

**SERVICE INNOVATION THROUGH NETWORKING AND VALUE CO-CREATION  
SOME EMPIRICAL EVIDENCE FROM HOTEL INDUSTRY**

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**Abstract**

*The purpose of this research is to study deeply innovation in service through networking strategies. In tourism sector, it is extremely interesting to study collaborative relationships even among competitors, in a general scheme of value strategy co-planning, typical of coopetition. We propose a theoretical model which deepens its roots on resource-based theory (RBT) with a service-dominant logic (SDL) perspective. In this direction, “relational view” and coopetition logic (game theory) are considered in value co-creation, applied to service innovation in hotel high quality management. This provides a fresh theoretical platform to examine aspects of entrepreneurship and improve theorising. Our theoretical framework can represent a possible tool in terms of strategic decisions’ support systems. This framework can be adopted to evaluate networking initiatives’ efficacy both in service innovation and in value-co-creation, with a set of advantages for the single firm as well as for the whole system (destination). The originality of this paper concerns its capacity of considering the issue of service innovation in a network perspective that involves RBT, SDL and coopetition.*

*Keywords: Process innovation, Coopetition, Value co-creation, Networking, High quality service.*

## INTRODUCTION

The purpose of this research is to study deeply service innovation through networking strategies. In tourism sector, it is extremely interesting to study collaborative relationships even among competitors, in a general scheme of value strategy co-planning, typical of coopetition.

With this objective, we propose a theoretical model that is based on resource-based and its relative development in relational-view, service-dominant logic and game theory perspectives.

We therefore study how networking, according to these perspectives, generates value co-creation and verify it through an empirical investigation on hotel high quality management. Following previous studies (Della Corte & Micera, 2011; Della Corte, Di Taranto, & Micera, 2012) we therefore verify coopetition dynamics on a sample of high quality hotel firms in some destinations in Campania Region.

## LITERATURE REVIEW AND RESEARCH GAPS

### Innovation fostering through networking

Inter-firm collaborations between hotel companies can be framed within the so-called cooperative strategies. The corporate cooperation presupposes the achievement of shared goals through resource sharing and network's resources and competences' creation. These collaborations develop through informal agreements or equity associations and consortia (Benevolo & Grasso, 2005). In the last twenty years, such cooperation agreements have evolved into a fairly high level of interaction between actors; the development of ICT has contributed significantly to the development of "networking" expertise able both to favour skills in tailor-made services as well as to ameliorate clients' satisfaction. This process is increasingly developing both horizontally and vertically among firms of the tourism industry.

In an increasingly complex environment, individual strategies are challenged by cooperative agreements (Teece, 1987) the transition from closed systems to open systems (that are the systems that interact dynamically between them and with the external environment) has changed firms' strategic paths, more and more based on relationships with other companies in the context of creative management (Vicari, 1998), through the development of common ideas, strategies and policies in processes and services' implementation. Moreover, creative ideas and creativity in general (Amabile & Conti, 1999) are the basis for innovation and can be considered its initial source. The innovation process consists of four phases: research, development, production, marketing (Burbiel, 2009); creativity is transversal to these phases.

In the past, the concept of creativity was associated with the need to find a solution to a problem (problem solving). The creative idea was considered almost like a forced process, often necessary to exit from a critical situation. Today, however, the process of creative management,

especially in service economies, aims to maximize the resource use, financial performance and corporate image. It is interesting to propose a perspective that overlaps the word “creativity” with the word “strategy”, on the basis of the concept by Ciappei (2005).

According to this view, the creative act can be analyzed taking into account various types of creativity:

- *creativity and its formation*: this is the initial phase in which you can define the creative idea;
- *subjective creativity and systemic creativity*: the creative manager is the actor who thinks the idea; systemic creativity is a systemic mechanism that develops the idea in the organization at a system level in dynamic terms;
- *intentional creativity and spontaneous creativity*: the first refers to a process planned and wanted by the manager, in a deliberate way (mainly problem solving approach);
- the second, even if consciously sought, is gained during a process that is already underway;
- *retrospective creativity and prospective creativity* can be implemented on the basis of information that exist or not;
- *creativity set*, designed, implemented, emerging: creativity set is formalized by the actor (manager) in a deliberate way, the second is the parameter assumed to be made choosing the alternatives, the third unintended consequences that implemented realized at an early stage, the emerging finally achieved owing to factors unforeseen or unintended, which significantly alter the creative idea set.

The creative managers must possess, in addition to a strong sense of forecasting, enhanced flexibility that encourages the abandonment of the original creative idea when external or internal factors are in conflict with the implementation of the idea had at an earlier stage. Therefore, the basic idea is that innovation linked to creativity has become more and more complex over time, since it is often developed within inter-firm networks and systems, through relations of different kinds among actors.

Some basic assumptions need to be made in order to find out the main research gaps in the literature. *First of all, in the literature creativity and innovation seem to be fostered mostly in more difficult and turbulent environments.* Woodman, Sawyer and Griffin (1993) have developed a model based on the creative behavior of members of an organization that not only emerge from the creative and spontaneous behaviour but is "polluted" by past events or critical aspects of the current situation. Contextualizing these aspects in business, it is possible to understand how the application of creative ideas, to be durable over the time, must allow for the macro-political, economic, social and technological setting. The idea, to be creative, cannot be disregarded from the above parameters: the more difficult the environment is presented, the

more the creative process must take into account the tangible and intangible aspects that may affect the full implementation of innovation. On this regard, the creative process can proceed through sub-goals, continuous starts and postponements (Gruber, 1988). Such uncertainty is usually caused by changes in the environment or by its complexity. It is useful to remember that companies tend to implement innovations in product or service during the expansion of the market because this has a greater capacity to absorb new products and companies can get more profits from innovations (Geroski & Walters, 1995). And yet it is common opinion that in times of crisis or economic stagnation those companies should implement processes to innovate creative thesis. In this case, these processes can serve as a driving force and a renewed driving force for economic development. The importance of employment in business strategies for R&D proves so crucial, and these costs are related to this field, in practice, among the first to be eliminated in times of crisis because they are not related to specific categories of employees. Eliminating these costs, companies lose their ability to innovate.

Besides crisis situation, there can also be rather stable contexts where, especially through inter-firm relationships, new processes and ideas can be developed. In spite of this, the survey on taxonomy of Schumpeterian innovations (1911) highlights the importance of non-technological innovations related to changes in the organizations. Following this line of research, in the Oslo Manual (published by OECD and EUROSTAT in 2005, p.46), the innovation is identified as "the implementation of a new or significantly product (good or service), or process, a new marketing method in business practices, workplace organization or external relations". "Innovation, then, is not necessarily the creation of a new technology and can arise more frequently in the expression of entrepreneurial behavior that manifests itself in unexpected ways and unexpected but welcome from the market" (Valdani, 1996). *Innovation, and creativity, in this optic, are bound to and require knowledge*: this aspect is often misunderstood or skipped in the literature. However, knowledge is important since it helps the euristic process of exploration beside exploitation in innovation and dynamic capabilities can help this process.

In fact, as known, Knowledge-based view (Nonaka & Takeuchi, 1995; Grant, 1996) identifies the company as a portfolio of knowledge resources, individual and collective. "The core competencies of the company are designed to complement the portfolio of knowledge in a supply system that has value for customers in more than competing systems. In view of the KBV outsourcing relationships, and more generally firm relations, can be a tool to expand and integrate the knowledge of potential resources that the firm may have"(Cantone & Sicca, 2003). This "bundles of utilities" should be put to good used by management that has a dual role: on the one hand, to implement a process of skimming of available knowledge, opting for what is useful and can be implemented in the enterprise; on the other, knowing practically how to use it

at best within the organization. Knowledge management has also the task of converting tacit knowledge into explicit and usable knowledge. Knowledge must not only relate to the environment or the resources of the agreements in the strict sense but also and above all must strive for the resource aware client. This is particularly demonstrated in the enterprise services that link their attention to the above total customer satisfaction. In an age of revolution not only technologically but also in the fashions and habits, knowledge of the preferences of the customer-consumer is subjected to processes of obsolescence due to changes of various kinds.

Studies on dynamic capabilities (Eisenhardt & Martin, 2000; Teece, Pisano, & Shuen, 1997) are important to be considered since they focus on the ability of businesses to adapt and innovate, proactively, the allocation of resources. The latter may be changed by a creative management that can adapt to the environment. "The proactive company stands out for the constant redefinition of its business formula that is developed around six words of great meaning: customers, competition, capacity, change, consensus, commitment" (Valdani, 1996). Considering customer as focal actor, the management must take all possible actions to satisfy him/her, so as to generate value. The capacities are related to creativity and skills that distinguish the company's ability to cope with critical factors. The change is essential, as mentioned, to accommodate and adapt to changing tastes and demand, therefore, face the competition. Consensus, in particular to trace the organization to achieve an optimization of the results in terms of motivational drive by staff. Finally, commitment: taking total responsibility by all members of a proactive behavior that put into practice. The essence of the proactive behavior is to act promptly, in a creative way, to market changes without waiting for the competing companies or organizations, implemented the first strategic moves. In this changing process, the customer plays an active role. Resources, therefore, can be expanded, reduced, integrated depending on the objective you want to pursue.

The variability of tourist flows and the homogeneity / heterogeneity of demand are among the main reasons for companies to establish relations of cooperation, including in sharing of media and platforms. The spread of 'Information Technology has facilitated the collection of faster information, the benefits of these new forms of technology, until not long ago, were to be found only in cataloging, processing and storage of data related to the profile customers or other variables determined by management. The evolution of these techniques, over time, has led to a remarkable development in the approach and ability to cross and data collection. This favours the constituency of market segments and processing of data available for broader groups. In such process, knowledge becomes a major driver to implement or change policy choices. For service firms, particularly those hospitality sector, learning and mastering of customer data are crucial. The implementation of information technology does not follow a fixed pattern, there is indeed a unique path or a universal process for the

implementation of these technologies and therefore, the application of these procedures, often follows neither a predefined order, nor encrypted processes. Despite the lack of well-defined patterns relating to ICT, there is no doubt that information technology has transformed the quality of services. According to Gershuny and Miles (1983), not all services lend themselves to conversion processes for the application of Information and Communication Technology but, given the centrality of information factors of the service and its production process and delivery, you can still achieve significant results in terms of efficiency and quality. It can be achieved when the data available to management, concerning both customers and resources, are as much detailed as possible. Companies that achieve the highest levels of internal and external performance, not surprisingly, have a high degree of detail in the collection of information and its processing. Even Pavitt (1984), explored the theme of study and innovation information service enterprises, defining them as essentially "dominated by the supplier," or "passive adopters of technology developed externally (Sebastiani, 2006). In addition, technical ICT can be a valuable marketing tool for companies in the tourism sector, particularly for hotel companies that can establish a direct channel with the visitor. On this regard, the information needs of marketing may merge with the technology of information: the Marketing Information Technology is a modern instrument (and still not widespread in Europe) that combines these two aspects.

Another application of I.T. techniques applied in tourism and hotel sector and developed substantially in recent years, concern interactive television services, and not only for guests staying at the hotel. Interactive service even includes contents' sharing in rooms' management. Again, the data stored and used by the hotel staff to be analyzed. The customer can have direct access to price lists, timetables and restaurant menus, reservations, video on demand and reports of various kinds. In addition, reservations on-line services discounts on Check In and Check Out consistently facilitate the life of the host. Hotel companies have based their success the adoption of such information technology systems.

Therefore service innovation is not only based on technology: the creative process expresses itself also in the phase of service provision and direct relationship with the customer (organic phase of marketing process). The marketing process in tourism industry is in fact characterized by two levels (Della Corte, 2013): the induced level, that mainly refers to the phase of service promotion and involves the traditional marketing tools aimed at convincing the customer to choose that specific proposal; the organic level refers to the services provided once the tourist arrives in the destination and in the pre-chosen accommodation structure. The organic level refers to factors like service escape (that is the overall ambiance, context that the tourist finds and that generate in him/her specific perceptions); productivity and the relationship between service quality and price. These are all factors that can contribute to create the experience as unique, with consequent levels of customer satisfaction and loyalty. The point is

how and to which extent networking strategies can improve the innovation of such a complex service?

As shown, there is a wide literature on this topic. However, a more systematic approach to the issue seem to be required from a strategic point of view. In particular, literature on innovation fostered by inter-firm collaboration and networking is still not exhaustive. Therefore, **the first research hypothesis** is:

*“Innovation and subsequent firm performance can be higher when generated by inter-firm relationships (networks), where also customer plays a key role”.*

Then if networking and cooperation can be relevant in innovating in tourism industry, we should even study the relevance of cooperation on the quality of the provided services, thus getting to the **second research hypothesis**:

*“Network strategies influence the complex tourist product quality: if the firms pursue a co-planning value strategy, this latter affects marketing choices of tourist product.”*

### **A new model for networking value co-creation in cooperative contexts**

Coherently with what has been underlined in the previous paragraph, the issue of innovation can be connected with inter-firm relationship, thus favouring value producing and sharing, in a net of actors where customer plays a key role. This aspects concern both strategic and marketing processes.

The question of inter-firm relationships and networking has longly been treated by the literature on RBT, with specific reference to the stream of research labelled as “relational view” (Gulati, 1998; Kale and Singh, 1999, 2007). On this topic, different scholars (Gnyawali and Madhavan, 2001: 432) define the network as a loci of resources in terms of “potential conduits” to internal resources held by the other actors of the network, as well as of external economies generated by cooperation processes (Dagnino and Padula, 2002; Della Corte, 2009a, ch. 2). However, relational view is mainly concentrated on information flows -Padgett and Ansell, 1993). Its real added value in research is that it favours a “less centric approach towards an open-minded set, according to which every actor that surrounds the firm can be interpreted and become a real source of advantage” (Della Corte, Sciarelli, 2012).

Transposing this optic into marketing terms, approaches like service dominant logic (Vargo and Lush, 2004, 2006, 2008; Akaka *et al.*, 2012) underline the importance of customer in the value creation process, even in the way customer uses the product/service provided by the firm. This is extremely true “in service industry, where in customer satisfaction and retention

analyses precious information on competences to invest on can be obtained” (Della Corte, Sciarelli,2011).

The research is therefore based on the Service-Dominant Logic assumptions in the light of relational view, applied to the tourism sector, emphasizing, therefore, the role of relationship resources and how these facilitate value co-creation processes.

Specifically, S-D Logic introduces a new concept on the relationship between firm and customers, more coherent with the current competitive environment (Levitt, 1981; Normann, 2000; 2001), in which the service is the common issue of all exchange phenomenon. In this logic and according to a resource-based approach, all actors in the social structure can be seen as resource supplements and can be co-creators of value. In this context, the Service-Dominant Logic considers both businesses and customers of operant resources in that both of them act in opposition to traditional marketing idea, according to which suppliers produce goods and services associated with a response from the customer. According to this perspective, the firm cannot create value, but can only offer "value propositions" and then, in a collaborative way, it creates value with customers. So the service provided is only an input for the task of creating customer value. Before the value can be created, that input should be integrated with other resources, some of which are accessible through the market and other public or private ways. Thus, value creation is always a result of a collaborative and interactive process, which takes place in one set of multiple relationships.

The creation is mutual and reciprocal, "the service is exchanged for the service" almost by definition. That is, not only the firm provides inputs to the activity of creating value for the customer, but the customer does the same for the firm. In this logic, the customer integrates resources through various sources to create his own in the form of knowledge and skills. He is in fact a customer rather than a consumer and therefore becomes a provider of expertise, a quality controller, a co-producer or co-marketer (Storbacka and Lehtinen, 2001). His creating value process can be defined in a number of activities he puts in place to achieve a particular goal. A key aspect of the customer ability to create value is the amount of information, knowledge, skills and other resources that they can access and use (Normann, 2001). If a supplier aims at improving its competitiveness, it must develop its capacity of "completing" the range of customer resources, in terms of skills and capacities, or influence the client process so that he is able to use the available resources more efficiently and effectively. At the same time, the customer, with his requests, observations and claims, gives precious hints to the producer according to an interactive process.

In a systemic perspective, value co-creation through networking can be analyzed in its connections with cooperation and innovation (Gottfridsson, 2012). Therefore, the analysis in this paper is mainly concentrated on the relationships between firms focusing on cooperation

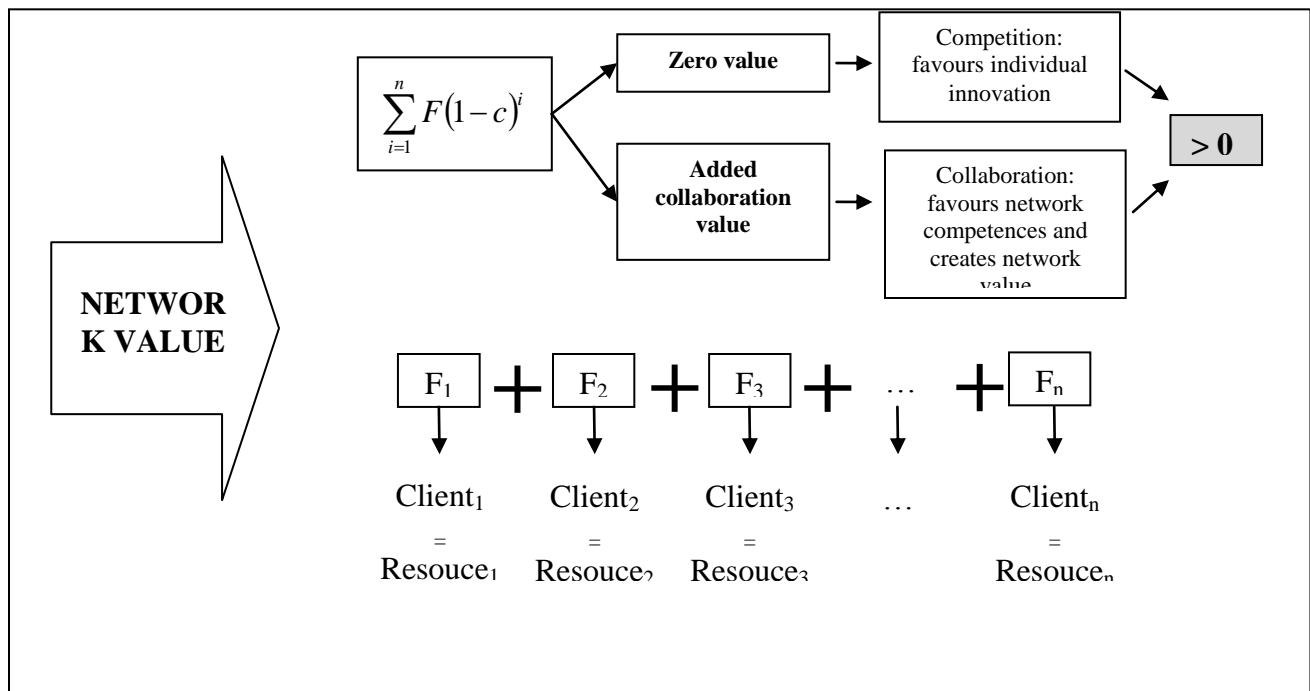


situations and on the advantages of cooperation through relational strategies and marketing activities change from individual firm strategy to relational strategy and marketing.

Assuming that the reading of Service-Dominant Logic approach in an RBT perspective allows tourism businesses to obtain a better fit between what a tourist needs and what the tourism business system offers, a theoretical framework is proposed to analyze the dynamics generated by a network of excellent firms on the process of a destination's relationship marketing, both at the induced and organic level, and its related impact on the overall image of this destination.

The basic idea is in fact that each firm in the system (from F1 to Fn) has specific resources and competences (Figure 1). In luxury hotels, more than ever, the personalization of the services the ultimate expression of quality, in a framework where the customer, with all his/her complaints, suggestions and remarks, becomes him/herself a resource. In this scheme, the overall created value is given by the summation of the value of the single firms, respectively enlarged with their own customers as resources, plus the added network level, as a result of inter-firm collaboration. This latter aspect goes even further resources and competences' creation, generating also positive effects on the interactions with customers through co-joint processes.

Figure 1. Networking process and value creation.



Innovation in a complex set of firms determines a double effect: on one side, a competition among players with reference to the provided services (for example, hotel firms); on the other side, the possibility of starting and developing projects through collaboration. This forces drive towards a key concept on this issue, which is *coopetition*.

Some researchers view the *coopetition* as the situation that is created when an enterprise makes some competitive actions that grant some benefits to some other players in the same industries; under a different interpretation, the term is referred to the situation when a firm competes with some firms while cooperating with others, different from the first; a last point of view on *coopetition* is that of a firm that has some cooperation relationships with firms that are, at the same time, competitors in some other market. A vision of the *coopetition* as an aspect of the relationship is the fundament of the *coopetition's* definition that identifies it as that situation in which two or more firms interact on the basis of *partially overlapped interests* and it is represented on a continuous segment on the basis of the relative weight given to the competitive component and that of cooperation (Dagnino and Padula, 2002).

The competition aspect in the firm's actions is interpreted following the theories of the *competitive paradigm*; theories that can be divided in those that ask the firm to modify or follow the market structure (Porter, 1980, 1985) and those that address the firm towards the development of capabilities that are difficult to imitate by *competitors* (Barney, 1991). Following this paradigm, the firm in order to gain a profit must subtract it from the other players in the market; in this way the structure of the market is a homeomorphism of a *zero-sum game*.

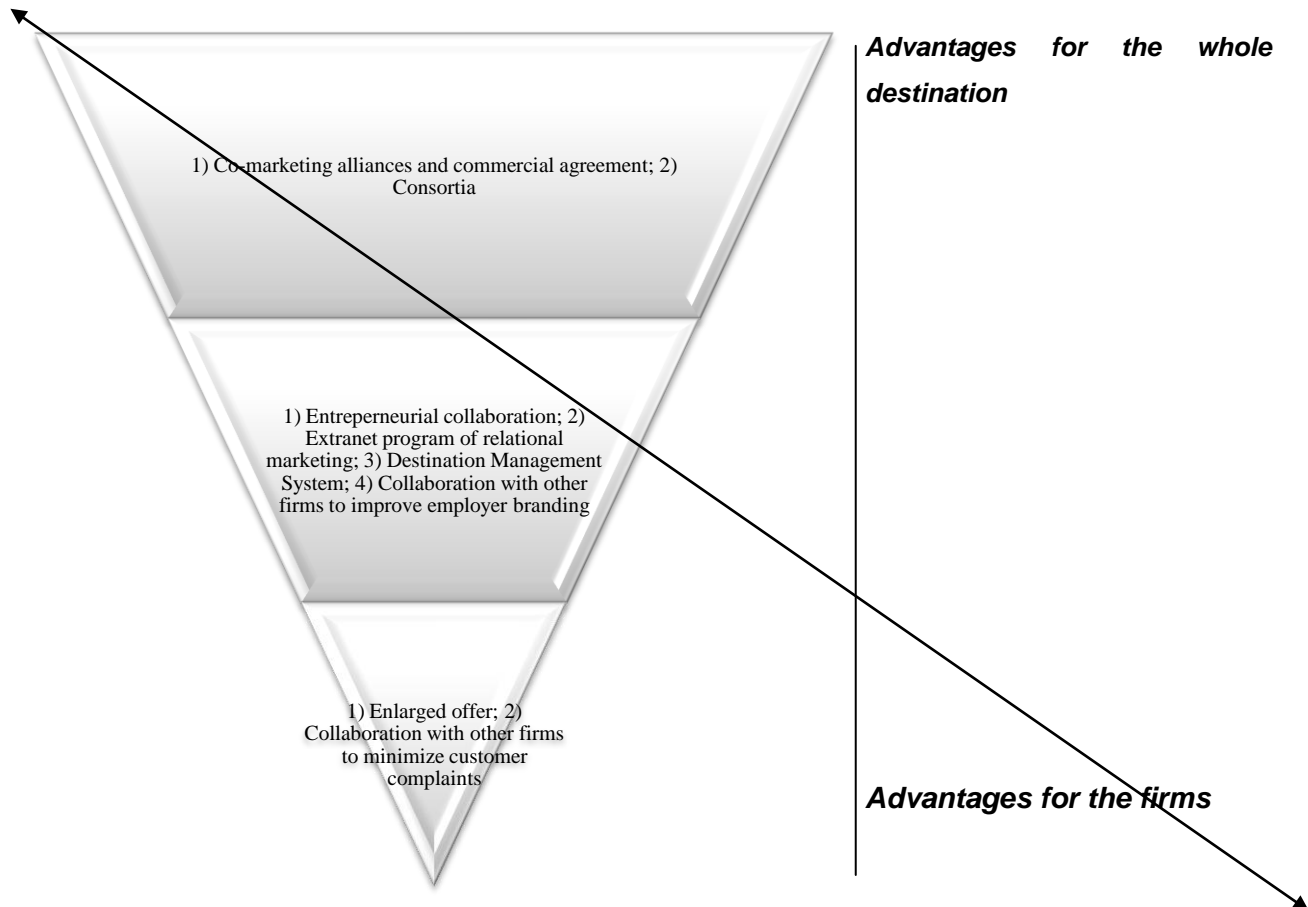
At the same time, cooperation components, partially elaborated as an answer to the previous paradigm, preview that the market structure could be viewed as a *positive-sum game*. This interpretation set the concept of *cooperation advantage* against that of *competitive advantage* of the previous paradigm. The *cooperative advantage* comes out of a net of strategic interdependence between the firms with overlapping interests and it has been initially developed as a way to explain vertical interdependences rents (Håkansson & Ostberg, 1976).

Even the market's interpretation obtained through both paradigms is different, as the *competitive* market is characterized by *instantaneous exchanges* which can lead to opportunism and the related control costs (Williamson, 1978); *collaborative* market asks for a greater care of the long run, that leads the enterprise to factor in the mutual advantages of a reciprocally correct behaviour.

Applying such logic to firms in tourism industry, it is possible to single out the main advantages of cooperation from the single firm to the destination as a whole, we can imagine the following scheme. In the bottom, the effect of networking relationships in value co-creation process is focused even if more strictly connected to some specific firms. In this first case, there can be some collaborations in innovation in order to get to a better service and reduce

customers' complaints. At the second level there is much more collaboration, through interactive entrepreneurial activities, relational marketing and destination management. At the widest stage, there is an overall product that is developed by more consolidated networking actors, through collaboration. In this last case, the advantages are higher also for the destination.

Figure 2. The pyramid of cooperation agreements.



The strategies in the pyramid are organized along an ideal continuum where, by a side (top of pyramid), there are strategies that can guarantee a more direct advantage for the single firm and, by the other side, there are strategies that can guarantee advantages for the entire destination.

This theoretical model and approach has led to the following research hypotheses: 1. innovation and subsequent firm performance can be higher when generated by inter-firm relationships (networks) where also customer plays a key role; 2. network strategies influence the complex tourist product quality: if the firms pursue a co-planning value strategy, this latter affects marketing choices of tourist product.

## METHODOLOGY

We decided to test the proposed theoretical model empirically, trying to find answers to the above underlined research hypotheses. This is however a research paper, that mainly concentrates on the conceptual issues and on a first test of the model. Empirical research has been carried out using a rational choice sampling method on a set of excellent hotels located in some of the main Campania's destinations (Italy). The main selection criteria have been: 1) hotel grading and 2) hotel location. In particular, the hotels of excellence with a 4, 5 and Luxury rating have been chosen since they can have a role in the creation of high quality products, aimed at the differentiation of the overall image of the destination where they operate. The selected destinations are 1) Capri and 2) Sorrento Peninsula. Those ones have been identified, using the 6As (Della Corte, 2009, 2012) framework, according to which a destination is a tourist destination (able to autonomously attract demand) when it has the following distinctive features:

- *Access*: accessibility of the location and mobility within it;
- *Attractions*: local resources able to attract demand;
- *Accommodation*: hotels and/or other accommodations;
- *Amenities*: complementary activities necessary to complete the tourist offer (restaurants, shops, local crafts, recreational activities);
- *Assemblage*: existence of proposals and package tours (including dynamic packages), made by tour operators and travel agents;
- *Ancillary services*: presence of companies offering sightseeing, tours and events, dedicated transport services for tourists (incoming companies) and activities of local authorities and support organizations that define the paths of the tourism strategic development in the area (policy of tourism).

Starting from these data, collected via questionnaire that provides both closed and open answer, the identification of the sample has been constructed considering the hotels belonging to Federalberghi and Confindustria associations. This has conducted to a sample of 74 units, of which 55 are located in the Sorrento Peninsula and 19 in the island of Capri.

## EMPIRICAL ANALYSIS & FINDINGS

### **The Advantages of Collaboration in Quality Amelioration:**

#### **From the Firm to the Destination**

The data herein elaborated were collected by another research team, coordinated by Prof. Valentina Della Corte. In order to verify our research questions, the sample was *ex post* stratified (i.e. after data collection), according following criteria: 1.the firm adopts co-strategy

actions (first level); and 2. the customer has a key role in the process of value creation (second level).

Because the customer role is a key aspect in the first research question, 'customer retention' has been used as performance indicator. This one, in fact, respect to financial indicators, seems to express the fidelity level of customer to the firm (Kaplan, Norton, 1992). So, to study the firms' propensity to co-networking strategies, a dummy variable (codified 0, if the firm has not propensity to collaboration approach; and 1, otherwise) has been used. This one is the first level of stratified sample divided into two groups. Then, for each ones, the percentage of firms where *customer plays a key role* was taken into account.

To investigate the statistical relations between the dimensions explained above and the firms' performance and to make comparable the hotels' performance in both areas, a normalized index of 'customer retention' has been proposed. So, considering an index range equal to [0; 100], three levels of firm performance are taken into account: 1) the first level is from 0 to 33%; 2) the second one is from 34% to 66%; and the third one is from 67% to 100%.

Table 1. Collaborative strategies, customer as value co-creator and firms' performance

An empirical evidence in Sorrento Peninsula

Firm performance	Co-networking strategies			
	YES		NO	
	Customer is value co-creator		Customer is value co-creator	
	YES	NO	YES	NO
Low (first level)	.60	.50	.40	.38
Medium (second level)	.75	.75	.48	.40
High (third level)	.96	.80	.36	.40

Table 2. Collaborative strategies, customer as value co-creator and firms' performance

An empirical evidence in Capri

Firm performance	Co-networking strategies			
	YES		NO	
	Customer is value co-creator		Customer is value co-creator	
	YES	NO	YES	NO
Low (first level)	.50	.40	.38	.34
Medium (second level)	.64	.63	.42	.36
High (third level)	.84	.79	.40	.37

The index calculated in previous tables (Table 1, 2) has a variation range equal to [0; 1]. It is 0, when there is no statistical connection between the characters; it is 1; vice versa. Therefore, when the index is more than 0, there is a statistical connection and all value in this range express different connection intensity. The achieved results underline an evident link between the investigated dimensions, i.e. the firms' performance level and 1) customers' involvement in value creation process; and 2) firms' propensity to co-planning and to co-networking strategies. To better understand this empirical evidence, according to our theoretical framework, we have individuated, in our sample, a third strategic approach between collaboration and competition. This one is the coopetition.

Trying to apply empirically the above explained theoretical funnel through a polychorical correlation, the influence exerted by the single strategy on performance results has been analyzed. The elaboration output seems to be very interesting: in both Capri and Peninsula Sorrentina, the analysis confirms our research hypothesis.

Table 3 - The polychorical correlation analysis.

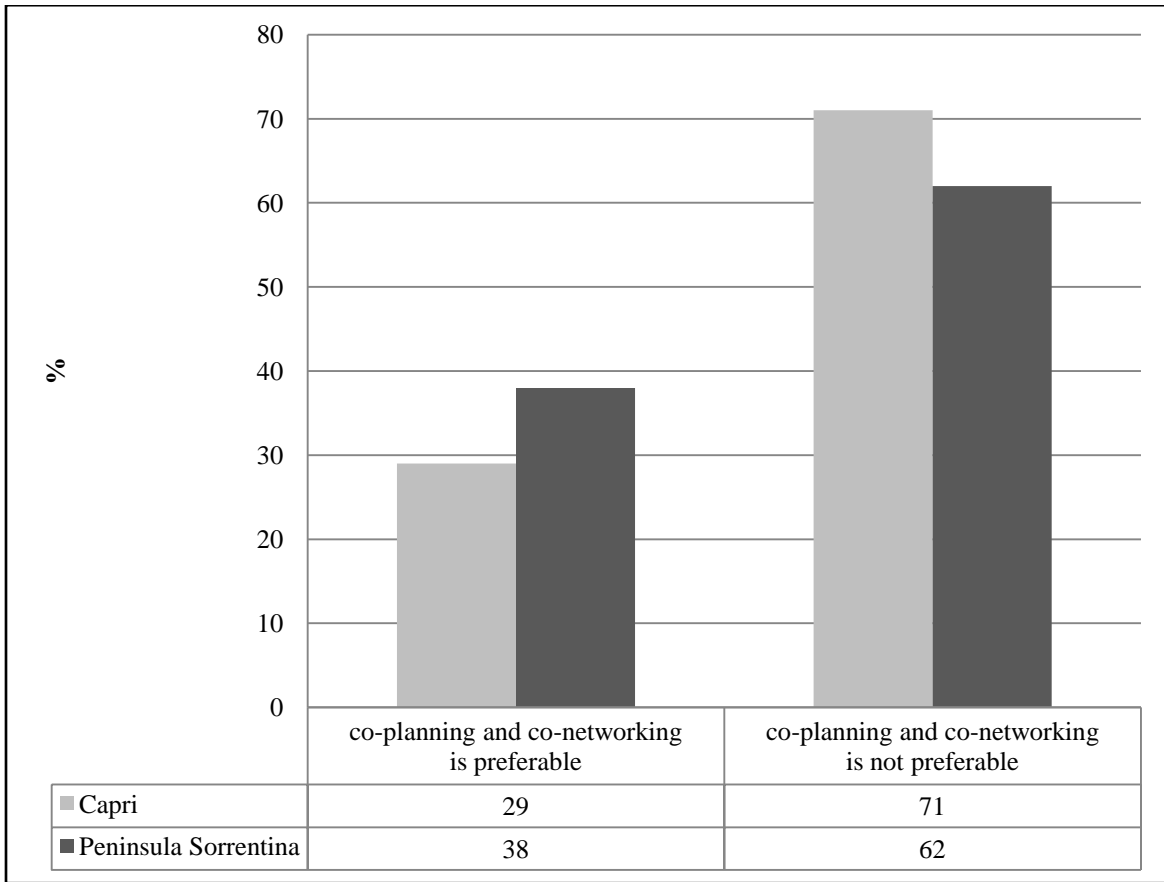
Areas	Strategies	C <sub>pol</sub>
Peninsula Sorrentina	Coopetition	+ .90
	Competition	+ .56
Capri	Coopetition	+ .75
	Competition	+ .60

Because the C<sub>pol</sub> index can varies in [-1; +1], when it is equal to -1, there is a perfect inverse correlation between statistical characters; when it is 0 there is no correlation; and when it is equal to +1, there is a perfect positive correlation.

Therefore, according to our analysis, the value of indexes referred to coopetition, in both areas, verifies that this one has a stronger influence on performance level respect to the competition strategy. Furthermore, comparing results, an important difference can be pointed out: in Capri, even though the coopetition strategy has a strong influence on the performance results (+0,75), the competition one seems to be little less important (+0,60).

On the contrary, in Peninsula Sorrentina, the difference between competition and coopetition is more evident (and equal to .34). In fact, by analyzing our data matrix, we get to the results shown in figure 3.

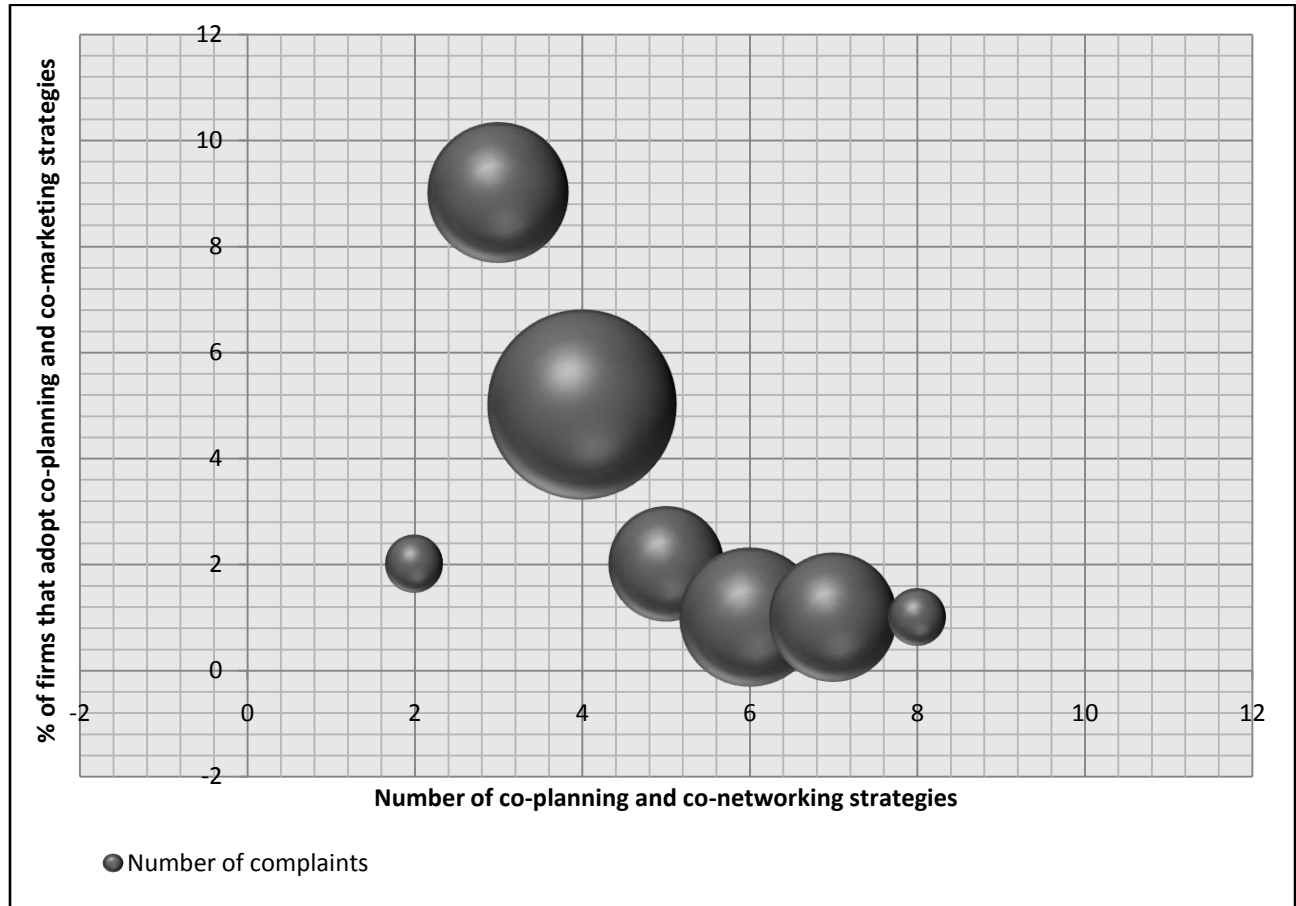
Figure 3. In your opinion, the collaboration with other operators can help you to enlarge your hotel offer?



The touristic operators’ perceptions are different in Capri and in Peninsula Sorrentina. According to the graph (figure 3), it is clear that the co-planning and co-networking are better perceived by firms operating in Peninsula Sorrentina (38% of hotel are in favour of co-planning and co-networking strategies). On the contrary, the same strategies are not considered useful or preferable (respect to competitive strategies) by hotel located in Capri (only the 29% of firms in Capri are agree with our question).

**As regards the second research hypothesis**, “*Network strategies influence the complex tourist product quality: if the firms pursue a co-planning value strategy, this latter affects marketing choices of tourist product*”, to study the strategic choices of hotel firms both in Capri and Sorrento Peninsula, a three-dimensional analysis has been carried out (figure 4). In our model, the dependent variable is number of customers’ complaints – conceived as proxy of quality product. A bubble chart is a version of classic point chart: in the first one, the data are depicted by bubbles and their size expresses a further dimension, that the point chart is not able to represent.

Figure 4. Tridimensional analysis of firms' behaviour towards co-planning and co-networking strategies in Sorrento Peninsula.

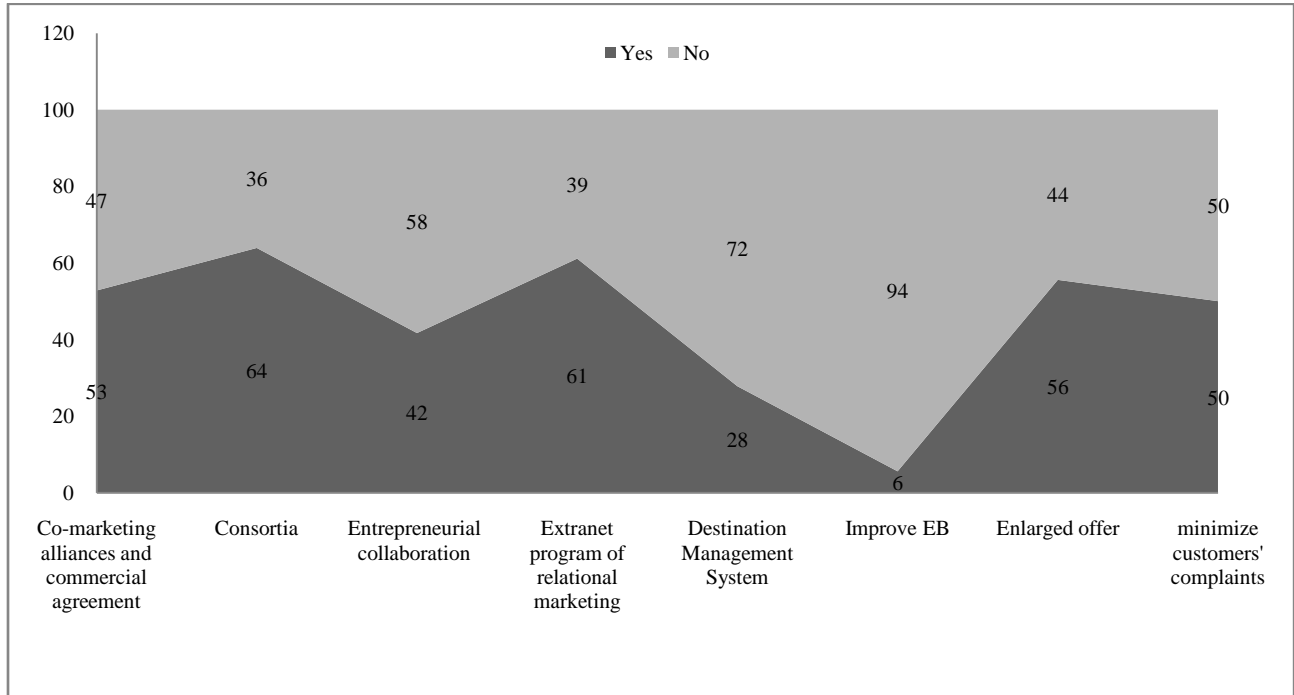


In ordinate and in abscissa, there are respectively the number of co-planning and co-networking strategies (see also figure 1) and the number of customers' complaints. In our study, the third dimension is the percentage of firms that adopt co-planning and co-networking strategies. Therefore, the sample is clustered along the ideal continuum proposed in figure 1. So, in this way, an exploratory analysis about the statistical connection between firms' strategies and customers' complaints can be carried out.

Unfortunately, the bubble chart is not able to highlight the activities more frequently adopted by the firms. This means that it is not able to capture the relative importance of single activities – and/or their combination – on the number of customer complaints. To allow this limit, we used an area chart (See figure 5 on the next page).

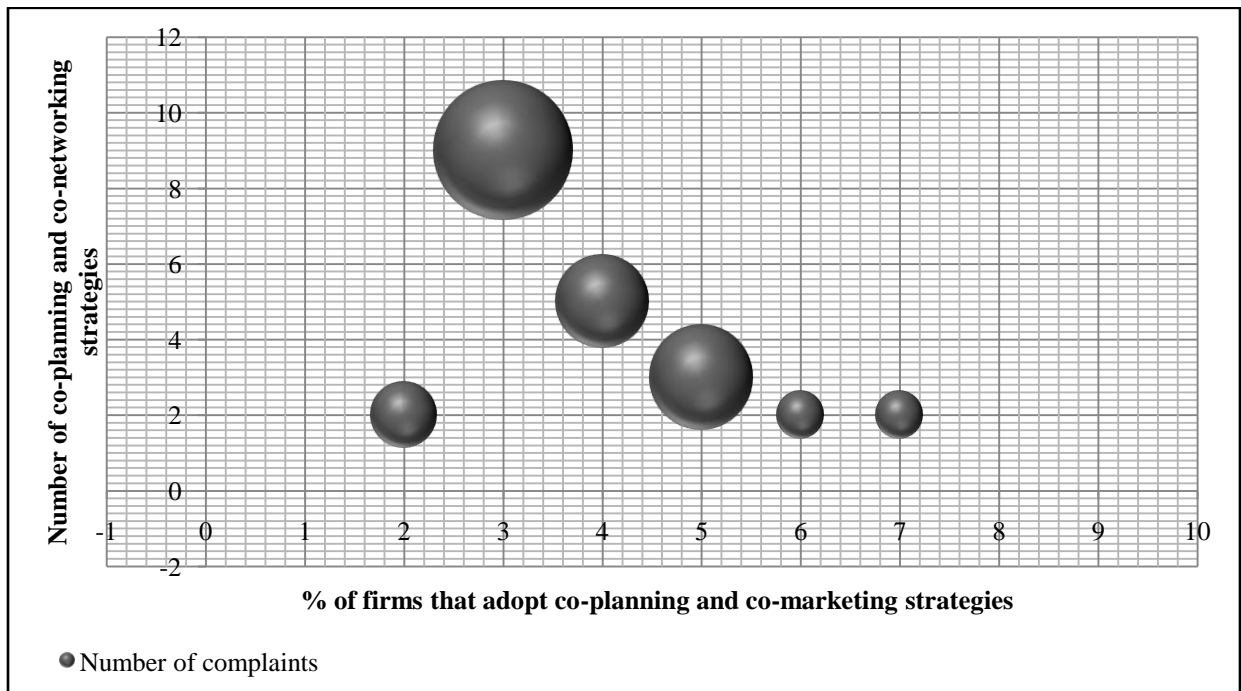


Figure 5. The strategies adopted by hotels in Capri: a comparative approach.



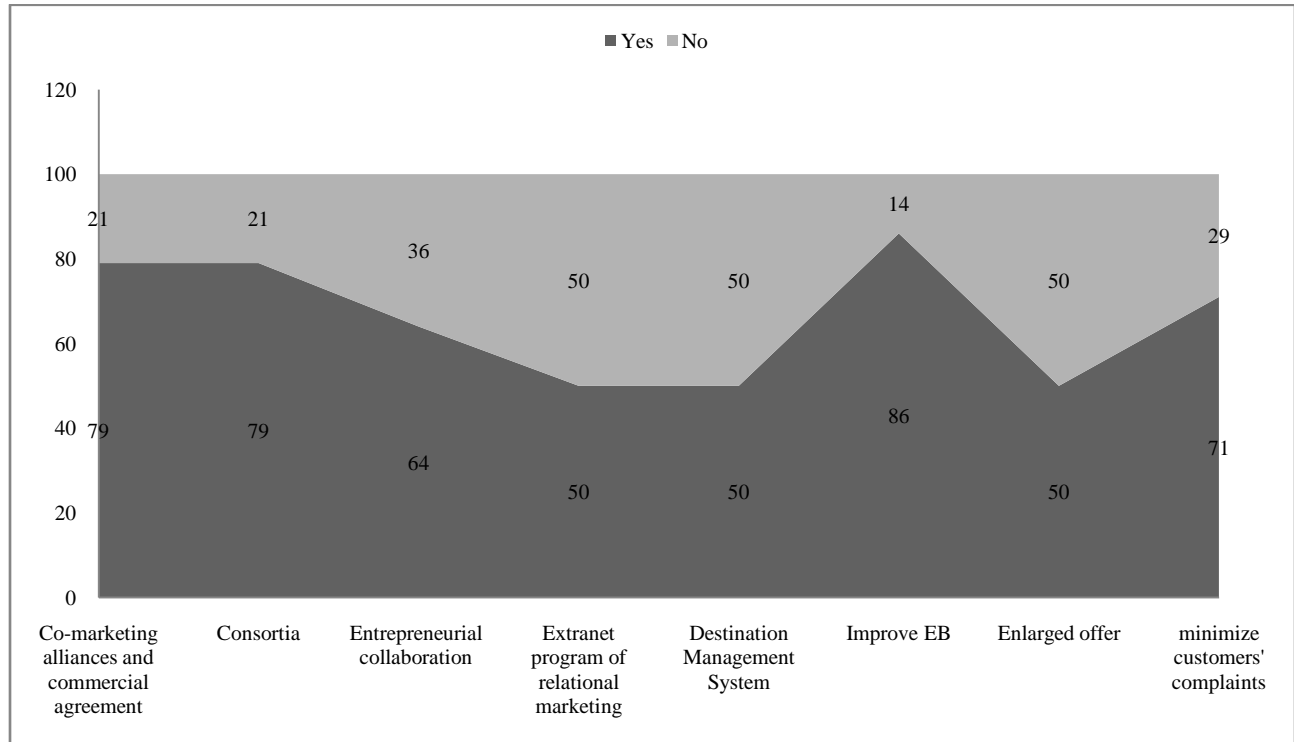
The figure 5 clearly shows that, in Sorrento Peninsula, only a small percentage of firms can understand the importance of co-planning and co-networking strategies to improve the employer branding and to realize a real Destination Management System. But also the other items achieved a percentage of “approvals” around the 50%.

Figure 6. Tridimensional analysis of firms' behaviour towards co-planning and co-networking strategies in Capri.



In order to compare Sorrento Peninsula and Capri, we repeat the same analysis.

Figure 7 - The strategies adopted by hotels in Capri: a comparative approach.



The results show that, in both areas, the strategic potentialities of co-planning and co-strategies approach do not seem understood by hotel firms. Considering the results shown in tables 1, 2 and 3 – about the statistical connection between these activities, the strategic role of customer in the value creation process and the firms' performance – it is clear that hotel firms both in Capri and in Peninsula Sorrentina are not taking advantage of the (strategic) possibility of cooperating.

## CONCLUSIONS & IMPLICATIONS

This study gives a relevant contribution both to the theory on the new perspectives on service innovation in tourism industry and to the managerial practice, in face of the issue of inter-firm collaboration between individual firms.

Firstly, it comes out that relationships and networking activities are important in this sector both with between different actors of the industry (hotels, tour operators, travel agencies), that are complementary in their activities, and among firms of the same sub-sector (like in this case, hotel firms). This exists not only in operational activities but mainly in the most creative process of product construction.

Besides, the proposed theoretical model can represent a useful support system for decision makers, in order to be more aware of the importance of inter-firm collaboration for service innovation improvements.

Nonetheless, we know that the case of two tourist areas in Mediterranean coast is not enough representative. This is a current limit of our research. In any case, the main expected goal of this paragraph is testing our theoretical model. So, given that our sampling method is not probabilistic and taking into account the purpose of this section, it follows that the representativeness of cases is not required. In fact, our interest is testing the model rather than carrying out a substantive study and, therefore, our interest is not generalizing achieved results to the population. For this reason, our analysis will be mainly descriptive and we do not present any validity or reliability indexes.

It could be interesting to extend the analysis to other areas and to apply it also to different firms of the sector.

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