

“Segmenting networking orientation in the hospitality industry”

Isabella Maggioni, Elena Marcoz, Chiara Mauri

Consumer Behavior in Tourism Symposium 2013 (CBTS 2013)

December 4-7, 2013

Bruneck/Brunico, South Tyrol, Italy





UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

The tourism industry in Italy

- Italy is a “multi-opportunity tourism destination” (Formica and Uysal 1996): variety of products and services that allows creating a unique tourism experience.
- Italy is perceived as a destination that offers at the same time the main categories of tourism: historical, cultural (which includes food and wine tourism), artistic and religious, seaside tourism, mountain tourism, hot springs and spas (Bonini 1993)



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

SMEs in the tourism industry and Valle d'Aosta as a research setting



Valle d'Aosta an ideal study site to study bundling orientation

- Well-known resort worldwide
- Presence of thousands of SMEs operating in tourism and hospitality industry, specialized in particular services
- SMEs are the “life blood of the travel and tourism industry world-wide” (Erkkila, 2004) and strongly influence the development of a local area as a destination
- ... but tourism supply fragmentation is more and more dealing with the need of “all-in-one customer experience” (d’Angella & Go, 2009)



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

Service bundling: a tool to overcome tourism industry fragmentation

Tourists are becoming experience-centric customers (Prahalad & Ramaswamy, 2004)

Paradox related to the fragmentation on the supply side and to the demand of “all-in-one experience” by customers (d’Angella & Go, 2009)

Operators have broadened their tourism offer, and bundling has become an established practice → Hospitality industry players have been developing partnerships with other operators belonging to different industries

The emergence of this practice and the existence of a wide variety of operators that offer a broad range of services for the winter and the summer seasons make VDA an ideal laboratory to study operators’ bundling orientation, i.e. their willingness to collaborate in developing bundles



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

Previous research on collaboration in tourism destinations

Collaboration increases the competitiveness of a destination (Bennet, 1999; Dywer, 2003; Hill & Shaw, 1995; Holder, 1992, Wang & Fesenmaier, 2007).

Partnerships in the tourism industry and in particular in the hospitality industry are considered as “a logical method for growth” (Dev & Klein, 1993, p.42) and a facilitator for market and products development (Chathoth, 2004)

Research on collaboration among SME's in the hospitality industry has been confined to a small number of contributions (Buick, Halcro, & Lynch, 1998; Lynch, 2000; Tinsley & Linch, 2001; Alonso, 2010).



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

Our study in 2011

Study of Marcoz, Mauri, Maggioni & Cantù (2011) focused on the relationship between the perception of benefits achievable through service bundling and hoteliers' networking orientation

Result: trust is a key collaboration enabler, and acts as a bridge between benefits achievable through service bundling and hoteliers' networking orientation



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

Key issues emerging from literature

Many theoretical paradigms (strategic management, networking theory etc.)

Formal partnerships but also informal relation-based collaborations

Personal networks of small business owners play a critical role in developing collaboration

Sustainability in networks for the long-term development of a destination

Partnership between public and private organizations, and inter-governmental partnerships

Factors and motivations which may contribute to or restrict the development of partnership in tourism industry (Bramwell & Lane, 2000; Bramwell & Sherman, 1999; Hill & Shaw, 1995; Jamal & Getz, 1995; Palmer, 1998; Palmer & Bejou, 1995; Selin, 1993; Selin & Beason, 1991; Selin & Myers, 1998; Tremblay, 2000; Beritellin2011)



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

3 objectives of the study

Identifying the most relevant drivers that enhance networking orientation among tourism operators

Segmenting hoteliers according to their motivations to collaborate in developing bundles

Profiling segments according to the operators' characteristics



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

Sample

Population: 746 accommodation facilities: 411 hotels, 42 agritourism firms, 123 bed & breakfast, 66 touristic residences (apartment hotels, RTA), 104 guest houses and stopover locations

Time : October (quiet period)

E-mail to participate with endorsement of ADAVA

E-mail questionnaire with 2 parts:

- 1) Collaboration and service bundling
- 2) Business activity (age, category, n. of rooms, governance, location etc.)

Telephone call to remind

164 Questionnaires returned (22% response)

Hotels (55.5%), B&Bs (27.4%), agritourism firms (3.7%), apartment hotels (7.9%), guest houses and stopover locations (5.5%).

Family business 64%

Average age 14 years



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

Scales

52 items measured on a 5 point Likert scales taken from literature with some adaptation to measure:

- Hoteliers' orientation towards collaboration (Kandemir, Yaprak, & Cavusgil 2006)
- Benefits achievable through bundling (Blomstermo, Eriksson, Lindstrand and Sharma 2004)
- Trust (Suh and Houston 2010)
- Innovativeness (Calantone, Cavusgil and Zhao 2002)
- Market orientation (Narver and Slater 1990)
- Service orientation (Vella, Gountas, & Walker 2009)
- Customer orientation (Deshpandé, Farley and Webster 1993)



Techniques

Factor analysis on the 52 items

Cronbach α to check internal consistency of scales

Cluster analysis (K-means) on factor scores to identify segments in terms of their propensity to collaborate : 4 clusters

CHAID to profile the 4 clusters with hoteliers' cluster membership as dependent vbl and accomodation characteristics and governance as independent vbls



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

Multidimensionality of propensity to collaborate: 10 factors

Drivers of collaboration factors and items	Eigenvalue	Variance (%)	α	Mean
F1: Benefits achievable through bundling	15.259	11.296	.923	3.950
F2: Hoteliers' innovativeness	4.834	10.096	.912	2.773
F3: Past experience in collaborating/networking	3.429	9.335	.928	2.522
F4: Information sharing	2.914	9.011	.911	2.862
F5: Trust in the integrity of other operators	2.450	8.354	.819	3.927
F6: Willingness to learn through collaboration	2.092	5.451	.880	3.555
F7: Customer orientation	1.549	5.102	.782	4.280
F8: Market orientation	1.488	4.364	.729	3.996
F9: Service orientation	1.304	4.328	.722	3.029
F10: Benevolence towards other operators	1.034	2.571	.761	3.396
Total variance extracted (%)		69.909		



Variety of motivations of hoteliers' networking orientation: 4 segments

	Cluster 1 (n=66)	Cluster 2 (n=37)	Cluster 3 (n=17)	Cluster 4 (n=44)	F value	Sig.
Benefits achievable	-.17391	.40537	-.46420	.09933	4.305	.006
Innovativeness	-.11317	-.64635	1.40014	.17231	24.241	.000
Past experience	.50090	-.01018	-.15792	-.68178	15.903	.000
Information sharing	.27954	-.40802	.30033	-.19224	5.198	.002
Trust in integrity	.44441	-.43596	-1.01115	.09066	16.108	.000
Willingness to learn	-.07012	-.43102	-.01626	.47391	6.245	.000
Customer orientation	-.23369	-.08259	-.02111	.42815	4.212	.007
Market orientation	-.12297	-.29347	-.35824	.56965	7.734	.000
Service orientation	.23066	-.70574	-.44879	.42087	13.620	.000
Benevolence	-.20526	.48622	-.92390	.25598	11.504	.000
Cluster name	Relational/ Socials	Benefits-driven	Innovators	Marketers Market driven		



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques

Results from chaid: agritourism a cluster by themselves

Cluster Number of Case

Node 0		
Cluster	%	n
Relational/Socials	40,2	66
Opportunists	22,6	37
Innovators	10,4	17
Marketers	26,8	44
Total	100	164

Accommodation type
p-value adj. = 0,05
Chi-square = 13,372, df=3

Hotels, B&Bs, Touristic residences, Stopover locations, Guest houses		
Cluster	%	n
Relational/Socials	41,1	65
Opportunists	20,3	32
Innovators	10,8	17
Marketers	27,8	44
Total	96,3	158

Agritourism firm		
Cluster	%	n
Relational/Socials	16,7	1
Opportunists	83,3	5
Innovators	0	0
Marketers	0	0
Total	3,7	6

The most unstable segment

Governance type
p-value adj. = 0,005
Chi-square = 15,067, df=3

Personal networks,
inward-oriented,
low innovation

Family Business		
Cluster	%	n
Relational/Socials	43,8	63
Opportunists	22,2	32
Innovators	9	13
Marketers	25	36
Total	87,8	144

Managerial		
Cluster	%	n
Relational/Socials	14,3	2
Opportunists	0	0
Innovators	28,6	4
Marketers	57,1	8
Total	8,5	14

Formal partnerships,
outward-oriented,
innovators



UNIVERSITÀ DELLA VALLE D'AOSTA
UNIVERSITÉ DE LA VALLÉE D'AOSTE

Dipartimento di Scienze Economiche e Politiche
Département des Sciences Économiques et Politiques