

RESOURCE INTEGRATION MANAGEMENT IN NETWORKS' VALUE CREATION
An empirical analysis of high quality tourist offer in Southern Italy

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Abstract

The new competitive environment has generated an increasing recourse to cooperation in tourism, almost aimed at local development (Beccatini, 1991; Putman, 1993; Cappellin, 1998). Particularly, the paper will value the strategic elasticity and flexibility degree in inter-firms networks, and the advantage of taking part to a network, also in terms of systemic resources and competences (Gulati, Nohria, Zaheer, 2000; Gulati, 2007). This overview, starting from the typical resource-based theory (Barney, 1991) setting, is also its progress, because it gets reference to both “owned or controlled” resources and competences (Wernerfelt, 1984; Barney, 2002) by firms and to those anyway “available” for firms involved in a network (networks interactions and relationships). This is with the aim of developing offers able to create a higher total value than individual one, in a continuous interactive relationship with clients.

It is fundamental to understand the need or the opportunity of aimed governance and leadership choices. In this direction, the paper will analyze co-plan patterns for the development of network's strategies, focusing on the concept of value, generable by resources and competences integration. A new model of touristic inter-firms networks management will be proposed and applied empirically on quality tourism areas of Southern Italy, characterized by high level quality in offer. The study will deepen the process of planning, building and development of an interregional Product Club for a set up of integrated hospitality offer of excellence, aimed at sustainability of Southern Italy's tourism.

Key words (6): resource, cooperation, network, quality, knowledge, destination image

1. Network theory and Resource-based theory.

Globalization (Mittelmann, 2000) and hypercompetition (D'Aveni, 1994, 1995) have caused complex processes among and within firms, which have set profound changes in their strategic and marketing choices. Inter-firm collaboration seems to be an obliged path, not only for small and medium enterprises but also for bigger firms, that have to develop profitable networks with their suppliers and clients. This is networking logic, that implies a complex set of actors and relations, with a role covered also by local resources. In such view, the value system model seems to prevail,

in a general framework where more decisional units operate and the customer plays an active and often extremely significant role.

Strategic systems can be conceived as networks started by firms operating at a territorial level (i.e. business districts) or that are virtually very interrelated, creating a “system of value co-creation within constellations of integrated resources” (Spohrer, 2007), that implies the “application of competences (including knowledge and skills) by one entity for the benefit of another” (Vargo, Lusch, 2006; Vargo, Maglio, Akaka, 2008: 2). This view has also extended the Service Dominant Logic (SDL) (Vargo, Lusch, 2004, 2006, 2008) which, as known, starts from the assumption that “customers do not buy goods or services: they buy offerings which render services which create value” (Gummesson, 1995: 250). Goods and services’ value is linked to the services that customer is able to obtain, also according to his/her personal know-how, knowledge and experience as well as to the firm’s capability of involving and motivating him/her¹.

This logic, however, has gone even further, pointing out that the process of value-creation by the whole network of actors, customer included, is not only based on resource application but also on resource integration (Lush, Vargo, 2006). This confirms other scholars’ view, according to whom value co-creation and resource-integration are favoured by network’s actors cooperation, even when they are competitors: this is the co-competition logic (Brenderburger, Nalebuff, 1996; Dagnino, Padula, 2002; Della Corte, Sciarelli, 2009), according to which it is interesting to analyse inter-firm collaboration between competitors in other markets or even in the same markets. According to this approach the concept of competition itself changes: from the traditional five forces analysis, co-competition view points out the figure of “complementors”. These can be either some actors of the five forces that anyway decide to cooperate, for example, in one specific market or with reference to co-joint projects² or even some other actors of other industries with which the firm cooperates, that contribute to reinforce its market and competitive position.

From what underlined above, this approach has important implications both on the demand side and on the offer one, taking to a new systemic vision according to which demand and offer actors overlap and it can be analyzed according both to demand and offer perspective. On the demand side, customer is no more a client but a co-producer, since he/she contributes to the value creation process, according to his/her experiences, resources and competences background; as regards firms operating in a networking logic, they find themselves involved in a system where their competitiveness is strictly bound to the overall created value and different entities reciprocally interact.

This view of value co-creation can be analyzed according to RBT, with specific attention to a particular branch and precisely the “relational view”, according to which firm’s competitive advantage is often linked to relational competences:

- within the firm, among its main functions or divisions, according to capabilities and resources transferring;
- between firms through integrating resources, applying competencies and interconnecting processes, in a scheme where the supplier-client traditional logic seems to disappear in favour of a process of “co-creating relationships’ experiences”;
- between each firm and the network itself: collaboration can in fact generate specific networking resources and competences, that accrue the value of each single participant.

Moreover, the main literature on *Relational View* (Gulati, 1998; Dyer e Singh, 1998; Kale e Singh, 1999, 2007; Kale, Dyer e Singh, 2002) underlines the social content of the relationship between the firm and its environment. Dyer and Singh (1998) even explain the existence of inter-firm networks according to the strategic resources and competences that the network itself

¹ This view is connected to the concept of value in use, according to which potential value is translated into real benefits through the process of customer’s co-production (Vargo, Lusch, 2006, : 11).

² This is the case of concurrent hotels which, however, decide to cooperate in meetings and incentives business, presenting co-joint projects through the local convention bureau.

can create, shared by all participants. This takes to a learning process where parties exchange resources, collaborate and even jointly perform their own activities (Payne, Storbacka, Frow, 2008, p. 90). Therefore cooperation across firms even improves the overall ability to co-create value with the customer: this is nothing but networking, that leads to service systems (Vargo, Maglio, Akaka, 2008), based on the integrating approach for innovating services and enhancing their provision (Chesbrough and Spohrer, 2006).

2. Relational resources and marketing.

The consideration stressed above conducts to another important implication, that regards, in particular, the marketing process (Della Corte, 2009, : 47-49), which is by far more complex than the past and involves different actors (fig. 1). Different aspects of marketing process, both at the single firm level and strategic system level, can in fact be distinguished and precisely:

- 1) *external marketing*: this refers, for the single firm, to the relationship between the firm and its clients and between the firm's partners and its clients,
- 2) *internal marketing*, between the firm and its employees and, at the network level, between the network itself and its members;
- 3) *relational marketing*: between the firm and its partners, as well as between the firm's employees and its partners; at the network level it refers to the relationship between the actors of the network among themselves and with the eventual pivotal actor (in case of a guiding entity for the whole aggregate);
- 4) *interactive marketing* refers to the relationship between employees and clients and in case of a network, between all actors and clients.

This is a rather systemic view of marketing, that recalls also an innovative vision, according to which marketing process has to be analysed at a double level: the inductive and the organic level (Della Corte, 2009, chapt. 2). The former regards the phase when potential client has to be attracted by the product and mainly refers to the traditional 4 Ps (product, price, promotion and placement); the latter regards the phase when products are provided: in case of services, when the service experience is really lived. This phase is particular important, in order to get to customer's satisfaction, to activate a positive word of mouth process and to enhance customer retention. Other three main marketing policies are relevant in this phase: *servicescape*, which is the atmosphere and the created context; the *level of productivity* of the personnel involved at different levels in organization and of the members of the whole network; the relationship between services quality and relative prices (Della Corte, 2009, chapt. 2). These refer to the operations phase (also defined as "servuction"), specifically referred to the service provision process (Della Corte, Savastano, Storlazzi, 2009).

Since in this systemic view, also connected to the Service Dominant Logic, consumer is a co-producer, the more client is involved in the inductive marketing process, the more the organic phase can reach customer satisfaction: consumer becomes a co-actor and is more inclined to be satisfied with what he himself chooses. In this direction, it is easier to get to a perceived quality that better fits the expected one.

3. Tourism quality service.

In tourism sector, firms, to compete, have to focus on quality and try to differentiate services from those offered by competitors. This is a clear example in which it is difficult to see cost leadership and differentiation competitive strategies as opposite. Porter's "stuck in the middle" dilemma, referred to firms that do not apply exclusively the former rather than the latter strategy, seems to be cast down on.

Service quality is a perception resulting from attitudes formed by customers' long-term, overall evaluations of performance. It involves all aspects of marketing process analyzed above, in terms of quality perception both on the supply side and on the demand side (consumer perception of quality - Reid, Bojanic, 2006).

To understand the main dimensions of quality management within a tourism service in general, and within hotel provision in particular, a well-known and widely cited theoretical service quality model (Pender, Sharpley, 2008) has been developed.

The application of quality management research specifically to the service sector has been developed by two main schools (Williams, Buswell, 2003): the Scandinavian School, with Grönroos and Gummesson, and the North American School, with researches led by Zeithaml, Parasuraman and Berry.

Scandinavian school studies are mainly based on the holistic view of service marketing, requiring an integrated approach in building customer relationship (Grönroos, 1989). Customer orientation has a central role in the process of service exchange (Glynn and Lehtinen, 1995); in fact, one of the main assumptions is that customer satisfaction equals customer perception minus his/her expectation (Gummesson, 1995).

According to Grönroos, it is very important to build relationships with customers because services are not homogeneous. This is particularly important in tourism industry, where travel is made of different complementary services, that are supposed to respect precise quality standards (Williams, Buswell, 2003).

Grönroos model is based on the importance of an organization managing its wider image, as this can also persuade the customer to select a particular service provider (Edvardsson, 1994). He distinguishes two concepts that influence service image: the technical quality (the what) measured by customers in an objective manner, and functional quality (the how), measured by customers more subjectively.

Technical quality is linked to the main elements of service package (Payne, Clark, 1995) and represents what consumers actually receive from the service; this dimension concerns the content of service, then the result of the creation's process of service (it's also called the outcome dimension).

Functional quality is focused on the process of service delivery and concerns the way in which the service is delivered or the interactions established between the provider and tourists /customer service). This dimension includes the conduct of contact personal and the interaction with other stakeholders (it's also called the process-related dimension).

Therefore, the interaction between customers with staff and other customers has a crucial impact on customer satisfaction: this "organic" phase can be used to form relationships, to market the organization's services and to collect valuable data. For this reason, Grönroos (1994) stated that services require teamwork, inter-functional collaboration and inter-organizational partnerships' for successful service delivery that satisfies customers.

Many authors (Williams, Buswell, 2003) consider this model very relevant for tourism industry, as many of the services are performed in front of the customers. Image can influence expectations but technical and functional qualities contribute to perceptions. However, in tourism sector, it is difficult to distinguish clearly the two dimensions because they often overlap.

Another Scandinavian model has been developed by Gummesson (1988). He devised his quality model to apply to goods as well as services, defining quality by uniting Crosby's "conformance to requirements" (1984) with Juran's "fitness for use" (1988).

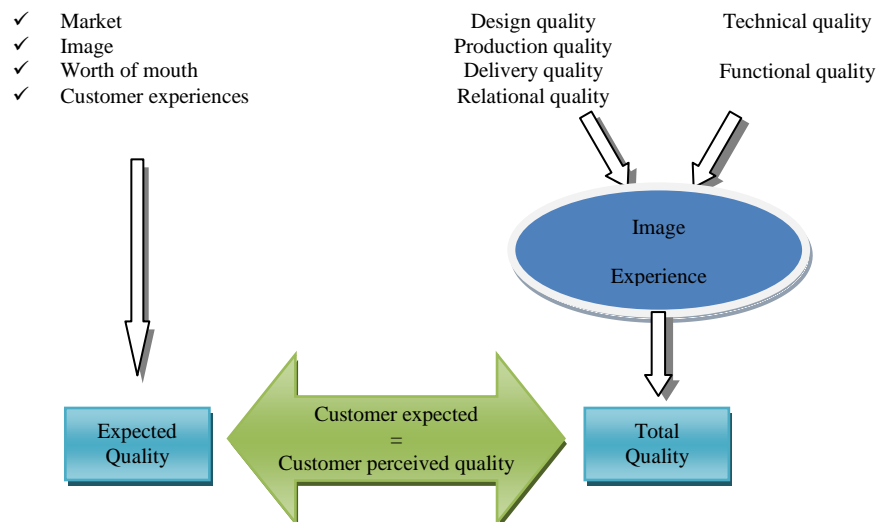
This model considers four sources of quality:

- ✓ *design quality*: the goods or services are designed to meet customer needs;
- ✓ *production quality*: referring purely to manufacturing aspects of the service production system (Gummesson, 1993);
- ✓ *delivery quality*: consistently meeting the standards promised to customers;
- ✓ *rational quality*: the interaction between front-line staff and customers, as well as all other interactions within the organization.

Gummesson's 4Qs model combines customer orientation with process orientation and highlights the ICT role in service implementation. However, this model does not provide clear answers to operators on how the expected results by every service can be measured.

Further research (Burca, 1995; Edvardsson, 1994, Gronroos, 1990), integrating Grönroos and Gummesson theories, is the interaction/non interaction theory with visible and invisible parts of service delivery process. The approach is that even the non-interactive parts of the process influence the total outcomes and should be considered in the process design.

Figure 1 - The Grönroos-Gummesson integrated quality model



Source: Gronroos, 1990

An important implication is that customer-oriented interaction approach should be adopted by all areas of the organization (Burca, 1995).

As regards the American School (US School), it considers service quality as excellence and this is determined by the extent of discrepancy between customers' expectations and their perceptions (Zeithaml et al, 1990). This coincides with the definitions given by Peters (1987) and Wyckoff (1992), who consider quality as the excellence degree intended to customer requirements.

The pursuit of excellence is justified as a profit strategy (Berry, Parasurmann, 1994; Berry, Schneider, 1994) but it has to be achieved "day after day and customer after customer" (Berry, 1995). From other researches, the so called "tolerance zone" (Parasuraman *et al* 1991; Berry, Parasuraman, 1994) has been analyzed. The desired quality level is formulated by what customers think it should be; the lower quality level is the adequate or acceptable level. An integrated framework that can be useful in evaluating different levels of customer satisfaction has been proposed by Lovelock (2007). This approach is also coherent with the quality concept of tourist complex product (such as a destination), where tourists' perceptions are influenced by several factors, also intangible, generated by different actors (Della Corte, 2009).

Some authors (Brunetti, 1999) highlight the subjectivity of this process, saying that there may be universal indicators to assess the quality of tourism product, rather than evaluating the possible factors for which the different market segments have different perceptions.

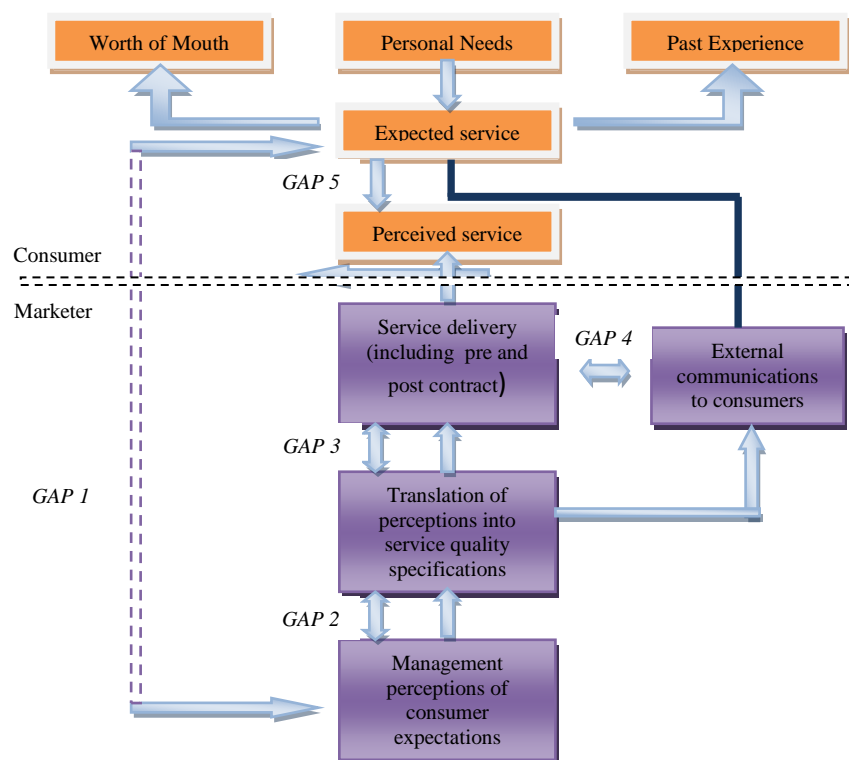
Zeithaml, Parasuraman and Berry have been consistent with other writers in agreeing the basic service characteristics, but they believe that the inseparability characteristic is not constant, especially in organizations with low customers/staff interaction. When there are necessarily high levels of interaction, a more personalized service is required (Berry *et al.* 1988).

They sustain that there are five important dimensions in customer service: *Tangibles*, *Reliability*, *Responsiveness*, *Empathy* and *Assurance* (Grönroos added *Recovery* which is the ability of an organization to rectify mistakes in an appropriate way). Those authors consider *Reliability* an outcome of the service that was previously provided, which is subsequently found to be the most important dimension for customers.

Within the US School, another important research (Berry, Parasuraman, 1994) identifies also two main service quality strategies. The first one includes the strategies needed to raise customers aspirations of offered service. This strategy goes beyond customers expectations and is known as these services' surprise (Berry et al., 1985; 1990). The second is devised so that organizations can achieve excellence by continuous improvement. These strategies include initiating service quality information systems to enable service performance to be reported, in order to verify results constantly, especially the impact on profit of poor service. Berry and Parasuraman (1994) discuss ways to improve the organization's image. They suggest that seeking an externally examined quality award not only promotes the organization's image but also improves its competitive edge. Considering those aspects, Parasuraman, Zeithalm and Berry (1985) have developed a service quality model according to which the consumer evaluates the quality of a service experience as the outcome of the difference between expected and perceived service. In the model, it is possible identify five gaps that may lead to unsuccessful service delivery:

- ✓ Gap between consumer expectation and management perception;
- ✓ Gap between management perception and service quality;
- ✓ Gap between service quality specifications and service delivery;
- ✓ Gap between service delivery and external communications;
- ✓ Gap between perceived service and delivered service.

Figure 2 – Model's Gaps



Source: Parasuraman, Zeithalm, Berry, 1985

This is a quite complex model, that requires to consider aspects in service quality standards that regard a wide range of aspects, going beyond those strictly connected with the product/service provided (Van Dyke et al., 1999). However, its very interesting implication is that it inserts customer expectations in destination quality assessment (Fick, Ritche, 1991; Salers Ryan, 1991), confirming the vision of customer as co-producer.

3.1 Quality in Hotel Service

In the light of these general service approaches further studies have specifically tried to define quality or excellence in hotel industry. Usually, in hotel industry the traditional classification divides hotels into categories, such as the “stars’ system”. Thus, it may be considered as an indication of the credible commitment made by firms to a particular level of service (Ingram, 1996) and hotel properties are classified on the basis of their quality extent and service differentiation (Mazzeo, 2002). The star-rating system is a well established and long lasting standard, which has been historically used to rate hotels in Europe and in other areas of the world. In several cases (hotel chains, hotels’ consortia), a grading system is also applied. This is a qualitative assessment directed to investigate how good or bad offered facilities and services are. Therefore, it requires the evaluation of more intangible aspects, also connected with the process of customer service. High star rating and high grades are considered as signals of high quality standards, that explain the request of premium price (Israeli, 2002).

The literature concerning quality management in hospitality is more often focused on big firms, especially hotel chains (Dubè, Renaghan, 1999; Enz, Renaghan, Siguaw, 2000; Enz, Siguaw, 2000; Hirst 1991; Huckstain, Duboff 1999; Partlow, 1993).

An interesting point is the high value hoteliers attribute to resources connected with servicescape, strictly connected with ambient conditions (colours, lighting, music, smells), spatial layout (the aesthetic quality of the establishment, the modernization of the infrastructure and equipment, room space, common areas and reception Capriello, 2007) and more emotional aspects, connected with signs, symbols and artefacts (Bitner, 1992). Besides, the atmosphere and comfort the personell succeeds in generating represent another relevant factor. This approach requires a severe training selection as well as the adoption of motivation schemes for front line employees, responsible for achieving the targeted service quality. This is a very critical aspect in tourism industry, where many firms are characterized by highly seasonal activities: many workers are temporary and can therefore be less qualified and motivated. In fact, they have no long term employment expectations and hotel service training are generally limited. This problem is rather widespread in Italy and mainly involves small and medium enterprises in vacation areas.

Lehtinen and Lehtinen (1982) discussed three distinct hotel service quality dimensions: physical quality, interactive quality and corporate quality. Physical quality includes the physical aspects associated with the service such as the reception area and equipment. Interactive quality involves the interaction between customer and service personnel, while corporate quality includes the firm’s image or reputation.

Other research analyses quality contribution to firms’ performance. Ramsaran and Fowdar (2006) sustain that in hotel industry, quality is the cornerstone for success and is perceived as a key factor in acquiring and sustaining competitive advantage (Hampton, 1993; Shearden, 1988). Many studies have shown that quality service in tourism increases market shares, provides greater return on investment and lowers production costs (Garvin, 1983; Reicheld, Sasser, 1990). Providing quality service improves customer satisfaction and pushes clients to repeat purchases, favouring customer loyalty and relationship commitment. This process can be developed with reference both to domestic and foreign tourists.

As regards strictly customer service, hotels provide an ample range of services, including lodging services, reception, restaurants, meal room service and other support facilities (tennis courts, beach nearby location, swimming pools and gardens).

Hotel service quality can be regarded as a composite measure of various attributes (Benitez, Martin, Roman, 2007). It not only consists of tangible attributes but also of intangible attributes, such as professionalism, safety, quietness: some are difficult to measure accurately and usually studied throughout linguistic information.

For these reasons, the evaluation of service quality in hotel industry is an ongoing process that requires continuous monitoring to maintain high levels of service quality across a number of different service areas (attributes). It should be based on a comparative process that allows managers to identify areas of service improvement or deterioration below planned standards of performance. Thus, evaluation results can be used by managers as a tool to benchmark the different

service areas. Dubè and Renaghan (1999) compared frequent travellers' opinions about the importance of the lodging-industry's functional best practices with those of hotels' managers and operators. They focused on these practices that are perceived by consumers as the most important hotel attributes. Consumers rated the relative importance of specific attributes related to different functional areas, among which the most important (as perceived by tourist) for value creation were:

- ✓ quality and variety of on site hotel services;
- ✓ quality of hotel staff;
- ✓ quality of guest room design and amenities;
- ✓ strong brand name and positive reputation.

Renaghan (1999) showed that most hotels accommodate guests from different market segments and each group assigns different importance to distinct service areas. Travellers usually seek a functional and comfortable hotel. Leisure travellers place their emphasis on comfort, while business and convention travellers are more concerned with staff and management process.

However, in tourism sector the quality concept does not link alone to single service quality, but depends on overall destination quality. In fact, quality in tourism can be seen on two separate but related levels: the specific services and the overall product. Quality of tourist product results from a comprehensive evaluation process connected with the overall experience lived by tourists.

This view is not just the sum of the assessments on single services' quality but is of course influenced by the quality level of the different services provided in the travel experience. Some authors refer to the "period of the truth" (Brunetti, 1999), linked to the fruition of the overall experience of the travel, as well as others define the "moments of the truth" (Normann, 2000) with reference to a continuous learning process made of different combined services. Both statements refer to the time of direct contact between the service provider and the client. IN case of the all network, such a in a destination, customer perception and satisfaction depends on the complex whole of co-produced services. Tourists perceive touristic product as a single holiday, while enjoying the various outputs of the actors with whom they come into contact. So, the fact that the tourist product is complex implies that there are more organizations to improve quality and this leads to the fore the opportunities of inter-firm collaboration initiatives.

Starting from these assumptions, the proposed model takes into account the quality of each individual service provided by hotels, the possible synergies and interactions with a network of hotels and the linkages with global tourism product that tourist co-produces.

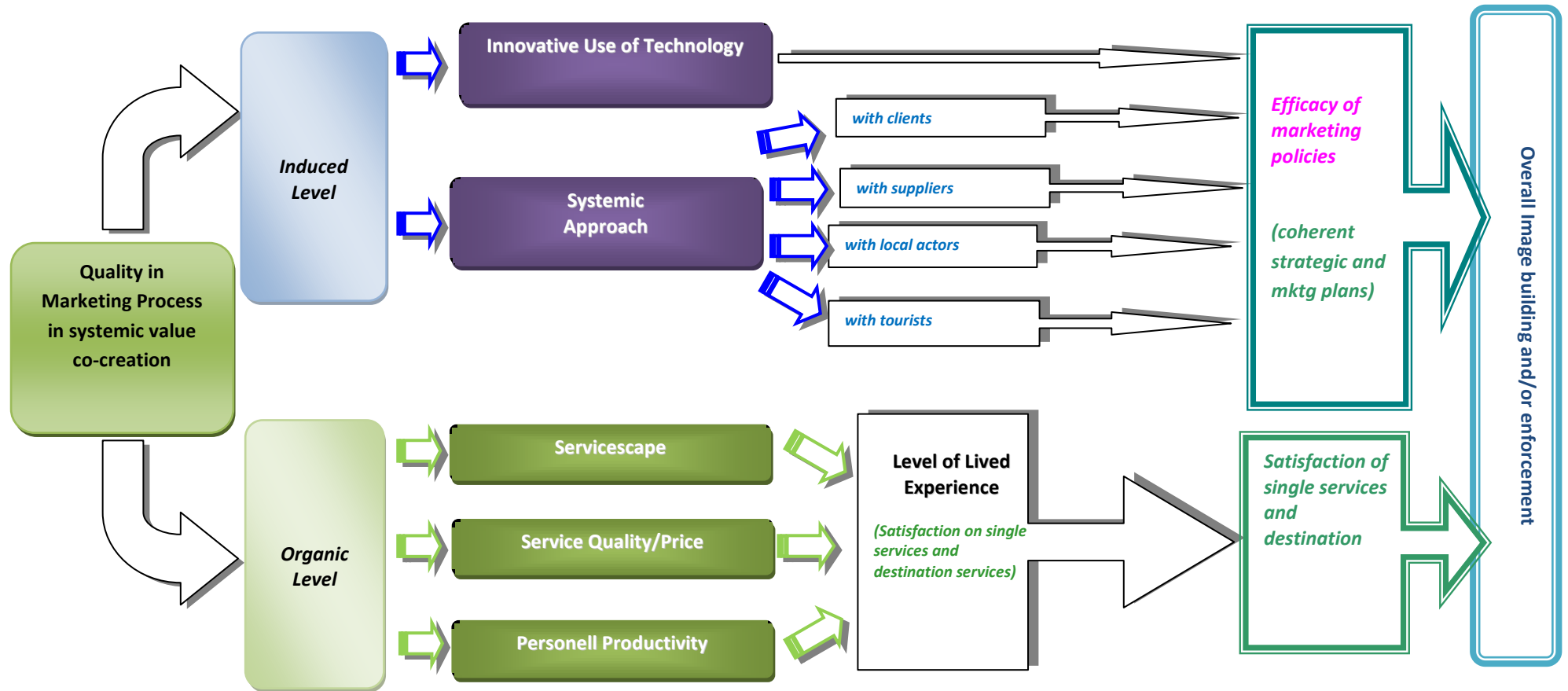
3.2 The proposed framework.

Taking into account the previous work developed by the two examined schools, as well as our initial considerations, a model to apply and monitor quality in marketing process is proposed.

This model refers to quality also connected to all aspects of marketing process analyzed in par. 2 and with reference both to induced and organic level. Besides it can be applied to a single firm as well as to a network (fig. 3).

At the induced level, aimed at attracting the consumer, two main factors can be strategic. The innovative use of technologies, both in terms of modern use of computer science channels and with reference to the possibility of involving consumer more and more in the process of "product creation". A typical example is given by dynamic packaging proposals by tour operators and, in broader sense, by airline companies, or by hospitality products offered by hotels (including reservations for excursion, special dinners, concerts, spa's treatments, for example). At a network level, it is important to consider network's website and/or destination management systems when the network involves one or more specific destinations.

Figure 3 - Quality in Marketing Process in systemic value co-creation



In order to verify the model functioning and subsequently to measure both qualitatively and quantitatively the network co-produced value, the indicators of Quality in Marketing Process (e.g. innovative use of technology, systemic approach, servicescape, service quality/price, personell productivity) have been determined in relation to the factors of the different marketing typologies existing in a network: external, internal, relational and interactive marketing.

Table 1 – Quality assessment framework

		Variables			
		External marketing (firms-clients)	Internal marketing (firm-employees)	Relational marketing (firm – firm)	Interactive (employees-clients and actors-clients)
Induced level	Innovative use of technology	<ul style="list-style-type: none"> ✓ website use ✓ dynamic packaging ✓ CRM 	<ul style="list-style-type: none"> • intranet network use 	<ul style="list-style-type: none"> ○ GDS use; ○ extranet 	<ul style="list-style-type: none"> - development of new information capabilities; - DMS
	Systemic approach	<ul style="list-style-type: none"> ✓ Integrated offers for specific targets ✓ sponsorships 	<ul style="list-style-type: none"> • staff policy incentives • intangibles benefits • employer branding 	<ul style="list-style-type: none"> ○ strategic and commercial agreements ○ development of co-marketing initiatives 	<ul style="list-style-type: none"> - support level to the customer, referring both to the single hotel and to the destination (infopoints, events, road signs)
Organic level	Servicescape	<ul style="list-style-type: none"> ✓ furniture style ✓ music, lights and perfumes ✓ hotel positioning 	<ul style="list-style-type: none"> • employer branding • destination branding 	<ul style="list-style-type: none"> ○ higher satisfaction for ambiance 	<ul style="list-style-type: none"> - new ancillary services offer -improving infrastructures
	Service quality /price	<ul style="list-style-type: none"> ✓ increase of hotel nights spent ✓ sales level ✓ rate of tourists return in the structure 	<ul style="list-style-type: none"> • team working (Social gatherings) • management style • employer feedback 	<ul style="list-style-type: none"> ○ excursions ○ theatre tickets, ○ personal shopper ○ overbooking management 	<ul style="list-style-type: none"> - governmental system of network - level of coordination of the network - systemic products - price alignment
	Personell productivity	<ul style="list-style-type: none"> ✓ answering time to complaints ✓ No.complains 	<ul style="list-style-type: none"> • incentives and rewards attained • staff turnover • avarage absenteeism 	<ul style="list-style-type: none"> ○ specialist training courses 	<ul style="list-style-type: none"> - realization of training course about collaboration in destination management

Regarding the firm-client relation, one of the most representative factors to consider can be the use of technology as a promotional and distributional tool, through which widespread hotel image and favour products' selling. In this area, it is also possible to comprise customer relationship management system in order to verify customer satisfaction and to carry out personalised promotional campaigns. Another important factor is dynamic packaging, intended as an innovative configuration of tourism product with a high level of flexibility to adapt supply to the level and type of demand (Della Corte, 2009).

As regards the systemic approach of external marketing strategies, it can be measured in terms of integrated offers for specific market targets and of sponsorships proposed by the hotel.

At the organic level, referring to servicescape, quality level seems strongly linked to customization degree of the hotel ambiance. The growth rate of attendance and the number of times that the tourists return in the same hotel are the main variables which suggest satisfaction and customer loyalty as the quality of service and price.

Finally, the personnel productivity in business-customer relationship can be measured considering the number of complaints and the response time of these complaints to the customers.

In internal marketing, a crucial role is played by intranet technology that represents one of the instruments most used to improve the efficiency of the hotel production process.

Compared with the systemic approach, the policy of incentives is really useful, as well as the presence of employer destination branding strategies, that reflect the firm and the network's capability of attracting talented resources.

If we focus on the organic level, organizational climate, its ability of maintaining talented resources, as well as the employer destination branding that is the destination's attractiveness as a place where to live can be significant measures. For service quality, the development of team working and management style appear of extreme importance. Finally, the personnel productivity could be evaluated considering the attained incentives and rewards, but also with staff turnover and absenteeism rates.

Relational marketing refers to the relationship among firms, both horizontal and vertical. In this process the role of the GDS is significant as a tool to optimize network connections between different nodes of the chain and to offer customers a complex and unitary product. At the same time, another variable that measures the use of technology in relational marketing is the use of extranet programs, that reveal the presence of communication flows and interactions.

From a networking perspective, the role of inter-firm agreements and co-marketing initiatives reveal firms' approach to collaboration. Service quality can be assessed in relation the overall created ambiance (servicescape) and hotels' proposal of complementary services, in accordance with local firms, such as excursions or theatre tickets and personal shoppers; another interesting variable is given by the arrangements for overbooking joint management, that is the possibility to transfer reservations in overbooking (generated by yield management policies) from one hotel to another of the same category and in the same destination.

The evaluation of personnel productivity is tied to the number of training courses aimed at personal and dedicated specifically to some of the professional policies of the hotel as well as of the network. This, moreover, favours a more homogenous quality standard in offer.

As regards interactive marketing, this can be evaluated in light of destination management systems use and the development of new knowledge, related to information flows among actors. From the systemic perspective, the overall hospitality system, at different level, is important to verify.

In this context, the level of customer integrated services is relevant. The quality of service provided through the network depends on the network governance system and, therefore, is mainly related to the relationship between each member and the eventual pivotal actor in the network.

More specifically, network coordination both at a destination level and at an international level (with foreign partners) can be very profitable, as well as common pricing policies, that reveal a clear and transparent approach of the network members, giving the idea of inter-firm communication. Finally, with respect to personnel productivity, the implementation of common training courses involving employees of the various members of the network shows a clear inter-firm strategy and helps a better destination management approach.

4. An empirical analysis.

Considering the above proposed framework, we decided to test its usefulness through an empirical application on a project of horizontal inter-firm networking, that involves excellent hotels.

This network, founded by the Italian Hotel Association, aims at bringing together hotels 4, 5 and 5-star luxury of some of the major regions of Southern Italy, in order to create a product club that could provide a positive impact on the sustainable development of the territory, through the management of relationships, both horizontal and vertical, local and international.

This project should increase the attractiveness of Southern Italy, creating a network of firms able to exploit the resources in these territories in order to achieve a sustainable competitive advantage.

The study will deepen the process of planning, building and developing an interregional Product Club promoted by an integrated hospitality offer of excellence, aimed to sustainability of Southern Italy's tourism. Thus, this should conduct to the following steps (Fyall, Garrod, Leask, 2003):

- increasing the range and quality of tourism products;
- building business network to increase and improve the exchange of knowledge and information;
- encouraging co-operative ventures and partnerships.

The constituent "Inter-regional Club" will follow, also, both a transversely criteria comprising only luxury hotel, and a territorial criteria, i.e. hotels located in eight regions of Southern Italy.

In these circumstances, the hotels involved in the project are the ones considered excellent, that is the luxury 5 stars, 5 stars and 4 stars hotels in the selected regions, with the aim of creating a product club able to promote excellent structures, attentive to the sustainability principles. The attention is therefore directed both to the service quality delivered by individual facilities (basic service) involved in the product Club and to the network quality, that also favours the overall quality of the global tourism product offered to tourists. This also increases the connections' value between the hotels and other tourism firms in their own destinations as well as the relations between actors and offer forms at an inter- regional level.

This aim is also based on an Italian hotel supply and in particular in the South, where hotel facilities of excellence play a crucial role in tourism marketing strategies and planning. In fact, considering the entire Italian territory, the analysis below shows the strong fragmentation of accommodation sectors: 1,034,710 rooms divided for the 33,768 structures, with an average of 30.6 rooms per hotel against the figures of Spain's 46.1 and 34.6 in France.

With regard to four and five star Italian hotels, the situation is a little bit more complex. For the number of buildings, these account for 13% of the Italian hotel offering and 30% of the total referring to the beds.

In all over Italian territory, the excellence hotel represent the 13%, holding around 640 thousands beds. By focusing the attention on Southern regions involved in the project to which this analysis is addressed, it comes out that these regions are able to propose a high quality service, referring to the number of existing excellent hotels. In this direction, by the creation of a Club Product, Southern Italy can become more competitive in a global market, elaborating a more complex network of relationships between local and national operators.

Furthermore, the analysis will focus on the 8 regions that own a considerable rate of excellent establishments (table 2).

Table 2 – 5 Stars and 4 Stars offer in Southern Italy – 2007

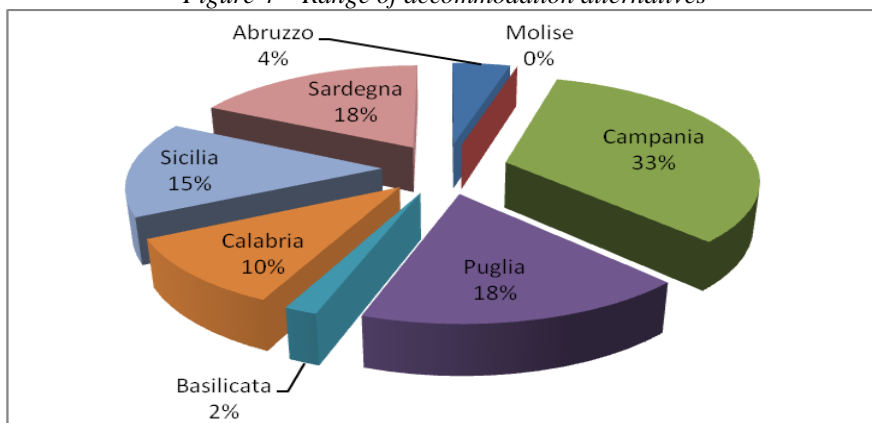
Thipology	Buildings	Beds	Rooms
5 Stars and Luxury	114	18.191	8.526
4 Stars	1,257	250.726	93.904
Total	1,371	268.917	102.430

Source: our reworking on Istat data, 2008.

In eight regions of Southern Italy, especially in Abruzzo, Molise, Puglia, Campania, Sardinia, Basilicata, Calabria and Sicily, the 5 star hotels and luxury hotel accommodation offer is composed by 114 luxury hotels and 5 star hotels, and their capacity is of 18.191 beds.

The range of accommodation choices is concentrated in particular in three regions: Campania, Puglia and Sardinia, which represent the 69% of the total accommodation offer (figure 4).

Figure 4 – Range of accommodation alternatives

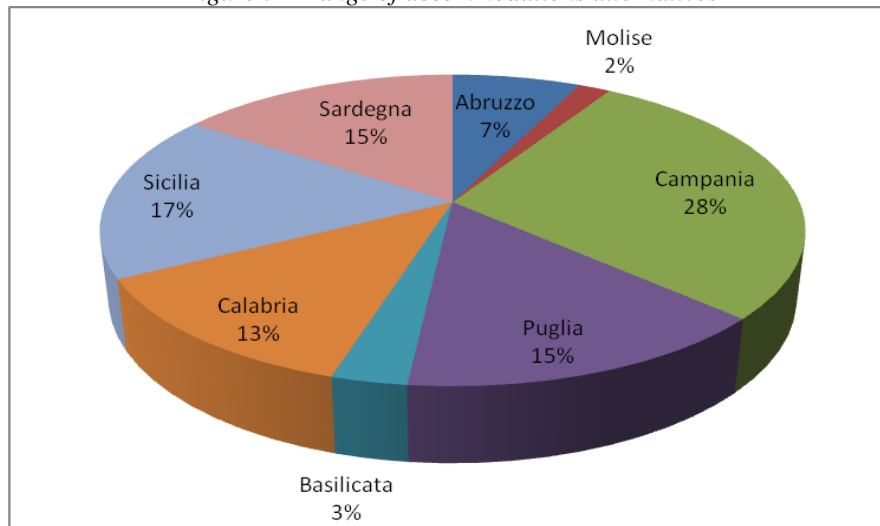


Source: our elaboration on Istat data, 2008.

Only Molise region does not present 5 star hotels, while luxury hotels are arranged in five of the eight regions under consideration.

Four star hotels are 4.234 and the percentage for Southern Italy is 30% of the total. Beds offer for the 4 star Hotels in southern Italy is 205.726.

Figure 5 – Range of accommodations alternatives



Source: our elaboration on Istat data, 2008.

The region with the largest number of 4 star hotels is Campania, with approximately 30% of the total. Beds in the region are 42.582, representing approximately 20% of the total (figure 6). According to the high quality of hotel offering, Campania's hotels have to improve network relationships with local authorities and private firms, as well as inter-regional offers forms, creating adequate conditions of competitiveness on global tourist market.

The main objective is reflected in the desire to strengthen the territorial system, that is rich in many historical and cultural resources, landscapes and nature, trying to make an articulated offer in order to identify genuine strategic factors for the economic and social development of Southern regions, favouring the use of tourism resources at any time of the year.

The analysis is also developed on two levels: the first refers to the quality of the facilities and of the relationships between hotels and international operators and local tourism operators; the second refers to the network quality generated by the Product Club, with reference to the hotels at interregional level.

As highlighted at the beginning of this research, the analysis aims to achieve a double objective: first of all, it goes further to understand network relations and strategies to promote the excellent hotels involved in Southern Italy, by creating a Product-Club; secondly, tourists perceptions and their role will also be directly examined, through a specific demand analysis. In fact, in a second phase, the goal of this research is to verify the image perception referred to different Southern Italy destinations, in which network's actors are located. The analysis, in this phase, aims to understand in which way and under which conditions tourists decide to visit these destinations, how they experience them, and if they are satisfied in front of their previous expectations.

This double analysis will conduct to an overlapping logic, able to analyse the role of the Product-Club, characterized by an innovative quality management approach, on the network's competitiveness. Moreover, networking seems to be a right tool to promote and exploit the huge resource variety of offer, existing in the Southern Italy.

5. Conclusions and managerial implications.

Networking theory can be applied at different levels. In tourism industry it is particularly widespread, since it involves both horizontal relations, vertical relations and destination relations.

The first type of relations can regard also similar firms, such as hotels, that decide to collaborate, in order to promote better strategic activities. The other two typologies are between different private firms and public organizations. Thus, there are more sets of relations, often difficult to analyze, distinguished, in order to see how they really interact in the process of value co-creation.

However, this approach seems to be an obliged path, especially for single firms that, for example, are not part of a hotel chain but represent important firms for the territory, with high quality services.

This framework can be adopted both to evaluate networking initiatives' efficacy and as a decision support system for networking start-ups and management.

From this point of view, Italy and several European countries have to innovate, to revitalize, in front of globalization process. If firms succeed in cooperating safeguarding at the same time their own different identities and features, good results can be achieved. This paper gives strategic hints on how a networking process based on service and destination products' quality offer can develop. Of course, it is not easy to implement it in a context characterized by fragmented industries. Moreover, hospitality offer in Southern Italy, even if it is varied and widely, presents a high seasonality and an excessive fragmentation of policies to promote tourism, especially cultural and natural tourism; by creating a Product Club, the system of tourism businesses can be strengthened and supported, promoting the creation of a qualified and unified image.

The idea, however, is that starting from upper level firms, this logic can later on be considered as a strategic framework that even firms of lower quality offer can apply.

Besides, such initiative can also favour a more intense public-private collaboration and set the basis for an effective destination management process.

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