure 1) proposed a theoretical framework for the analysis of ARD stakeholder engagement process. The results of this chapter indicate the key leadership and governance attributes that significantly influence the
process of ARD. Previous ARD studies (Halpern & Graham, 2015, 2016; Lohmann & Vianna, 2016) did not attempt to analyse the process of ARD from these perspectives. In addition, in Chapter 6, key leadership and governance attributes were further explored in the context of the Australian aviation market. These results present valuable insight into the practical application of each of the seven attributes and their representation over the four stages of ARD. Hristov, Scott and Minocha (2018) suggested the need for a high level of distributed leadership in tourism networks. In the context of ARD, results of Chapter 6 also confirmed the need for shared or distributed leadership that is not concentrated around an individual person. The collaboration of natural competitors (i.e., major airports, the two national airlines) within Team Australia at the international ARD events is a great example of “coopetition” previously discussed only in the context of SMEs (Damayanti, Scott & Ruhanen, 2019).

Chapter 6 used the four-stage ARD model adopted from Halpern and Graham (2016). The results of this chapter contributed to a better understanding of the four ARD stages. Each of the four stages has now been linked to dominant leadership and/or governance attributes. In addition, the results of this chapter offered a different perspective on the ARD stages provided by various stakeholder groups. Airline representatives noted that from the airlines' perspectives, market research stages come before the development of route objectives. Therefore, existing ARD studies that looked at the process only from the airports’ perspectives have been complemented by the addition of the airlines’ perspectives.

This thesis also revealed the two main elements of successful ARD – route profitability and stakeholder engagement. While route profitability was beyond the scope of this thesis, the thesis has contributed to ARD stakeholder engagement. Besides exploring the role of leadership and governance for ARD stakeholder engagement, this thesis also looked into other ARD factors that influence economic development. This research also examined the influence of ARD on transit tourism, as one of the most prominent modes of tourism related to air transport. Chapters 3 and 4 indicated that successful ARD examples could be found in different ownership structures and within airports (and destinations) of different sizes and levels of international popularity.

From the methodological perspective, this thesis provided a unique study of emerging ARD topics by using a mixed method approach to collect and analyse both primary and secondary data. The main advantage of this approach can be seen in
Providing an integrated analysis of both quantifiable data and experts’ personal experiences and interpretation of ARD. Except for the study by Lohmann and Vianna (2016), all other relevant ARD studies used a quantitative methodology to analyse the process of ARD. As ARD stakeholder engagement involves industry professionals, there was a clear need to explore human experiences, to understand their perspectives and to provide their success stories. This has been done through the thematic analysis of qualitative data collected as part of this thesis (Chapters 5 and 6).

7.4 Practical implications

The results of this thesis provide significant contributions for ARD stakeholders and aviation/tourism policymakers. Despite the importance of ARD as one of the key aviation business development activities, formerly professional and academic literature offered only limited resources. One of the main sources which provide professional articles and ARD news is Routes Online, the leading route development platform, educator and event organiser. One of the indicators already published as a result of this thesis (namely Chapter 3) contributed to the professional ARD society. The candidate received an invitation to participate and moderate two sessions at the World Routes Conference in Adelaide in September 2019. The interview showcasing the results of Chapter 5 has been published in Aviation Week/Show News, a magazine distributed to all 3,500 conference participants (see Appendix 8).

Some of the most significant contributions of this thesis can be found in its novel perspective on ARD stakeholder engagement, through the lenses of leadership and governance. Previous ARD academic studies (Halpern & Graham, 2015, 2016; Lohmann & Vianna, 2016) offered a significant practical contribution but only from a general stakeholder engagement perspective and ARD incentive programs (Malina et al., 2012). Even though ARD industry professionals engage with various stakeholders daily, the results showed a lack of awareness about what the attributes (factors) that contribute to the success of engagement are. This thesis explored the role of leadership and governance attributes and provided a list of the most important ones. Also, Chapter 5 provided detailed results about the most important attributes as per different groups. For instance, Chapter 5, Tables 2 and 3, provided the scores of the distribution of the main attributes.
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based on geographical location, business affiliation, and the role and work experience of stakeholders. This information represents a valuable source for any industry professional who prepares for ARD negotiations in a new market, or any professionals without extensive ARD experience. Chapter 5 also provided insights into the main challenges of successful stakeholder engagement from the perspective of airlines, airports, DMOs and consultants. These results offer the opportunity for all ARD stakeholders to get a better understanding of the challenges faced by others. Despite being engaged in the same ARD negotiations, the four major stakeholder groups do not experience the same challenges and obstacles.

Further results of this thesis presented in Chapters 3 and 4 explored the role of other economic factors that influence ARD beyond leadership and governance, and the influence of ARD on transit tourism using the example of the Middle East. Incentives are well known ARD tools used by many airports all over the world. The results showed that regional and secondary airports are more likely to be expected to provide non-financial and cooperative marketing incentives, especially when engaging with full-service carriers. The example of Adelaide Airport and its symbiotic relationship with a state DMO emphasised the need for a close partnership between the local DMO and the airport, particularly in the case of regional airports. In the Middle East, the example of the transformative influence of ARD on transit tourism in destinations such as Dubai, Abu Dhabi, Doha and Istanbul could be used as a case study on strategic planning, innovation and partnership in synchronised destination and ARD.

For ARD stakeholders which operate or plan to operate in Australia, one of the most commercialised aviation markets in the world, this thesis brings a summary of the ARD process and provides a number of resources. The results of Chapter 6 provide an in-depth analysis of the ARD process in Australia and indicate that the airport stakeholder leads ARD discussions, while airline stakeholders make the final decisions due to their financial investment and risk. However, ARD influencers, namely DMOs and consultants, are in a strong position to support the airport's business case, either through market data or "know-how". The proposed role of leadership and governance attributes in the four stages of ARD can be used as a framework for the ARD planning process, not only in Australia but in other parts of the world. The results of this thesis confirm the critical role of a tourism stakeholder in ARD. Alongside the airline, as the key airport ARD stakeholder, DMO represents a partner that can be relied on throughout all four
stages of ARD. In some Australian airports, airport managers and DMOs have ongoing partnerships that go beyond ARD. Tourism Australia, the national DMO, has been recognised as one of the best engagement examples between the tourism and air transport sectors. The results of Chapter 6 reveal details of this success, including strategic vision and strategic planning, as well as timely communication of the vision with other stakeholders, primarily airports.

In a liberalised and commercialised aviation environment such as Australia, the majority of airports are privatised or at least managed by private companies. Despite the same ownership type, the results of this thesis showed that airport size matters when it comes to ARD stakeholder engagement. This thesis provides multiple perspectives on airport size, but the airlines' perspective revealed the most valuable details. In general, both domestic and international airlines considered Australian airports to be aggressive and proactive compared to other markets. However, airport size plays a vital role in an airport's ARD approach. Major city airports already have an international reputation, and thus it is easier for them to attract new airlines. For regional and emerging airports, partnerships and reliance on tourism stakeholders impact their success. Industry professionals and government representatives could use the results of this thesis to reassess their current strategic plans, especially taking into consideration the current situation caused by the COVID-19 lockdown. A strong and planned partnership between airports and DMOs will be required as part of the recovery phase.

While most of these implications apply in the case of Australia, and potentially in similar commercialised markets (i.e., New Zealand) they should be taken into consideration when applied to other parts of the world which have different aviation environments. Still, one of the main ARD activities confirmed in this thesis as being crucial is equally important for all ARD stakeholders, despite their geographical location. Routes Conferences and similar events have been confirmed as "must do" activities, no matter the airport size and level of ARD experience. These events provide a unique opportunity to showcase the potential of the airport and region, to get to know potential partners, and also other competitors (other airports). Despite their rivalry, Australian airports led by Tourism Australia attend these events as "Team Australia" and primarily represent the destination. This example of strategic planning and partnership could be used by other destinations aiming to develop their tourism brand.
7.5 Limitations and directions for future research

Some limitations of this study need to be recognised. Firstly, the study used a mixed-method approach to collect primary data and used a two-phase research design. The research design initially chosen was for the first phase of data collection (online survey) to identify the case studies (successful examples of ARD) used in the second phase (in-depth interviews). There was an expectation that ARD experts would identify a few very well-known examples of successful ARD. This design had to be changed as the results demonstrated that ARD success is particular to the case context and aviation environment. As a result, additional steps and the inclusion of secondary data (see Chapter 4) was used to address the research objectives. The change in research design was also influenced by the lack of access to primary data about the Middle East. Despite numerous attempts, none of the Middle Eastern airports or airlines accepted the invitation to be part of this study, due to internal rules and confidentiality policies within their organisations.

Second, generally this study was limited by the researcher’s inability to access ARD experts from all parts of the world. This study aimed to present global views on ARD across the different levels of privatisation and liberalisation in the aviation environment. However, a number of language and cultural barriers were experienced. During Phase 1 of data collection (Chapter 3), LinkedIn was used to identify and contact relevant ARD experts. This method worked well for Anglo-Saxon countries, Europe and Latin America, it was not suitable for most Asian countries. In particular, LinkedIn, as a business social network, is not used widely in China. Where LinkedIn was used by someone in China, due to the candidate’s inability to write and read in Chinese, the candidate was unable to identify key people as their names were written in Chinese. In Australia, the candidate was unable to access some of the major airports and one of the state DMOs while undertaking this study. While this lack of access did not impact the data collection process, further studies in this area should carefully plan its research design, as industry professionals often do not see the value of dedicating their time to participate in academic studies.

Third, the results of Chapter 6, which evaluated the role and importance of leadership and governance in Australia could be generalised to other aviation markets with similar characteristics. Some of these characteristics include the level of market liberalisation, airport and airline ownership structures, and level of collaboration between the aviation
and tourism stakeholders. Chapter 6 used a qualitative approach to collect and analyse data. While these results could be used as lessons on ARD stakeholder engagement in Australia and similar aviation environments, they might be difficult to apply to aviation markets which have significantly different characteristics. Still, some of the results indicated in Chapter 6 apply to most airports around the world – i.e., the importance of stakeholder engagement and the role of leadership and governance for the successful ARD. Finally, all data used in this thesis were collected between 2016 and 2019. Thus, it precedes the disruption caused by COVID-19 in March 2020 and beyond.

The results of this thesis and its limitations suggest directions for future research. Stakeholder engagement in ARD has been explored through the lenses of leadership and governance. ARD is complex aviation business development process and could also be studied from other perspectives. Route profitability, finance and incentives are under-explored academic areas and also have a high level of interest among industry professionals. Future ARD studies could draw on the results of this thesis and explore stakeholder perceptions of ‘value for money’ in ARD. It is known that airlines, as key decision-makers, must make risky moves and invest their assets in route development. A route evaluation model that enables stakeholders to prepare for ARD negotiations and proposes risk-sharing options could significantly improve the process of ARD and reduce the time spent in negotiations. This thesis focused on the successful examples of ARD aiming to understand how leadership and governance attributes articulated in those successful cases. Albeit, there is a future scope to study the unsuccessful routes (those that existed but have been ceased) and those that never start to operate. Studying leadership and governance in the context of ARD from a different perspective might identify more relevant attributes, such as power and trust.

In addition, it would be beneficial to examine key leadership and governance attributes identified in this thesis through similar research in other aviation environments. It would be useful to compare the results in privatised and commercialised airport environments (as in this thesis) with those for predominantly government-owned or non-for-profit airports in other parts of the world. Such a study may confirm the role and importance of leadership and governance in ARD and enable the development of new, widely applicable and generalisable research models.

Chapter 3 explored the role of ARD in transit tourism development through the use of secondary data, and there are some future research opportunities in this area. Research
on the impacts of ARD activity on other tourism stakeholders (i.e., hotel and restaurant associations, congress bureaus, etc.) would inform the interface between ARD and tourism. Another important topic is the sustainable development of both tourism destinations and new routes, especially considering the climate change movement and carbon reduction targets. The development of new routes will have significant implications of further development of electric aircraft. Less carbon production per flight could assist with concerns of further route development.

Finally, both tourism and the air transport industries have experienced major disruptions caused by COVID-19. As a result a number of new strategies will be required in forthcoming years. For instance, majority of the air routes have been disrupted, as well as the traditional face-to-face ARD meeting. Further research is likely to explore the effects and efficiency of the online business environment where major event like Routes been cancelled or moved online. While this thesis confirmed the symbiotic relationship between tourism and air transport stakeholders, during the COVID-19 recovery period, all stakeholders will have to adapt the way they operate. Airports, airlines and DMOs would need to broaden their collaboration and consider new health travel measures and its impact on ARD. The results of this thesis could be used as a foundation to identify new ARD challenges caused by disruption and develop a post-COVID-19 ARD model.
7.6 References


Appendices

Appendix 1 – Aviation and Tourism (Book chapter)
Aviation and Tourism

Bojana Spasojevic and Gui Lohmann

INTRODUCTION

Air transport and tourism are highly connected and, in many cases, overlap. Numerous studies demonstrate that air transport has an important influence on a destination’s economy, including tourism. Bieger and Wittmer (2006) argue that tourism is a driving factor and stimulator of change in air transport and that air transport influences tourism by opening new destinations, therefore contributing to an increase in long-haul travel. Duval (2013: 495) presents three themes which support the argument that there is a relationship between air transport and tourism: ‘(1) the economic regulation of international commercial air transport; (2) the relationship between destinations, connectivity and airline business models; and (3) the relationship between aviation-related emissions and climate policies’.

This chapter is a continuation of the study undertaken by Spasojevic, Lohmann and Scott (2018) who published a systematic literature review (SLR) on Aviation and Tourism. In their study, an analysis of relevant articles from 54 ABDC (Australian Business Deans Council) journals ranked A*, A or B, published in the period 2000–14 were carried out to identify trends and research themes, leading researchers, their institutions and geographical locations. A total of 157 journal articles were identified as having a thematic approach relevant to the aviation and tourism interface. From an inductive approach using Leximancer software, seven themes have emerged, i.e. airports, alliances, airlines, management, aviation markets (demand/passengers), sustainable development/environmental issues and tourism destinations. Those themes were complemented by six others which were identified in a publication reviewing the literature on air transport (Ginieis et al., 2012), i.e. costs, regulation, safety, finances, models and networks. The thematic analytical framework used in this chapter is presented at Table 19.1.
Table 19.1  Themes and associated references on aviation and tourism published between 2000 and 2014 (n = 157)

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METHODOLOGY AND THEMATIC ANALYSIS

A two-stage approach for the sampling of ‘air transport’ and ‘tourism’ journal articles was undertaken. In the first stage, articles were selected based on the keywords ‘tourism’, ‘tourist’, ‘airline’, ‘aviation’, ‘air transport’ and ‘air transportation’. The purpose was to develop a broad understanding on how ‘air transport’ and ‘tourism’ interface has progressed. In the second stage, only journal articles where ‘air transport’ and ‘tourism’ keywords were closely related were selected and analysed (for more details see Spasojevic et al. (2018)).

A thematic analysis of 157 articles representing the literature body of tourism and air transport was undertaken. Describing the predominant research themes and topics within the selected articles is an important objective of any literature review paper (Zhong et al., 2015). The identification of research topics of the selected articles was conducted through a content analysis of their abstracts. According to Fereday and Muir-Cochrane (2006), thematic analysis is a search for themes through a process of theme identification by careful reading and re-reading of the data (Rice and Ezzy, 1999: 258 cited in Fereday and Muir-Cochrane, 2006). For the purpose of this study, both inductive and deductive analysis approaches were used.

From a deductive approach, the structure provided by Ginieis et al. (2012) was considered appropriate as it identified main themes in the air transport body of work between 1997 and 2009. These authors identified eleven themes used as an initial deductive analytical framework:

- airports: including airport infrastructure, airport taxes and different case studies;
- alliances: agreements among various airlines;
- costs: air transportation costs;
- environment: covering issues such as CO2 and fuel emissions, sustainable development;
- finances: the capital structures of airlines, profitability, productivity and efficiency;
- management: air transport management, notably airline crews, industrial policies and flight scheduling;
- modelling: referring to models, algorithms and mathematical formulas for calculating different variables related to air transport;
- networks: air routes and airspace configuration;
- passengers: passenger demand, pricing and ticketing;
- regulation: air transport deregulation, privatizations and transport regulatory reforms;
- safety: passengers’ health and safety, travel-related diseases and aviation accidents.

An inductive approach was also applied (Goddard and Melville, 2004) using Leximancer software. Leximancer differs from other content analysis software (e.g. NVivo, Atlas.ti, CATPAC) as it does not apply word frequency or coding of terms and phrases. Leximancer extracts the central concepts and ideas (Tseng et al., 2015) and uses a quantitative method to conduct qualitative analysis by using different algorithms for four stages of data analysis. Leximancer has been used by psychologists to study human language, in qualitative health research and in undertaking literature reviews (Tseng et al., 2015). Leximancer was also applied in tourism and hospitality research to identify changing the image of an event in newspaper reports (Scott and Smith, 2005), and to analyse travel blogs as a destination image formation agent (Tseng et al., 2015). Leximancer analysis of our sample of 157 journal articles identified a total of seven themes (see Figure 19.1):

1. Aviation market: costs, carriers and charter services, regional routes;
2. Airports: capacity, carrier services, network, passengers satisfaction;
3. Sustainable development: climate changes, emissions, tourism policies, aviation policies;
4. Airlines: markets, low-cost services, passengers;
5. Alliances: safety regulations, marketing;
6. Management: information models, research, crews;
7. Tourism destinations: air transport and tourism case studies.

Even though deductive and inductive approaches used different techniques, some of the identified themes are very similar in
both approaches, including airports; alliances; management; and environment/sustainable development. Also, two new inductive themes emerged; i.e. airlines; tourism destinations. In total, 12 different themes were considered in analysing the 157 selected articles.

### Figure 19.1 Thematic map of air transport and tourism research in the period 2000–14

*Source: Spasojevic et al. (2018)*

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**Progress of Air Transport and Tourism Research Themes**

Using the same database, research approach (meta-analysis, narrative method, and SLR) and analytical structure proposed by Spasojevic et al. (2018), this chapter takes an
epistemological approach, by analysing how knowledge about the aviation and tourism interrelationship has evolved throughout the years. The time frame of the study covers the years 2000–14, with three separate periods of five years considered: 2000–4; 2005–9; 2010–14. These three periods were chosen due to the growth in publications identified at Figure 19.2, which shows a flat trend in the first five years (2000–4), with the number of journal articles in 2000 being 3 and the period finishing with 7 publications in 2004 (an average of 5.8 publications in this period). Between 2005 and 2009, a clear change was identified with stable growth being achieved to 12 publications in 2009, with an average of 9.2 publications in this period. Since 2010 a steady and continuous growth is evident, with the period ending with 21 publications in 2014, an average of 16.4 publications per year in this final period. There was a constant growth of published journal articles in the three examined periods 2000–4 (29 publications); 2005–9 (46 publications); and 2010–14 (82 publications). Over the 15-year period, the yearly number of publications has increased sevenfold, from three in 2001, to 21 in 2014.

Figure 19.3 shows the contribution of the various themes presented in Table 19.1 throughout the three periods of time adopted for the epistemological analysis presented in this chapter.

Even though a 15-year period is relatively short for significant changes in any field of research, Figure 19.3 clearly suggests that some changes have occurred in terms of the themes published in air transport and tourism research. The results presented in Figure 19.3 can be analysed both in terms of the contribution of each theme within a certain period of time, or in terms of the evolution of themes throughout the various periods of time. For the purpose of this chapter we will analyse both approaches in the following sections.

**EPISTEMOLOGICAL ANALYSIS IN THE PERIOD 2000–14**

Parallel with the growth in the total number of publications related to air transport and tourism, particular themes grew along the
Figure 19.3  Evolution of air transport and tourism research themes publications

Note: Figure presents 145 articles, since the theme of 12 articles was classified as 'other', and thus excluded from the further analysis.
period analysed. For example, while some themes were represented across all three periods, others are evident in one or two periods only. The following sections analyse the evolution of themes through the three considered periods. Since certain themes have shown significant changes and growth, a more detailed analysis will be carried out in the section ‘Thematic Analysis’ by considering a content analysis of the abstracts of the sample of publication. This analysis will include all themes with more than ten publications during the 15-year period, since this number of articles is considered as the minimum for any significant content and thematic analysis.

‘Not Quite My Tempo’ Years: 2000–4

During the first examined period (2000–4), out of 26 publications, the airlines theme was the most represented (23.1%), followed by alliances (15.4%) and airports (11.5%). Other themes like environment, management, safety, regulations, tourism destinations and passengers were equally represented 7.7% (two publications each). The least represented theme during this period was networks with only one publication (3.8% of the total).

Safety, as one of the themes represented only in the first two periods, will be analysed in this section, since the highest number of publications was published in this period. The number of researchers interested in this topic increased after the 9/11 terrorist attack in the United States. This unforeseen event raised the questions of air travel safety and its consequences for tourism. Between 2005 and 2009, the interest in this topic has decreased as the novelty of the strategic proposition of airline alliances has faded.

The ‘Dragging Period’: 2005–9

During the second examined period (2005–9), the number of air transport and tourism publications has almost doubled. Out of 44 publications, the leading theme was environment (38.6%), followed by airlines (13.6%) and tourism destinations (11.4%). The least represented themes within this period were safety, alliances and airports, each with 2.3% (one publication). The main characteristic of this period is the decrease of certain themes about safety and air travel associated with tourism.

Another ‘hot topic’ from the beginning of the twenty-first century is airline alliances. This theme represented 15.4% of the publications (four publications) during the first examined period, while later on its representativeness dropped to 2.3% (one publication) between 2005 and 2009, and had slightly increased to 4% (three publications) between 2010 and 2014. The high interest of researchers in the early 2000s, in terms of the importance, performance and effects of three main airline alliances (i.e. Oneworld, Star Alliance and Skyteam) created in the late 1990s and early 2000s, resulted in a relatively high number of publications in the early stage of the examined time frame. In the subsequent years, the interest in this topic has decreased as the novelty of the strategic proposition of airline alliances has faded.
AVIATION AND TOURISM

(i.e. airports, alliances, safety), which were discussed in the previous section, and the progress of other themes led by environment.

One of the themes identified only in this particular period is models, represented by two publications (4.5%). The sporadic representation of this theme could be understood as an attempt by researchers to include tourism in mostly air transport modelling research.

‘Rushing’ Times: 2010–14

During the 2010–14 period, the number of air transport and tourism publications has continued to grow, reaching 75 journal articles. As per the case of the previous period, environment kept the leading position. Even though proportionally the importance of this theme has decreased to 24%, the absolute number of publications remained almost the same (17 in 2005–9 and 18 in 2010–14). The highest growth regarding the number of publications is found within the passengers, tourism destinations and management themes, respectively accounting for 18.7%, 13.3% and 10.7% of the total sample. Some of the themes, like airlines (six publications per period) have kept their continuity in number of publications, despite the percentual decrease during the three periods when compared with total number of publications.

For the networks theme, this period was the most successful, with four publications identified (5.3% of the total number of publications). As Middle East airlines such as Emirates, Etihad Airways and Qatar Airways continue to expand their networks as global carriers, academics became interested in analysing this aspect of air transport networks, particularly its impacts on tourism destinations.

The theme associated with costs, similarly to previously discussed models, showed its sporadic representation only within this period. The rationale for this could be found in researchers’ attempt to explore the effects of the 2008 Global Financial Crisis (GFC) on air transport and tourism, particularly from the perspective of cost reduction and the number of mergers exercises undertaken by the airlines.

THEMATIC ANALYSIS

The evolution of air transport and tourism literature can be better understood and presented through the thematic analysis of the six most prominent themes identified among the sample of publications analysed in this chapter. This section addresses the development of topics published during the three periods. The proposed framework for the analysis of the chosen themes includes a content analysis of the keywords listed in each published journal article. All keywords that had less than three occurrences were excluded so the analysis could be done to the more preponderant topics. Also, keywords like aviation, air transport, transport, and air travel were excluded, since all articles selected for this research are related to air transport and such keywords do not provide any meaningful context for the purpose of the analysis provided here. Table 19.2 lists the most common keywords (with three or more occurrences) for the six themes identified for further analysis.

Regulation

The theme regulation has consistently kept the number of publications along the three periods of time, with slight increase during the last examined period, with two, three and seven publications, respectively. Regulation as a theme mostly addresses the topics of aviation policies and its impact on tourism development; deregulation and its impact on tourism; and the ownership structures of airports and airlines. The keywords identified for this theme show that during the first two periods, topics within this theme were very dispersed, while during the last examined period, research is mostly steered towards tourism...
traffic. The impact of new air policies on incoming tourism traffic is the main topic within this stream of research (Warnock-Smith and O’Connell, 2011; Zhang and Findlay, 2014). The issues around differences in airport ownership structures and its influence on air transport policies discussed in those papers are still, so-called, ‘hot topics’ both within industry and researchers, and our prediction is that this theme will continue to grow in the future.

**Airlines**

The *airlines* theme was the most prominent theme at the beginning of the twenty-first century, with 23.1% of the total number of publications. During the two following periods, the total share of the *airlines* theme started to slightly decrease; to 13.6% during the second period and finally to 8% during the third examined period. Even though there is an evident decline in the participation of this theme across the three periods, the actual number of publications remains the same (six publications per period). The related content of the *airlines* theme is inconsistent, making it difficult to undertake a proper thematic analysis. Researchers interested in this theme explored different airline-related topics, including air traffic analysis and its implications to airline efficiency and productivity; airline strategies and its impact on tourism development; and operation issues related to low cost carriers (LCCs). Only in the second period (2005–9) was a more consistent approach identified, exploring the direct inter-relationship between airlines and tourism. The research on air transport leisure traffic and tourism demand (Graham, 2006) and the identification of the most appropriate airline business model for leisure travel (Papatheodorou and Lei, 2006) clearly identifies the strong connection between those two industries.

**Management**

The *management* theme has presented slow but constant growth during the three examined periods, two, three and eight publications,
respectively. The content of this theme covers a wide range of management-related research, such as human resources, effectiveness of employees, cabin crew trainings and its influence on airline quality service. During the first two periods (2000–4 and 2005–9), the management theme was mostly inconsistent, while during the last examined period the most frequent keywords – airline industry; job; corporate responsibility – indicate more cohesive research topics. Two major topics are being identified during this period. The first topic is associated with the job keyword and is related to the various journal articles published by Kim and Park, 2013; Limpanitgul et al., 2013; Lin et al., 2013; and Chen and Chen, 2014. The main common goal of all mentioned publications is to create quality training for airline employees to bring both quality service and employee satisfaction. Another emerging research topic within the management theme is related to corporate social responsibility (CSR) of airlines, where the main interest (Fenclova and Coles, 2011; Coles et al., 2013) is associated with the need for tourism and airline industry partnership and share of responsibility.

Passengers

The passengers theme is one that did not attract high interest among researchers during the first two periods (two and three publications, respectively). The high increase of interest for this theme (18.7% or 14 publications) in the period 2010–14 shows the importance of this topic both for industry and researchers in recent years. The most frequent keywords show that a vast number of publications in this theme are oriented towards LCCs’ passengers and their characteristics (Ahn and Lee, 2011; Casey, 2010; Han, 2013; Han and Hwang, 2014; Han et al., 2014; Martínez-Garcia and Royo-Vela, 2010). The behavioural studies, conducted to explore passengers’ characteristics and preferences, have great importance for both tourism and airline industry. Tourism development of many destinations, including remote islands, and less travelled tourism destinations is highly dependent on LCCs and knowing the characteristics of their passengers is crucial for creating competitive tourism products.

Tourism Destinations

Tourism destinations is a central theme in air transport and tourism-related research with a focus on issues facing international commercial air transport and their implications for global tourist flows (Duval, 2013). This theme has shown a constant progress during the 15-year period analysed, with two, five and ten publications, respectively. The general focus of this theme is on airline industry impact on tourism destination development. However, additional key analysis has identified emerging subtopics within this theme. For example, between 2005 and 2014, LCCs became a common keyword for a growing number of publications. In the period 2005–9, three out of five publications were related to LCCs, and seven out of ten publications between 2010 and 2014. The main aim of the identified articles is to point out the LCCs’ positive impact on tourism destinations (Graham and Dennis, 2010; Lian and Denstadli, 2010; Rey et al., 2011; Smith, 2009; Whyte and Prideaux, 2008). In numerous cases, including Norway (Lian and Denstadli, 2010), Australia (Whyte and Prideaux, 2008), Malta (Graham and Dennis, 2010), and Spain (Ferrer-Rosell et al., 2014; Rey et al., 2011), with researchers having verified LCCs’ positive influence on regional tourism destinations, length of stay, increase in tourism demand etc. Furthermore, the above-mentioned publications have opened new potential research topics related to destination marketing organizations (DMOs), LCCs and government partnership, with the aim of adopting common business strategies. According to this analysis, it is expected that the topic of LCCs and tourism destination development will continue to be important in future research.
**Environment**

The *environment* theme is the most published theme during the 15-year examined period (23% of the overall number of publications). Even though this theme has attracted the attention of a large number of researchers, our analysis has found uneven development of the theme during the three periods. At the beginning of the twenty-first century, the *environment* theme did not attract a high number of researchers (two publications between 2000 and 2004). On the other hand, rapid progress of this theme occurred after 2005 (17 publications between 2005 and 2009 and 18 between 2010 and 2014). None of the other identified themes had such a rapid growth between the three examined periods. Additional keyword analysis was conducted in order to investigate the reasons for such an intensive growth of publications.

One of the triggers for large research in this area was the implementation of the Kyoto Protocol in 2005, with the aim to fight global warming by reducing greenhouse gas concentrations in the atmosphere. The reduction of greenhouse gas emissions and implementation of possible aviation policies became an important research topic (Dubois and Ceron, 2006; Lynes and Dredge, 2006; Gössling et al., 2007; Gössling and Hall, 2008). Even though the *environment* theme contains the largest number of publications, the level of topic consistency is higher when compared to other themes. The keyword analysis has identified the most common keywords as carbon emission; environmental footprint; climate change; sustainable tourism; climate policy, but all of them are implicated to the very similar research content. The research body within this theme is pointing out the importance of awareness of climate change, from both the perspective of the supply and demand sides of the air transport and tourism (Gössling, 2009; Gössling and Peeters, 2007), as well as an analysis of tourists’ behaviour and willingness to support sustainable air travel and tourism (Becken, 2007; Dodds et al., 2008; Kroesen, 2012). Another reason for uniformity of research topics can be attributed to the fact that the majority of articles were published by the two most prominent authors in this period, i.e. Gössling and Peeters (eight publications each) (Spasojevic et al., 2018). Overall, the *environment* theme has dealt with some of the very important industry problems, such as carbon offsetting, environmental footprint, climate change, and based on this, the audience will be able to read more academic articles dealing with these topics in the future.

**DISCUSSION AND CONCLUSION**

This chapter has provided a continuation of literature review study on air transport and tourism journal articles published between 2000 and 2014 (Spasojevic et al., 2018). The growing interest of academics in this topic is demonstrated by the increase in the number of publications (from three in 2001 to 21 in 2014, Figure 19.2). This trend suggests the existence of an emerging interdisciplinary research area at the intersection of air transport and tourism. Furthermore, detailed analysis of three sub-periods analysed (2000–4; 2005–9 and 2010–14) has shown the significant progress of particular themes.

The importance of certain themes has evolved and changed, as academics tend to be interested in answering current and timely topics associated with specific needs and trends from the aviation–tourism inter-relationship. For example, at the beginning of the twenty-first century, the establishment of three world major airline alliances (i.e. Oneworld, Star Alliance and SkyTeam) attracted the high attention of academics. Later, during the two remaining periods, this topic lost priority; likewise, airline alliances were no longer a business novelty. Similarly, the theme of safety was an important research topic for a few years following the 9/11 terrorism attacks, and the environment theme
grew in popularity after the implementation of the Kyoto Protocol in 2005. These examples emphasize the fact that academics, in most cases, react to report on current and timely issues. In many aspects, this can be expected, particularly in such an applied research topic like aviation and tourism.

Moving forward, the importance of academic research for the aviation and tourism industries suggests future research should not only report the current trends but also predict the new ones. Through a keywords analysis of the identified themes, this study has revealed one of the common topics for airlines, passengers and tourism destination themes: LCCs and their specific business model had a strong influence on both airline and tourism industry. Furthermore, LCCs have created a specific niche of airline passengers and tourists, with different needs and expectations when compared with full fare carriers. Thus, this emerging topic is opening many new research questions for aviation and tourism academics.

Like other studies, this research has limitations that should be recognized. First, relevant academic journals outside the ABDC list were not taken into consideration. The ABDC list includes 39 A*, A and B ranked tourism journals, and 35 transport-related journals (ABDC Journal Quality List, 2013). To address this issue, an additional check was conducted using Google Scholar and Thomson Reuters Social Science Citation Index, which did not lead to any other relevant tourism and transport journal being identified. A second limitation is that only journals published in English were examined. Even though we are aware that significant aviation and tourism research might have been published in other languages, the leading journals in transport and tourism fields are mainly published in English, and thus this chapter has included most of the high ranked publications in its research scope. The third limitation can also be interpreted as a direction for further studies in this area. This research includes only aviation and tourism articles published between 2000 and 2014. More recent publications are not listed. The further studies in this area could follow the same research approach to compare the progress of the aviation and tourism research field.

According to the results of this study, current aviation and tourism research is dedicated to the topics of the environment (climate change and sustainable tourism and air transport), passengers (behavioural studies and LCCs’ passengers), and tourism destinations (LCCs and tourism development). One of the areas that require more attention is LCCs and its impact on tourism development.

Furthermore, a problem of different regulations within the various airport and airline ownership structures, which is strongly influencing successful business cooperation, could be overcome through new stakeholder engagement studies. Notably on the example of air route development, where aviation, tourism and government stakeholders work closely together, additional future studies could explain what creates mutual success and benefits for aviation and tourism industries and how leadership and governance structures impact on the business arrangements made to develop and sustain air services.

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Journal of Transport Geography, 41(0), 37–44. doi:http://dx.doi.org/10.1016/j.jtrangeo.2014.08.007
Appendix 2 – Stakeholder engagement in the development of international air service: A case study on Adelaide Airport

Published version of this article could be found at https://doi.org/10.1016/j.jairtraman.2018.06.006

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Appendix 3 – Online survey; questions and Information sheet

This research is interested in the topic of air route/service development and stakeholder engagement. Hence, we are asking stakeholders with experience in this process to help us answer a short questionnaire.

**This questionnaire should take up to 10 minutes to complete and will focus on the following topics:**

a) Identify successful air route/service development examples due to a proper stakeholder engagement;

b) Describe the process of air route/service development;

c) Identify the leading stakeholders in the process of air route/service development;

d) Rank the importance of ‘leadership attributes’ and ‘good governance dimensions’ for the air route/service development process.

If you feel unsure about how to answer a particular question, please, check the help/hint section presented after each question.

Dear participant,

Thank you for taking the time to fill out this survey. Your contribution is very much appreciated.

This research is conducted as a part of Doctoral Degree at Griffith University. The results of this research will be public available in the format of academic publications and PhD Thesis.

Possible risks and discomforts for the participant are very low. There are no questions or activities that are considered to threaten the wellbeing of any research participant.

All data obtained from the survey will be handled strictly confidential and in a depersonalized manner. This means that all data collected for the purpose of this study will not be identifiable. Therefore, none of the information provided will be directly attributed to an individual or higher organisation. The research material will be held confidentially stored in a password protected computer folder at Griffith University, for up to five years.

Your participation in this research is voluntary. Also, during the survey you are free to withdraw from the study at any time.

If you have any additional or specific questions in regards to this research project, please feel free to contact AProf Gui Lohmann via g.lohmann@griffith.edu.au or +61(7) 3735 4058, or Bojana Spasojevic Jovanovic via bojana.spasojevicj@adps@griffith.edu.au or +61 424 219 627.

This research is conducted through Griffith University and in accordance with the National Statement on Ethical Conduct in Human Research. If you have any concerns or complaints about the ethical conduct of the research project, please feel free to contact the Manager, Research Ethics via research-ethics@griffith.edu.au or +61(7) 3735 4375.

**GU Reference number 2016/400**

There are 11 questions in this survey

**Introduction**

For the purpose of this study, you need to consider your CURRENT role.

1

**What is the name of your organisation?**

Please write your answer here:

We are interested to know what organisation you work for.

2
Overall, what is your role in the process of establishing air route/service development?
Please write your answer here:

We are interested to know your position within your organisation.

3
How many years of work experience do you have in developing air routes/services?
Please choose at most 1 answers:

- Less than 1 year
- 1 - 2 years
- 3 - 5 years
- 6 - 9 years
- More than 10 years

We are interested to know the overall number of years you have working in establishing air route/service development.

4
As part of your role in developing air routes/services, tell us what airport is the most important one for your work/organisation.
Please write your answer here:

If you work for an airport, state the airport you work for. If you work for an airline, state the name of the main airport you try to develop air routes/services from. If you work for any other organisation, state the main airport for your organisation/company.
Section 1

Successful air route/service development case study based on stakeholder engagement

1

Please, identify ONE airport/destination in the world which you consider as a successful case study of air route/service development.

Please write your answer here:

You can identify any airport/destination in the world (including your own) as a leading example of successfully securing air route/service. In answering this question, please take into consideration the ability to achieve success based on the engagement among various stakeholders (e.g. airport operators, airlines, tourism organisations, government departments, etc.).

2

Considering the above case study you have identified, please state how leadership, governance structure, and stakeholder engagement might have contributed to the success of this airport/destination regarding air route/service development.

Please write your answer here:

Please discuss one or more of these three aspects: leadership, governance structure, and stakeholder engagement. Please provide as much detailed information as possible so we can understand how they have contributed to the success of the air route/service development.
Section 2

The air route/service development process

1

In the example you have identified before, were there any challenges you are aware of that impacted stakeholder engagement during the process of air route/service development?

Please, explain briefly.

Please write your answer here:
Section 3
The leading stakeholder

1
From the list of possible stakeholders, please, rank three stakeholders who initiated the air route/service development process in the example you have identified earlier.

Please number each box in order of preference from 1 to 7

☐ Airport
☐ Airline
☐ Tourism authority
☐ Regional development agency
☐ Consultancy
☐ Municipal/regional/national government
☐ Other

Please, choose the three most important stakeholders.

2
If you have answered "OTHER" in the previous question, please, name the additional stakeholder.

Please write your answer here: 
Section 4

Thinking about the case of the airport/destination you have identified above, rank the importance of *leadership attributes* and *good governance dimensions* to achieve successful air route/service development. Please identify up to five attributes/dimensions that you believe are the most important ones.

1 Organisational leadership attributes

Please number each box in order of preference from 1 to 17:

- Accessibility
- Articulation of roles and responsibilities
- Clarity
- Coordination
- Creativity
- Effective communication
- Encouragement
- Flexibility
- Followers mobilisation
- Information sharing
- Innovation
- Partnership
- Problem-solving
- Resilience
- Results production
- Takes risks
- Trust
2

Good governance dimensions

Please number each box in order of preference from 1 to 19

- Accountability
- Constructive communication
- Effectiveness
- Equity
- Interdependence
- Involvement
- Knowledge-sharing
- Leadership
- Legitimacy
- Participation
- Performance
- Power
- Responsiveness
- Rules of laws
- Shareholder rights
- Strategic vision
- Structure
- Transparency
- Trust
Thank you for your participation in this survey.

If you would like to receive the results of this survey, please provide your email address visiting the following URL link. We will not match the responses provided here to you. The email address will be extracted only for the purpose of sending the results of the survey.

01.01.1970 – 10:00

Submit your survey.
Thank you for completing this survey.
Appendix 4 - Interview questions

Part 1 - Successful air route development examples in the last five years

<table>
<thead>
<tr>
<th>Q 1.1. Please, list the three most successful route developments in which you were involved in the last five years.</th>
<th>Q 1.2. Who were the main stakeholders involved in this route development?</th>
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<tbody>
<tr>
<td>Route 1</td>
<td>1.</td>
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<td>2.</td>
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<td>3.</td>
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<td>4.</td>
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<td>5.</td>
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<tr>
<td>Route 2</td>
<td>1.</td>
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<td>2.</td>
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<td>5.</td>
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<td>Route 3</td>
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<td>4.</td>
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</tbody>
</table>
Leadership and Governance in Air Route Development - Interview Questions

Dear participant,

Thank you very much for supporting this research project. This interview consists of three parts.
I highly appreciate your time and shared information.

(Handle first survey with routes)

(This is to be asked and recorded)

Q 1.3. Overall, who tends to be the leading stakeholder in the air route development process?

Q 1.4. In what level your organisation was included in the decision-making process?

Q 1.5. In what level airport/airline/DMO was included in the decision-making process?
Part 2 – Importance of leadership governance attributes for successful stakeholder engagement in air route development process

Q 2.1. In a first phase of this research the following leadership and good governance attributes were identified as the most important for successful stakeholder engagement in the process of air route development.

1. **Partnership** - symbiotic relationship between involved stakeholders
2. **Effective/constructive communication** - business-to-business communication processes and market presence.
3. **Information/knowledge sharing** - sharing the actual market demand data with other stakeholders and building a business case
4. **Producing results** - anticipated outcomes of air route development, including job creation, tourism growth, and increases in revenue.
5. **Trust** - necessity of a risk-sharing deal between stakeholders.
6. **Strategic vision** - clear air route development and tourism strategic planning and vision.
7. **Leadership** - strong leader and its characteristics both on the CEO and organisation level.

In what phase of air route development would you place each of the attributes?

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Stage 1 - Development of route objectives</th>
<th>Stage 2 - Market research</th>
<th>Stage 3 - Route development activities</th>
<th>Stage 4 - Route implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership</td>
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<td>Effective/constructive communication</td>
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### Strategic Vision

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### Leadership

|   |   |   |   |
Q 2.2. Please, provide the example for each attribute in the three previously identified routes. What was the role of the attribute? How it was implemented?

Q 2.3. If you disagree with the importance of above listed attributes, can you explain the reasons for your disagreement?

Q 2.4. Is there anything else you would like to share with us regards leadership and good governance in the process of air route development?
Part 3 - Case study background and your main stakeholders

Q 3.1. Would you be able to share any additional data/information about the discussed routes (reports, articles)?

Q 3.2. Would you be able to share contact details of other stakeholders (i.e. airline, DMO, government authority) who participated in development process of previously discussed routes?

Thank you for your time and cooperation.
Appendix 5 – Griffith University Ethics Clearance

From: <crims@griffith.edu.au>
Date: 6 June 2016 at 08:43:27 AEST
To: <noel.scott@griffith.edu.au>, <b.spasojevic@jacki@griffith.edu.au>, <g.lohmann@griffith.edu.au>
Cc: <research-ethics@griffith.edu.au>, <k.madison@griffith.edu.au>
Subject: 2016/400 - Conditionally approved

GRiffith univeRSity huMaN reserch ethiCS comMiTTee

Dear APro Gul Lohmann

I write in relation to your application for ethical clearance for your project "Stakeholder engagement in air route development: the role of "good governance" and leadership within various airport governance structures" (GU Ref No: 2016/400). The research ethics reviewers resolved to grant your application a clearance status of "Conditionally Approved".

This decision is subject to:

Approval by the Head of School or Centre Director.

However, you are authorised to immediately commence this research while approval by the Head of School is pending.

Once approval by the Head of School has been submitted, the status of your application will be changed to fully approved.

Regards

Kim Madison
Human Research Ethics and Integrity
Office for Research
Bray Centre, Nathan Campus
Griffith University
ph: +61 (0)7 373 58043
fax: +61 (07) 373 57994
email: k.madison@griffith.edu.au

Researchers are reminded that the Griffith University Code for the Responsible Conduct of Research provides guidance to researchers in areas such as conflict of interest, authorship, storage of data, & the training of research students.

You can find further information, resources and a link to the University's Code by visiting http://policies.griffith.edu.au/pdf/Code%20for%20the%20Responsible%20Condu...
Appendix 6 – Interview Information Sheet

Stakeholder engagement in air route development: the role of good governance and leadership

INFORMATION SHEET

Who is conducting the research

A/Professor Gui Lohmann (Griffith Aviation and Cities Research Institute)
Bojana Spasojevic (Griffith Aviation and Griffith Institute for Tourism)

Griffith University
Mobile number: 0432241622 (Bojana)
bojana.spasojevic@griffith.edu.au

Why is the research being conducted?

This research explores the role of stakeholder engagement in the process of air route development within the airports of different size. In particular, we aim to investigate the role of good governance and leadership and its importance for successful stakeholder engagement. The first phase of this study involved online survey with airport, airline and DMO experts worldwide. In the second phase of this study, we aim to interview air route development key stakeholders (airlines, airport authorities, government regulators, tourism stakeholders) from Australia. The outcome of this research is to provide the lessons from successful air route development case studies based on stakeholder engagement. This research is conducted as a part of a Doctoral Degree at Griffith University. The results of this research will be publicly available in the format of academic publications and PhD Thesis.

What you will be asked to do

As per our initial contact via email, we would welcome the opportunity to spend approximately 45 minutes with you to elicit your views and any information you can provide to support this research project. We are more than happy to interview you at a time and location convenient to you, or alternatively via Skype or telephone.
The basis by which participants will be selected or screened

We have identified you as a potential research participant during the first phase of this research where the industry representatives have identified Australian airports and air route development strategies as successful examples.

The expected benefits of the research

This research aims to shed light in the future directions on the stakeholder engagement during the process of air route development. The stories of successful case studies are willing to provide both practical and theoretical contribution.

Risks to you

Possible risks and discomforts for all research participants will be low. There are no questions or activities that are considered to threaten the wellbeing of any research participant. In the unlikely event that you do experience emotional disturbance, you can cease the interview at any time.

Your confidentiality

All data obtained from the interviews will be handled strictly confidential and in a depersonalised manner. This means that all data collected for this study will be not identifiable and all audio recordings will be erased after transcription. Therefore, none of the information provided will be directly attributed to an individual participant or his/her organisation. The research material will be held confidentially in a locked filing cabinet at Griffith University, for a period of up to five years.

Your participation is voluntary.

Your participation in this research is voluntary. Also, during the interviews, you are free to withdraw from the study at any time.

Questions / further information

If you have any additional or specific questions in regards to this research project, please feel free to contact A/Prof Gui Lohmann via g.lohmann@griffith.edu.au or (07) 3735 4059, or Bojana Spasojevic via bojana.spasojevic@griffith.edu.au or 0432 241 622.
The ethical conduct of this research

This research is conducted through Griffith University and in accordance with the National Statement on Ethical Conduct in Human Research. If you have any concerns or complaints about the ethical conduct of the research project, please feel free to contact the Manager, Research Ethics on (07) 3735 4375 or research-ethics@griffith.edu.au.

Feedback to you

We will offer you the opportunity to receive the interview results in the form of the executive summary, which will be emailed to you.

Privacy Statement – non-disclosure

“The conduct of this research involves the collection, access and/or use of your identified personal information. The information collected is confidential and will not be disclosed to third parties without your consent, except to meet government, legal or other regulatory authority requirements. A de-identified copy of this data may be used for other research purposes. However, your anonymity will at all times be safeguarded. For further information consult the University’s Privacy Plan at http://www.griffith.edu.au/about-griffith/plans-publications/griffith-university-privacy-plan or telephone (07) 3735 4375.”

GU Reference number: 2016/400
Appendix 7 – Interview Consent Form

Stakeholder engagement in air route development: the role of good governance and leadership

CONSENT FORM

Research Team
A/Prof Gui Lohmann (Griffith Aviation and Cities Research Institute)
Bojana Spasojevic (Griffith Aviation and Griffith Institute for Tourism)

Griffith University
Mobile number: 0432241622 (Bojana)
bojana.spasojevic@griffith.edu.au

GU Reference number: 2016/400

By signing below, I confirm that I have read and understood the information package and in particular have noted that:

- I understand that my involvement in this research will include an interview of approximately 45 minutes at a time and location convenient to me;
- I agree to allow the interview to be audio-taped (strikethrough if permission withheld)
- I have had any questions answered to my satisfaction;
- I understand the risks involved;
- I understand that there will be no direct benefit to me from my participation in this research;
- I understand that my participation in this research is voluntary and that I can withdraw my participation at any time;
- I understand that no information provided here would be attributed to me. This research is anonymous.
- I authorise/do not authorise the information provided here to be attributed to my organisation.
• I understand that if I have any additional questions, I can contact the research team;

• I understand that I am free to withdraw at any time, without explanation or penalty;
I understand that I can contact the Manager, Research Ethics, at Griffith University Human Research Ethics Committee on 3735 4375 (or research-ethics@griffith.edu.au) if I have any concerns about the ethical conduct of the project;

I agree to participate in the project.

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<td>Email</td>
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<tr>
<td>Signature</td>
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<td>Date</td>
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Appendix 8 – Published article showcasing results of Chapter 3