

# **Affiliate Development Network Strategy for Local Business and Tourism and Leisure City: Focused on Southwest Coast Tourism and Leisure City**

Seung-II Moon

*Department of Tourism, Jeong Hwa Arts University, Seoul, Korea  
moonsi921@hanmail.net*

## ***Abstract***

*Tourism and Leisure City refers to a comprehensive and self-sufficient city, which retains residential, medical and educational functions, and which creates a win-win relationship with final consumers such as enterprises, workers, and tourists. However, the creation of Tourism and Leisure City without considering existing local industry may cause conflict against community and impede successful urban development. Therefore, characteristics of present local industry should be thoroughly considered to devise measures to have a synergistic effect and win-win strategy for business and community.*

*Understanding the necessity of this study, characteristics of the local business in the Southwest Coast Tourism and Leisure City(Haenam and Youngam) is elicited in this study in order to provide effective affiliation strategy. Also, extensive opinions from community and professionals are applied to the final affiliation strategy between local business and the Southwest Coast Tourism and Leisure City so as to retain both objectivity and practicality.*

**Key words:** *Southwest Coast Tourism and Leisure City, Local Business, Affiliation, Cooperation, Network*

## **1. Introduction**

With the establishment of the Special Act on the Development of Corporate Cities in 2004, the government promoted pilot project including three regions (Taean, Muju, Haenam & Youngam) to promptly visualize the Corporate City Development Projects and to propose initiative models.

Tourism and Leisure City (Tourism and Leisure Industry City) reveals the interest and enthusiasm in tourism industry of the local governments, and the application for the Corporate City Development Project initiatives confirms this. Out of the eight applications nationwide, five were the Tourism and Leisure Industry Cities [1]. Tourism and leisure industry not only creates profits and jobs, but also contributes to balanced nation development. Realizing this, need for special legislation for tourism and leisure industry in order to promote it with private sector investigation and creation was recognized; Tourism and Leisure City was put into Corporate City category. Such tourism and leisure city development reveals innovative paradigm changes in the tourism development of Korea: transition from government-led development to privately led one, tourism-oriented project to multi-functional one [2].

On the other hand, Tourism and Leisure City refers to a comprehensive and self-sufficient city, which retains residential, medical and educational functions; and creates a win-win relationship with final consumers such as enterprises, workers, and tourists.

Therefore, Tourism and Leisure city is different from the Tourism Complex in the point that its main function is tourism, though concerning its multi-functional aspects and other assisting facilities; and that its size and facilities is self-sufficient [3]. However, the self-sufficiency of the Tourism and Leisure City is in question. Tour and Leisure City is hard to remain self-sufficient, and it can be a mere 'complex,' rather than a 'city.' Therefore, active alliance with industries which are relevant to tourism and leisure industry should be devised [4].

Therefore, effective alliance with existing industry of the Tourism and Leisure City development site is required in order to improve satisfaction of both developers and community. On the other hand, previous relevant studies focused on development direction and management, or conflicts with community; and studies on existing local business from the viewpoint of industry is not yet executed.

This study aims to, firstly, survey the connectivity between Tourism and Leisure City site and facilities to be introduced; secondly, to set up an effective liaison direction for Tourism and Leisure City development by gathering the opinions of the professionals; thirdly, to draw an liaison plan encompassing local industry characteristics, planned facilities, investigated public opinions on Tourism and Leisure City, and local business.

This study aims to, firstly, survey the connectivity between Tourism and Leisure City site and facilities to be introduced. Secondly, it sets up an effective affiliation direction for Tourism and Leisure City development by gathering the opinions of the experts. Thirdly, it draws an affiliation plan between Tourism and Leisure City and local business, encompassing local industry characteristics, planned facilities, investigated public opinions.

This study would be a practical reference to gather opinions of community and professionals, to draw up a plan to ease conflicts between developer and community, and to carry out a policy for regional affiliate development and industry promotion.

## **2. Literature Review**

### **2.1 Concept of Tourism and Leisure City**

#### **2.1.1 Development Object of the Tourism and Leisure City**

Tourism and Leisure City Development began with the proposal of Cooperative City Development Project in October, 2003, and the formal recommendation of the special law legislation in June, 2004, by the Federation of Korean Industries for the enhancement of national competitiveness and job creation [4]. While existing industrial complex focuses on the production function, corporate city simultaneously develops residential, living and educational facilities, and therefore aims to satisfy both competitiveness and quality life [5-6]. The Special Act on the Development of Corporate Cities was established and proclaimed in December, 2004, and the government promoted pilot project including Taean, Muju, Haenam & Youngam regions to propose initiative models.

**Table 1. Planned Facilities for the Southwest Coast Tourism and Leisure City**

	Facilities
Eco & Energy	. Power Plant Complex, Zero Energy House, Energy Empirical Research Center, Energy Experience Center, Eco Dome, Environment Research Complex, Eco/Environment Experience Facilities
Education	. International School/Alternative School, English Town/Language Experience Town, Job Training School, Job Experience Center
Senior Community	. Rural Residence Complex, Sports/Cultural Facilities, Nursing Facilities, Productive Facilities including Kitchen Garden
Culture	. Namdo Artist Valley, Representative Local People, Asian Culture Contents Center
Entertainment	. Casino Complex, Water Sports Complex, Extreme Sports Complex, Fitness Sports Complex, Golf Courses, Golf Resort/House, Project Adventure Park

## 2.2 Previous Relevant Studies

Tourism and Leisure City shows high correlation in research on the influence of the tourism development on region, because they both specialize in tourism industry to promote regional development led by private sectors.

However, main objects of previous researches on the influence of tourism development have been tourists. In other words, previous researches on tourist destinations focused on incoming tourists, regardless of tourist attractions and community, which consist of three major factors of the tourist destination. Therefore future researches should provide wider perspectives including community who creates regional characteristics.

Studies relevant to Tourism and Leisure Cities began in earnest since the establishment of the Special Act on the Development of Corporate Cities in December, 2004. And they range over development direction(Byung-gwon Chang, 2005; Hyun-ah Kim, 2004; Kee-bum Nam, 2004; Young-ok Cheon, 2004; Chunl-ju Cho, 2005; Kee-suk Gye, 2004), suitability of creation plan (Dae-gwan Kim, *et al.*, 2010; Sang-geun Ahn, *et al.*, 2009; Soon-ho Shin, *et al.*, 2006); operating system(Soon-ho Shin, *et al.*, 2006; Mi-hong Lee, *et al.*, 2008), and community conflicts(Nam-jo Kim, 2008). However, so far, the connectivity with the local business in the Tourism and Leisure City designated area (Tae-an, Muju, Southwest Coast) has never been studied. It is supposed that the scholars mainly are interested in creation direction and suitability of the plans, the main concern at the moment of Tourism and Leisure City creation. Therefore, studies on the industrial characteristic of the existing local business and its influence on the region at the moment of creation, and their connectivity is at an early stage.

## 3. Research Method

### 3.1 Survey Method

This study aims to draw a creation plan of a successful tourism and leisure city by systematic affiliation with local business. It gathers opinions on the connectivity between Tourism and Leisure City and local business from the Southwest Coast Tourism and Leisure City community and professionals concerned; and draws an affiliation strategy with local business.

**Table 2. Opinion Gathering Method of Each Interested Parties**

	Community(3 regions)	Professionals
Survey Date	12.06.20 – 12.07.19	12.10.11 - 12.10.20
Survey Subjects	Community in pilot project region for Tourism and Leisure City(Haenam & Youngam)	Professionals in prearranged area for Tourism and Leisure City development
Sampling Method	Self-administered questionnaire, which respondents fill in structured surveys	Respondents fill in and send back e-mail questionnaires
Valid Sampling	120 questionnaires were analyzed, out of 130 replies except 10 undependable ones.	12 reply questionnaires were analyzed.
Contents	Will to participate in local business connected to Tourism and Leisure City development, targeted industry field, key factors and supporting plan for preferred business connection	Position of each interested parties concerning Tourism and Leisure City undertaking and plan for community participation, Plan for the connectivity between Tourism and Leisure City project and local business and supporting plan

## 4. Analysis Results

### 4.1 Community Survey Results

The characteristics of the positive analysis samples used in opinion gathering of the community. Out of total 120 respondents, 75 were male (79.2%) and 35 were female(20.8%) that responding rate of male were higher.

In the questions concerning the awareness of the importance of industry in the regional development, ‘tourism and service industry’ was the highest ranked, followed by ‘agriculture and fishery,’ and ‘manufacturing.’

**Table 3. Important Industry for Regional Development(%)**

Category	Haenam & Youngam
Agriculture and Fishery	10.2
Manufacturing	12.0
Commerce	5.2
Tourism and Service Industry	67.8
Others	4.8
Total	100.0

Concerning the questions on the participation method, majority of community chose to be employed; some pointed out the difficulties caused by lack of funds or aging of the community.

**Table 4. Participation Type Preference (%)**

Category	Haenam & Youngam
Employment of Community	48.2
Business Service	6.0
Distribution Precedence	12.4
Leasing Service	18.7
Others	14.7
Total	100.0

Concerning the questions on the preference type on the connection between present occupation and Tourism and Leisure City, the most people(33.7%) chose ‘employment and job change to Tourism and Leisure City and planned facilities.’

**Table 5. Preference on the Connection of Local Industry and Tourism and Leisure City (%)**

Category	Haenam & Youngam
Business Launching and Changing into Tourism and Leisure City Related Business	20.1
Related Product Development and Sales by Using Existing Business	25.2
Employment and Job Change into Planned Facilities	33.7
Partial Investment into Tourism and Leisure City Related Business	17.3
Others	3.7
Total	100.0

Concerning the questions on the priority factor on the affiliation with Tourism and Leisure City, the majority of people chose ‘partial distribution precedence,’ following financial support of government and local government. Therefore, partial priority provision to community and practical financial support of the government and local government is required in order to promote resident participation into Tourism and Leisure City project.

Furthermore, explanation and guarantee sufficient to trust stability and reliability of the business are required, and creative ideas for business should be developed.

**Table 6. Key Factors to the Connectivity between Local Business and Tourism and Leisure City (%)**

Category	Haenam & Youngam
Partial Priority for community	51.0
Financial Support of Government and Local Government	32.6
Profit Stability	13.2
Appeal and Rarity of Business Item	2.2
Others	1.0
Total	100.0

#### 4.2 Professional Survey Results

Professionals pointed out the main factors hindering community participation in the connection between Tour and Leisure City and local business as ‘insufficient participative business model,’ ‘local repulsion and indifference to changes,’ and ‘insufficient competitiveness of local business.’

**Table 7. Points Hindering Community Participation from the Connection between Tourism and Leisure City and Local Business (Unit: points)**

Ranking	Haenam & Youngam
1	Local Repulsion and Indifference to Changes(3.94)
2	Lack of Policy Support of Government(3.88)
3	Insufficient Competitiveness of Local Business(3.82)
4	Insufficient Participative Business Model(3.76)
5	Insufficient Competitiveness of Local Business(3.76)
6	Low Expectation on Business Profitability(3.59)
7	Lack of Policy Support of Local Government(3.41)

\* Criteria: Very good(5)/Good(4)/Acceptable(3)/Unacceptable(2)/Unable to Judge(1)

Therefore, in order of preference, ‘recruitment of local residents,’ ‘quota distribution of business facilities to local residents,’ ‘ordering from local business,’ ‘lease of business facilities to local residents,’ to promote local participation is necessary to promote community participation.

**Table 8. Plans for the Local Participation to Tourism and Leisure City Development Project**

Ranking	Haenam & Youngam
1	Recruitment of Local Residents (4.76)
2	Quota Distribution of Business Facilities to Local Residents (3.76)
3	Ordering from Local Business (3.53)
4	Lease of Business Facilities to Local Residents (3.65)

\* Criteria: Very good(5)/Good(4)/Acceptable(3)/Unacceptable(2)/Unable to Judge(1)

Concerning the cooperation measurement to connect local business in the creation of Tourism and Leisure City, creation of a council to ease conflicts and consult takes priority.

**Table 9. Cooperation Measurement to Connect Local Business and Tourism and Leisure City (Unit: points)**

Ranking	Haenam & Youngam
1	Council Activity for Equal Privilege or Conflict Mediation(4.82)
2	Fund Raising(4.54)
3	Regular Local Government Lecture to Change Community Awareness(3.82)
4	Establishment of Educational Institution to Train Human Resources(High School, Job Training School, Golf School etc.)(3.64)
5	Establishment of Technology Innovation Center by Industry-Local Government Collaboration(3.40)
6	Host to Business Research Institute for the Business Promotion(3.38)

\* Criteria: Very good(5)/Good(4)/Acceptable(3)/Unacceptable(2)/Unable to Judge(1)

## 5. Strategies to Connect Southwest Coast Tourism and Leisure City and Region

Strategies to maximize the effects of connectivity between local business and Tourism and Leisure City Development, taking precedent local business analysis of Southwest Coast Tourism and Leisure City, Community Survey, Professionals Survey into comprehensive consideration is, proposed as follows.

### 5.1 Strategy to Connect with Local Business

#### 5.1.1 Development of Primary and Secondary Industries

Fishery and floricultural industry flourish in the Southwest coastal area. Due to its geographical and locational characteristics, fish catches of the Southwest Coast represent a significant share in Jeollanam-do Province. Promotion by continuous equipment expansion and administrative support is required.

Furthermore, strategic alliance between small enterprises on the Southwest coastal area that export marine products to Japan and China but have difficulties in market pioneering, and food and beverage business in Tourism and Leisure City facilities would create a synergy effect.

#### 5.1.2 Marine Resources Differentiation

Making full use of the geographical features of the Southwest coastal area, association of marine resources and fishery business would be effectual. Specialization of local business in fishery business and marine tourism industry by systematic maintenance of historic cultural touristic resources and promotion of marine experience tourism would be required.

### 5.2 Liaison Strategies with Community

#### 5.2.1 Specialist Promotion Alliance

From the construction to management after completion, extensive use of personnel is required in Tourism and Leisure City development. Furthermore, specialists in service industry are requisite. Present human resource structure in the pilot project region is not appropriate for Tourism and Leisure City, and restructuring is required. Though the

employment of the community would be appropriate, haphazard employment of untrained personnel would result in failure. Education and training (job training school) would be required for the promotion of the specialists to meet the needs of new business models.

### **5.2.2 Job Center Construction**

Job Center is a systematic organization taking charge of supply-demand between Tourism and Leisure City and community: when local job seekers register their resumes at the Job Center, enterprises in Tourism and Leisure City utilize them. The organization of Job Center consists of Tourism and Leisure City party concerned and community representatives. Under their arbitration, proper contractual relationship between provider and recipient would be encouraged.

### **5.2.3 Community Corporation Development**

Community corporation is a voluntary organization, which was set up jointly with community, shares stocks, represents interests of local people, and exercises political influence. Therefore, development of community corporation will contribute to the successful consultation with the enterprises in Tourism and Leisure City for the employment of community, as well as to the acquisition of business participation qualification in the Tourism and Leisure City.

### **5.2.4 Business Start-up Support**

Support program for the relevant business start-up by educated and professional local youth can be created. As Tourism and Leisure City suggests creation of a new city, new business items are expected with the introduction of facilities, population influx and tourist increase. It is expected to use endeavors to create more active and innovate business item by raising fund for local business start-up promotion and by jointly holding a forum with local universities and research institutes.

### **5.2.5 Administrative and Financial Support**

Policy design and execution, including preferential recruitment of the local residents, and administrative and financial support from the central and local government for the business enterprises, which hired a certain number of local residents, is required.

## **5.3 Cooperation Strategies between Parties Concerned**

### **5.3.1 Creation of ‘Tourism and Leisure City Promotion Management Team’**

Tourism and Leisure City is regarded as mixture of new town and touristic complex. Local government takes an active role in new towns, while project operators in touristic complex management. Therefore, Tourism and Leisure City management assuming a complex character, has various tendencies depending on agreement between government and private sectors (Mi-hong Lee, 2008).

Comprehensive authorities to manage environmental problems, reinvestment of development profit, and returning of profit to community are required for Tourism and Leisure City. Tentatively named 'Tourism and Leisure City Promotion Management Group' would be able to prevent overlapping competition among Tourism and Leisure Cities, and to arbitrate regional conflicts between Tourism and Leisure Cities. Officials in charge of the local government, community group representatives, community representatives, engaged enterprises, region experts, environment experts, tourism experts would participate in the organization.

### **5.3.2 'Tourism and Leisure City Network Center' Establishment**

In order to exchange information with the community concerning the creation of the Tourism and Leisure City, and to attract the attention of the tourists, a network center should be established. Tentatively named 'Tourism and Leisure City Network Center' will not only be a platform for the information exchange regarding the Tourism and Leisure City project, but also a community information center to archive project documents, to exchange ideas between project entity and local residents, to promote communal spirit and job creation.

## **6. Conclusion**

As the Tourism and Leisure City was planned for the purpose of balanced regional development and successful cooperation between business and community by the implication of enterprise led tourism industry, it is important to understand existing local business and make connection with it. And, analysis on dynamics between parties concerned should be precedent in order to achieve practical effects on cooperation and arbitration (Reed, 1997; Nam-jo Kim, 2008)

Southwest Coast Tourism and Leisure City is highly specialized in the primary industries such as agriculture and fishery, and affiliation with these industries is quite possible. Active promotion of marine experience tourism would contribute greatly to the local industry.

In this study, industrial characteristic of the Southwest Tourism and Leisure City site was surveyed, opinions of community and professionals were gathered, development plan allied with local business was examined, and alliance strategy with local business was proposed. Also, characteristics of local business and alliance strategy, as well as cooperation plan between community and party concerned are proposed. Establishment of management body to operate them and to arbitrate different parties concerned, and network center is required to set up a control tower for convergence of Southwest Coast Tourism and Leisure City and local business.

However, analysis of local business in this study is relied on objective analysis data based on number of enterprises and employees; there may be a gap between analysis and application of current status and this. Therefore, further studies to give shape to the current status of local business are required. With the validity verification of alliance plan proposed in this study, endeavors to promote the Southwest Coast Tourism and Leisure City to be a sustainable and successfully cooperative one is also requisite.

## References

- [1] M. -h. Cho, "Local Tourism Industry, Break from the Events", Dong-A Daily News, (2005), May 8<sup>th</sup>.
- [2] H. -a. Kim, "Desirable Direction of Corporate City", CERIK, (2004).
- [3] M. Reed, "Power relations and community-based tourism planning", Annals of Tourism Research, vol. 24, no. 3, (1997), pp. 566-591.
- [4] H. -a. Kim, "Construction of Korean Corporate City" KRIHS, Planning and Policy, vol. 267, (2004).
- [5] D. -H. Oh, K. -S. Lim, J. -K. So and N. -J. Kim, "A Case Study of Oversea's Tour-Leisure City from the City Marketing point of View", Journal of the Korea Planners Association, vol. 43, no. 1, (2008), pp. 207-223.
- [6] C. Jurowski, M. Uysal and R. D. Williams, "A theoretical analysis of host community resident reactions to tourism", Journal of Travel Research, vol. 36, no. 2, (1997), pp. 3-11.